Simplifying the Credentialing Process for Providers: Automation as a Strategic Approach to Enhance Operational Efficiency

The provider credentialing process is an essential process in the healthcare environment, which facilitates a determination of qualifications, education, licensure, and experience so the facility can guarantee its patients are in good hands and compliant with the facility.

Yet even though credentialing in healthcare is essential for maintaining operational integrity, credentialing remains a lengthy and complicated process.

To help ease costs related to credentialing and improve safety and quality for patients, automated credentialing, such as the services offered by Provider Passport, serves as a strategic process to help with delivering a professional credentialing validation.

Automated credentialing increases accuracy and reduces the time required. Using technology in the process helps organizations build credibility with providers and improves efficiency in healthcare overall.

Challenges with Traditional Credentialing Methods

Time Drain

Procuring credentials manually is incredibly time-consuming, dragging out the provider enrollment process and delaying patient care. Each application alone takes hours of administrative work, ultimately resulting in the credentialing process taking much longer than necessary.

Initial credentialing typically takes an average of 20-30 hours, and recredentialing takes an additional 10-15 hours per provider. The inefficiencies of this process create barriers in a disruptive way to the entire healthcare system.

The key time-related challenges include:

- **Slow provider start times —** Prolonged periods of comprehensive credentialing prevent providers from seeing patients quickly, lessening entry to care and limiting workforce efficiency.

- **Heavy administrative workload —** Staff spend dozens of hours per provider collecting, reviewing, and verifying documents, which adds up significantly in large organizations.

- **Onboarding delays —** Prolonged verification and approval cycles slow down onboarding, frustrating both providers eager to start and administrators managing tight schedules.

- **Operational bottlenecks —** With resources tied up in credentialing, other critical tasks are delayed, reducing overall efficiency across departments.

- **Impact on patient care —** Long turnaround times mean fewer active providers, longer wait times for patients, and reduced healthcare system responsiveness.

In the fast-paced health-care environment in which we live today, these delays become expensive. The time drain of manual credentialing affects providers and staff, but also adversely affects patient outcomes and organizational performance.

Cost Burden

The traditional credentialing process is painfully lengthy and expensive. The reliance on paperwork, manual processes, and duplicative processes drives costs sky high for healthcare organizations. Instead of focusing expenditures on patient care or strategic expansion, teams are devoting a considerable amount of their budget to redundant administrative processes.

Significant cost-related challenges are:

- **Excessive allocation of resources —** Every time a credentialing cycle is initiated, some hours of staff time are required for document collection and individual manual verification, which results in wasted human and monetary resources.

- **Increased administrative costs —** The manual nature of credentialing ultimately increases operational costs for things that could otherwise be spent on clinical and related services (e.g., time spent reproducing credential files, confirming incomplete forms).

- **Budgetary pressures —** There is ongoing tension for organizations between managing two conflicting priorities: managing cost and compliance. Organizations must be careful to consider both to avoid risk, being compliant by cutting corners, and expensive credentialing by being thorough.

- **Implicit opportunity costs —** Crediting takes time and financial resources away from activities that improve patient care, facilitate the adoption of technology, or provide new services.

Compliance Risks

Credentialing manually creates serious compliance hurdles for healthcare organizations. So many pieces of the puzzle need to be put together to give you a full picture. Licenses, certifications, and regulatory items require manual processes that leave too much room for oversight and mistakes.

A missing document or incorrect entry can cause significant ripple effects in compliance, finances, and reputation. The most significant compliance risks are:

- **High error rates —** Errors are easier to make when data is entered manually and management operates in siloed contexts. It is easy to not have the right documents or have outdated documents and other key items.

- **Regulatory violations —** Not meeting regulatory standards of organizations such as HIPAA, CMS, and The Joint Commission can have negative implications. These may include fines, audits, and disruption of operations.

- **Financial implications —** Noncompliance means that reimbursements can be put on hold, fees can put the organization in a deficit, and even reduce patient trust, resulting in even more financial loss.

- **Reputation —** Not consistently credentialing employees erodes the organization's trust with providers, patients, and other components of the organization, resulting in weakened relationships.

Research shows how important these concerns are: in a study, 53% of patients encountered errors in directories, representing their mental health providers, around everything from outdated contact information to incorrect availability. Patients were directly impacted by incorrect directories, leading to increased use of out-of-network providers that caused surprise medical bills.

The Importance of Simplifying the Credentialing Process

Ensuring Compliance and Risk Management

Strict regulations (HIPAA, CMS, accreditation) must be met by healthcare organizations. Automated credentialing systems reduce the risk of human error, reduce the burden of tracking the required documents, and automatically flag missing documents and overdue updates.

This allows providers to meet compliance requirements and allows the healthcare organizations' staff to avoid tedious manual checking (and possible errors in missed documentation) in order to meet compliance on behalf of the providers.

Without any requirement for compliance, organizations can incur greater legal and financial risk, as they are unable to guarantee that credentialing is done accurately and completely. Keeping records and credentials updated gives the healthcare practice the ability to avoid fines and penalties, the freezing of reimbursements, and reputational harm.

Impact on Provider Onboarding and Retention

Credentialing process delays frustrate providers interested in getting started as quickly as possible; however, unnecessarily long credentialing timelines lead to increased delays. Onboarding slowdowns can impede morale, limit patient access, and greatly reduce the efficiency of the organization as a whole.

On the other hand, simple credentialing allows for quick onboarding and increases provider satisfaction. When processes are streamlined, physicians experience administrative efficiency, allowing them to focus on quality care and not administrative matters associated with entering practice. According to AAPPR, **94%** of organizations report that credentialing support makes onboarding more positive.

That is, reduced administrative burden in turn promotes provider retention, lowers turnover, and reduces provider burnout; thus, mitigating strain on provider and organization. With the growing competitive landscape of healthcare, the quick and simple process of credentialing, onboarding, and maintaining quality providers in your organization will be paramount.

Key Pain Points in the Credentialing Process

Manual Data Entry and Paperwork
High reliance on repetitive data entry and paper-based documentation is one of the largest challenges in the credentialing process. Each provider application requires forms, updates, and verifications, and as organizations do these tasks manually, errors creep in. Small errors, like a typo or a missing document, can delay approvals and compliance issues for the entire organization.

The drawbacks of manual paperwork include:

Precision risks — Duplicated data entry raises the chance of mistakes. This then leads to incomplete or incorrect records that slow down the approval process.

- **Heavy administrative burden —** Your staff will need to spend hours tracking and updating, as well as syncing files across different applications, which then leaves less time for higher-value tasks.

- **Cumbersome auditing —** With information spread across spreadsheets, binders, and paper forms, pulling accurate files for audits or compliance reviews is both time-consuming and stressful.

- **Lack of transparency —** Manual systems make it difficult to monitor progress, identify bottlenecks, or maintain consistent compliance across high volumes of applications.

- **Delays in completion —** Each of these inefficiencies adds up, leading to slower credentialing cycles that frustrate providers and strain operational efficiency.

In contemporary healthcare. The continued dependence on manual paperwork is just no longer sustainable, and without automation, organizations will start to gradually face slow onboarding, higher compliance risks, and an overextended administrative workforce.

Fragmented Systems & Lack of Integration

Many healthcare organizations are still using siloed platforms that do not talk to each other, requiring staff to enter the same data in multiple platforms and wasting time.

Lack of integrated systems in a disconnected medical provider credentialing process creates gaps, duplicates, and lost documentation when credentialing. Instead of spending time ensuring compliance, staff are spending their time chasing information.

With such a set of fragmented systems, workflows remain disjointed, which slows down approvals and frustrates providers in the delivery of care. Integration is necessary for accuracy, efficiency, and a clear audit trail in healthcare today.

Time-Intensive Verification & Approval

Verifications are among the most time-consuming parts of the credentialing process. They consist of verifying a practitioner's licenses, certifications, work history, credentials, training, and other qualifications. When verification is done by hand, it slows down and can introduce errors into the process, delaying provider onboarding and patient access to credentials.

- **Prolonged validation cycles –** Manual reviews on licenses, certificates, and connections oftentimes take weeks, causing considerable onboarding delays for new providers.

- **Unperceptive approval procedures –** After confirmation, approvals can stretch out for months, starting bottlenecks that hinder both providers and officials.

- **Impact on providers –** Delays prevent providers from beginning clinical duties, reducing morale and increasing the likelihood of early dissatisfaction or attrition.

- **Strain on organizations –** Long credentialing timelines limit patient access to care and place additional pressure on healthcare systems already struggling with staffing shortages.

- **Risk to patient care –** Extended delays mean fewer available providers, leading to longer patient wait times and reduced efficiency in healthcare delivery.

In the end, thorough verification and approval processes can drag the system down. Without faster, more efficient automated verification tools, organizations can not only lose providers to quicker onboarding processes within their local market, but also impede a patient's access to care.

Automation and Technology in Credentialing

Automating the Credentialing Process: Key Technologies & Tools

Healthcare organizations utilize various artificial intelligence (AI) solutions using digital platforms and automated workflows to develop efficiency and accuracy in their credentialing processes. These solutions will not only decrease the opportunities for human error but also improve quality and consistency for credentialing events.

Automated license validation and document collection remove manual, repetitive tasks, eliminating redundancies and allowing staff to spend their time more efficiently, making the right decision.

By using these automated workflows, organizations can lower credentialing time or credentialing cycles that once took at least weeks. In addition to shortening credentialing cycles, the use of AI- or ML-driven validation of data will quickly flag inconsistencies and decrease delay days for health professionals resulting from back-and-forth communication, as confirmed by NAMSS.

Benefits of Integration with Existing Systems

The credentialing process in healthcare automation works best when it is tightly integrated with existing platforms, including EHR and HR systems. This capability creates consistent information flow across systems, thus reducing duplicate entries and improving the accuracy and quality of data.

Instead of needing to manually update a credentialing record, credentialing administrators are able to reduce their overall workload and avoid propagation of errors with integrated systems.

Additionally, integrated systems are much better for long-term efficiency by minimizing the number of places where provider data exists. If data is updated in one platform, it updates in the others, therefore decreasing compliance reporting and auditing efforts.

Real-Time Updates and Tracking

Another significant advantage credentialing automation offers is real-time tracking of applications. Dashboards provide a quick look into each step so administrators and compliance officers can easily pinpoint areas of bottleneck. Providers get visibility into their status, which enhances the onboarding experience by reducing the frustration and uncertainty.

Automated alerts and notifications include visibility at each stage of the provider credentialing process. For instance, if a provider's license is about to expire, or if something is pending on their board certification document.

The appropriate parties will be immediately notified within the system. Not only does this visibility allow for faster approvals, but it also greatly helps in avoiding missed deadlines. As well as providing you with a more efficient onboarding experience.

The Future of Credentialing Starts Now

Automation is revolutionizing the medical provider credentialing process, speeding up approvals, reducing risk, and improving the provider experience. As tech evolves, healthcare organizations should act now. Partner with Provider Passport to simplify your credentialing process for providers and let your team focus on what matters most: delivering excellent care.