Credentialing

What's the Risk?

Credentialing is the formal process by which healthcare organizations review a healthcare professional's (HCP's) licensure, certification, references, and other professional information pertaining to the qualifications and ability to provide healthcare services. HCPs should be properly credentialed to ensure patients receive safe care, provide standardization, and minimize risk exposure to the physician practice. Failure to properly credential HCPs may result in increased liability risks to the medical practice.

Credentialing is a complex yet vital process for healthcare practices that assesses the qualifications and clinical practice history of HCPs. Primary source verification is the process of verifying education, training, and certifications directly from the originating institution.

For the sake of clarity in this chapter, HCP refers to employees of the physician office who are licensed or maintain certifications as part of their employment. This includes physicians, nurse practitioners, certified registered nurse anesthetists, certified nurse midwives, physician assistants, and anesthesia assistants. Credentialing may also include verification of registered or licensed practical nurses, respiratory therapists, physical therapists, certified nurse aides, and certified medical assistants.

When Is This Risk an Issue?

Credentialing involves the evaluation of past and present clinical competencies of HCPs who work in a medical practice. Office practices must exercise due diligence when selecting and supervising employees and reviewing their competency. An ongoing system that monitors and assesses continued competence through the revalidation of credentials and performance evaluations will go a long way toward providing high-quality care.

Credentialing is required by hospitals, managed care organizations, ambulatory surgery centers, and nursing homes. Large physician groups and any other entity or group that offers healthcare also may require it. As the kind and number of healthcare organizations serving the public grow and change, the demand for credentialing those who affiliate with them also increases.

National and state agencies provide credentialing guidance and standards. Refer to these national agencies and your respective states for current recommendations:
- [National Committee for Quality Assurance](#).
- [National Practitioner Data Bank (NPDB)](#).
- [American Board of Medical Specialties](#).

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- [American Association of Nurse Practitioners](#).

Two national agencies that assist with determining if an HCP has sanctions or exclusions against a license are:
- [Office of Inspector General (OIG)](#).
- [System for Award Management](#).

Credentialing Body
The group that performs the credentialing of practitioners varies with the type of organization. In some cases, institutions conduct their own credentialing; in others, it may be done by a physician-hospital organization (PHO) or other contracting entity.

Credentialing Files
It is important to keep credentialing and recredentialing files separate and distinct from employment records, peer review files, and other files kept by the group or institution conducting credentialing. Maintain all credentialing information obtained from the practitioner or any other outside source in a confidential file. An authorization from the practitioner or an appropriate court order should be in hand before releasing credentialing information to any third party.

Credentialing Criteria
The practice should ensure that the information used to select an individual candidate is based on established criteria relevant to the position.

Photo IDs
To minimize the risk of a claim of discrimination, a group or organization should limit its use of any photo ID to legitimate business reasons only. Use of a valid government-issued photo identification is the best way to validate a practitioner's identification.

Background Checks
Groups or institutions should perform a criminal background check on all prospective professional and support staff members, as permitted by state law.

Exclusion Status
The [List of Excluded Individuals/Entities](#) is published by the OIG. Review the OIG's [Exclusions Database](#) at the time of any credentialing or recredentialing.

Recredentialing
One of the most frequent calls to the Coverys Risk Management Consultation Line is how to deal with licensed professionals who let their licenses lapse. While it is the practitioner's responsibility to maintain their license in good standing with the state, recredentialing by the practice ensures practitioners are not able to practice without a license. From a risk management perspective, practitioner recredentialing should take place at least every two

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years. The recredentialing process helps ensure that the HCP still meets the requirements for the position.

Advanced Practice Professionals
The credentialing process for advanced practice professionals (APPs) is similar to that of the requirements for physicians. Follow the process to ensure that the applicant has the appropriate credentials and experience to perform the desired duties within the practice.

When a written collaborative agreement is in place, the physician must oversee the APP. If the practice and/or physician does not properly credential/recredential and ensure the competency of an employed APP as part of this oversight, then reporting to the state board may be required. Knowing, understanding, and following each respective state's rules about APP's credentialing and supervision is essential. It is incumbent for the practice to check their respective state's guidelines on a routine basis, as they do change.

Credentialing for New Procedures
As skills need updating, and because technology can change rapidly, organizations should credential or recredential practitioners for new procedures.

A new procedure may involve the following:
- A new piece of equipment.
- An office or hospital procedure that the practitioner performs infrequently or has not performed for a number of years.
- A procedure that had always been performed in the more controlled environment of a hospital, but will now be performed in an office setting.
- Any procedure with which the practitioner (or their institution or employer) feels a degree of unease or uncertainty.

Credentialing Standards and Red Flags
The National Association Medical Staff Services identifies ideal credentialing standards and red flags to consider during the process.

How Can I Reduce Risk?
Physician practices are encouraged to credential and recredential HCPs to ensure adequate licensing and clinical competence. By identifying, implementing, and formalizing a written credentialing process, practices can confirm the applicant's competence and minimize risk exposure. See the sample document titled ***Physician Credentialing Checklist***.

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Implement Credentialing Process	

Determine when credentialing and recredentialing will be required
- Determine when you will require your employed practitioners to be credentialed/recredentialed, for example:
  - Prior to employment in the practice.
  - Managed care applications.
  - Hospital privileges.

Decide who will credential
- Decide who will credential practitioners. For example, the administrators of an HMO or health insurance plan may credential its own members, delegate credentialing responsibility to a PHO, or engage a credentialing agent. Hospitals and physician groups typically conduct credentialing on their own or through a credentialing agent. The practice may assign someone in the office who will ensure that the process is completed, or it may utilize the services of an outside firm.

Decide when to use a contracted agent
- Determine when you might require a contracted agent.
- When contracting the service to an outside agent, ensure that the expectations of the contract are clear and describe the responsibilities of the practice and the agent.
- Be sure that the contract, which may be the credentialing application, is signed by the practitioner and by representatives from both the institution and the credentialing agent.

Seek legal counsel when necessary
- Seek legal counsel if there is any question about sharing confidential or peer review-protected information about a practitioner.

Utilize Credentialing Criteria	

Validate credentials and recredential as necessary
- Validate the credentials presented by each potential employee as evidence of past academic, professional, or business accomplishment(s) before that individual is hired into the practice, either as a professional or in a support role. Ensure that licenses are renewed at appropriate intervals and that copies are kept in the employee's personnel file. Assign

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Utilize Credentialing Criteria

someone the task of making sure that professional licenses and background checks are always current.

Use standards

- Ensure that the credentialing body uses nationally accepted criteria. Include, at a minimum, the following credentialing criteria (unless otherwise specified):

  o Written policies and procedures for the credentialing process, reviewed by the practice's leaders/governing body, as appropriate.

  o Verification of the applicant's identity (government-issued photo identification).

  o [Primary source verification within 120 days prior to credentialing](#) for the following:

    - Licensure and lifetime licensure history, including issuing state, license type, license number, status, and issue and expiration dates.

    - Clinical privileges in good standing at other healthcare entities.

    - Drug Enforcement Administration certification, state departments of public service, and/or state controlled dangerous substances certificates, including issuing state, status, registration number, and issue and expiration dates.

    - Verification of lifetime medical education/ training history/clinical experience, and successful completion of residency - have practitioner provide explanations for any gaps longer than 90 days.

    - Board certification, if appropriate.

    - Past and pending challenges to medical staff membership/privileges at other healthcare entities.

    - Healthcare-related employment history - have applicants submit written explanation of gaps in employment longer than 90 days. Include any military service verifications, as applicable.

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Utilize Credentialing Criteria

- Current medical professional liability insurance.
- Professional liability history for pending, settled, closed, and dismissed claims; comprehensive list of malpractice insurance carriers, including coverage dates and type, policy limits, and insurance denials or non-renewals.
- Lifetime criminal records.

o Statement from applicant concerning:

- Ability to perform the functions of the position.
- History of illegal drug use, as permitted by state law.
- History of loss of license.
- History of loss or limitation of privileges.

o Information from:

- The state licensing board.
- The NPDB (Note that only hospitals and other specified institutions are permitted to query the data bank, but physician practices may not).
- The OIG's Exclusions Database.
- Medical malpractice claims history for the prior 10 years from insurance carrier(s).

o Evidence of the monitoring of credentialing activities performed by outside agents.

o Health status as related to the ability to perform the privileges requested/duties.

o Inconsistencies between applicant information and information obtained from other sources.

o Verification that a clinical privilege listing was provided to potential appointee references, when applicable.

o At least two reference letters/documented telephone contacts with individuals having first-hand knowledge of the applicant's current

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Utilize Credentialing Criteria

professional/clinical performance. In these, address:

- Medical/clinical knowledge as related to requested privileges/patient population.

- Technical and current clinical competence as related to requested privileges/patient population.

- Clinical judgment as related to clinical privileges/patient population.

- Ability to relate to others/interpersonal skills.

- Professionalism.

- Overall performance.

- Effects of health status on performance/privileges.

  o Peer review of the applicant's documents to verify competence and determine whether to accept the applicant in the practice.

Consider using a government-issued photo identification	• Consider using a valid government-issued photo identification to confirm the applicant's identity. Limit the use of any photo ID to the legitimate business reason for which it was originally requested.
Use internet only if permitted by law	• Be aware of laws governing the practice of source verification in the practitioner's area, as some states may require primary verification be done via telephone.
Use caution with internet	• Use only sites that contain current information, if the state allows groups or organizations to conduct primary source verification via the internet. Date and initial each verification, whether on a printout or handwritten note, and include the website address that is the source of the information.
Perform criminal background checks	• Ensure that criminal background checks comply with appropriate federal and state privacy laws.
Check exclusion status	• Avoid potential fines by developing and implementing a policy that states that no one whose name is included in the OIG's Exclusions Database may be hired by the practice or institution.

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Utilize Credentialing Criteria	
Check experience	• Verify the experience of practitioners, even though a group practice is not officially required to formally privilege its new practitioners.
Recredential at established intervals	• Perform recredentialing at intervals defined by the practice or organization. Ensure that recredentialing adheres to state medical licensing board requirements.
Update licensure and other credentials	• Remind practitioners of their responsibility to update their professional licensure and for providing the practice with updated credentialing information, including continuing education, at intervals determined by the practice.
Do NOT permit practice without license	• Do NOT permit practitioners with expired professional licenses or others who do not yet have a valid state professional license to provide patient care.
Verify education, training, and licensure of nurses and other healthcare providers	• Ensure that all HCPs have basic background checks and can provide proof of current and valid licensure before being allowed to care for patients.
	• Require verification of education, training, and licensure or certification for each professional staff member.
	• Check references and utilize a criminal background check if such checks are permissible under state law.
	• Document initial credentialing and updates, including continuing education, in each practitioner's personnel file.
Certify/credential employees trained in medically related procedures	• Develop a process for certifying/credentialing all employees who are trained to perform medically related procedures, for example, phlebotomy, electrocardiograms, and pulmonary function tests. Document certification and annual updates in the employee's personnel file.

Implement a Credentialing Process for Healthcare Professionals	
Implement a credentialing process for licensed/certified healthcare professionals	• Implement a credentialing process to verify an applicant's appropriate training, experience, and capabilities. Ensure that those employees requiring physician supervision are appropriately supervised.

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Implement a Credentialing Process for Healthcare Professionals

	• Consider following credentialing guidelines issued by an accrediting agency. See the sample document titled ***Licensed/Certified Healthcare Professional Credentialing Checklist***. At a minimum, review:
	
	   o The applicant's credentials.
	
	   o The applicant's current competence.
	
	   o Peer review recommendations.
	
	   o Communication and input from individuals and committees to make an informed decision regarding the applicant's request for privileges.

Consider implementing a system to track and monitor all licenses and certifications of employees	• Implement and maintain a list of all employees who are licensed and/or certified to perform activities in the office. See the sample titled ***Healthcare Professional License and/or Certification Tracking Log***. At a minimum, include the following:
	
	   o Name.
	
	   o Position.
	
	   o License/certifications.
	
	   o Effective dates.
	
	   o Expiration dates.
	
	• Review the list on a monthly basis and remind employees when license and/or certification are due for renewal.
	
	• Request evidence of the renewals for the employee files and update the list as needed.

Perform periodic reviews	• Undertake periodic reviews of employees. Include evaluation of compliance with practice policies and treatment protocols, ability to perform assigned tasks and responsibilities, and negative/positive feedback from patients and staff members.

Develop a Credentialing Program for New Procedures

Develop a program	• Develop a program for credentialing practitioners to perform new procedures in the practice, group, or organization.

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Develop a Credentialing Program for New Procedures	

Stress didactic training and mentorship	• Ensure that the practitioner has undergone adequate classroom education and a period of mentorship before performing a new procedure on a patient. This mentorship should include:
	
	   o Watching the mentor perform the procedure a set number of times.
	
	   o Assisting the mentor until an acceptable level of competence is achieved.
	
	   o Performing the procedure under the direction of the mentor until an acceptable level of competence is achieved.

Require formal certification	• Require formal written certification by the practice's clinical director to be a part of the credentialing process to prove the practitioner successfully completed all required steps and is now credentialed to perform the procedure. Place a copy of the certificate in the practitioner's credentialing file.

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