



WHITE PAPER

5 Reasons Why Now
Is the Time to Outsource
Medical Staff Credentialing



IntelliCentrics
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It is no secret that healthcare reform is putting pressure on the budget of every hospital. Higher costs and increased competition have administrators looking for ways to reduce costs and eliminate waste, without sacrificing quality of care.

The financial challenges facing hospitals are daunting. The cost of updating aging IT infrastructures, staffing shortages that trigger more overtime, and a switch to pay-for-performance paradigm for federal reimbursement all contribute to budgetary stress.

The pay-for-performance element is one of the most crucial financial areas for hospitals to address. Patient safety has always been a priority, but now the federal government is incentivizing it. Millions of dollars of Medicaid and Medicare reimbursement can be lost when patient care is not delivered at the required levels.

First, in order to deliver quality care, it is imperative that only accurately credentialed physicians and staff be extended privileges. However, this imperative can be complicated by the fact that most are still subject to using outdated processing methods, making credentialing an extremely expensive and time-consuming task. Even so, most would agree hospitals can't afford to cut corners in high-risk areas such as this.

How do you control the costs associated with on-boarding and qualifying your medical staff? The answer is a combination of automation and outsourcing. Automating manual tasks are a way for hospitals to cut cost and improve efficiencies. Likewise, automation in many other industries has proven to be a way to decrease overhead, improve quality, and reduce waste. Now is the time to introduce another efficiency to healthcare.

Hospitals are outsourcing many functions¹ they traditionally handled in-house. They are benefiting from being able to focus on their core competency while outsourcing extraneous tasks.² Some of

the many functions that they are now routinely outsourcing include housekeeping, laundry, food services, and even supply chain management. Some forward-looking institutions are beginning to outsource IT, transcription, and coding. Even clinical or patient care services, such as anesthesia, dialysis services, diagnostic imaging, and emergency department staffing are being handled by third-parties.

What Is Medical Staff Credentialing and Privileging?

Credentialing is the process of verifying the education, training, work experience, certification, and other professional qualifications of medical staff. Basically, it is the determination of whether or not an individual is qualified to perform the duties they are being considered for at a facility. After credentials have been verified, privileging is the process of granting approval for the person to perform the psychiatric, medical, surgical, or other patient care services they will provide for the healthcare facility or insurance provider.

How Is Medical Staff Credentialing and Privileging Being Handled Today?

The credentialing and privileging process is complex, time-consuming, and detail intensive. First, organizations must collect the required information from the applicant. Though it is the responsibility of the applicant to be truthful throughout the application process, it is the duty of the healthcare organization to verify the accuracy.

This necessity leads to the next step, which is conducting primary source verification (PSV) of all the provided information. PSV is the act of obtaining licensing and credential information directly from the source that issued the credentials or a secondary source that

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1 Punke, H. (2013, October 4) Outsourcing is Exploding in Healthcare – Will the Trend Last? Retrieved from <http://www.beckershospitalreview.com/workforce-labor-management/outsourcing-is-exploding-in-healthcare-will-the-trend-last.html>

2 Herman, B. (2013, April 5) 9 Burning Trends in Healthcare Finance, Outsourcing and Transactions. Retrieved from <http://www.beckershospitalreview.com/finance/9-burning-trends-in-healthcare-finance-outsourcing-and-transactions.html>



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has been given the rights to verify that information. This is the most time-consuming part of the process, but it is essential. The ECRI Institute states that approximately 7 percent of physicians provide falsified information on their credentialing applications.³

Once the credentials are verified, the hospital starts the privileging process. Generally, the vetted application is moved through a series of committees. First stop is usually the department chair review, followed by the credentials committee. If they approve the application, they will send it to the executive committee. If the application makes it through this step, the hospital's board of directors will review the application and give final approval.

After final approval, the physician or other medical provider will be granted privileges to work in the facility.

What Are the Problems with the Current System?

Many of the problems with today's credentialing process stem from the fact that neither the people nor the systems are solely focused on or optimized for credentialing. Credentialing staff are forced to juggle their credentialing duties with other tasks. In a similar manner, hospitals do not have software or tools designed specifically for credentialing. Employees rely on offline processes and make do with makeshift programs, spreadsheets, and checklists. This inefficient process naturally leads to errors.

Is There a Better Solution?

Outsourced credentialing offers a high-tech solution that minimizes the errors and omissions often caused by antiquated manual credentialing processes. Credentialing Verification Organizations (CVOs) are becoming an

important part of the medical staff credentialing process (Exhibit 1). While technology is not the solution to every problem in the healthcare industry, it does seem to be a viable solution for credentialing. CVOs combine subject matter expertise with automated, cloud-based systems.

CVOs study the prevailing standards, legislation and communications associated with credentialing. They understand best credentialing practices and are on top of the latest regulations. They have a single-minded focus on credentialing so hospitals can keep their focus on providing quality patient care.

The Top Five Reasons Why Hospitals Should Outsource Medical Staff Credentialing.

1. Fewer Human Errors

Automating manual processes leads to fewer human errors. Since automation tools are not subject to human error or fatigue, they can help provide a consistent basis of care activities.⁴ A Texas hospital study found that hospitals that had automated their clinical information systems saw a reduction in deaths, complications, and cost.⁵ State-of-the-art, cloud-based credentialing SaaS solutions automatically check for errors and conduct real-time background checks against external and internal watch lists.

By outsourcing the credentialing verification process, a facility can help ensure a nonbiased approach to gathering, reporting, and monitoring of credentials. CVOs use objective criteria to assist hospitals in successfully getting physicians through the approval process. The documented process and records from outsourced vendors ensures equal and fair treatment of all physicians and staff members applying to work with the facility.

3 ECRI Institute. Retrieved from ECRI: HRC Volume 3: Risk Analysis: Medical Staff Credentialing, p. 1

4 Pennic, J. (2014, July 21) 6 Big Benefits of Applying Automation to Healthcare. Retrieved from <http://hitconsultant.net/2014/07/21/6-big-benefits-of-applying-automation-to-healthcare/>

5 Monegain, B. (2009, January 27) Texas hospital study points to benefits of automation | Healthcare IT News. Retrieved from <http://www.healthcareitnews.com/news/texas-hospital-study-points-benefits-automation>



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This non-biased/universal approach also improves patient safety and security, since all physicians are thoroughly vetted through a proven and accredited process. This ensures that only credentialed, qualified medical staff will treat patients.

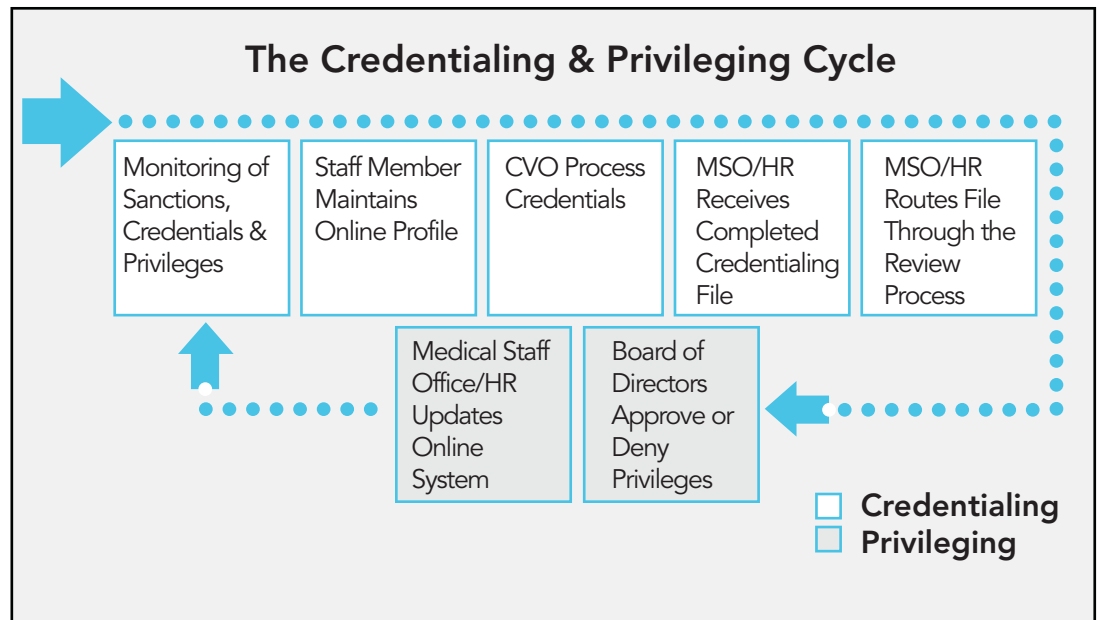
Federal, state, and organizational accrediting standards are constantly changing. For example, the newest Healthcare Professional Credentialing Requirements publication from the State of Washington contains 203 pages of information with specific requirements for different specialists, technicians, counselors, therapists, nurses, practitioners, and other health-focused professions.⁶ Hospitals managing their own credentialing processes must stay abreast of these regulatory changes to ensure that the medical staff in their facilities are current with their credentials.

CVOs have staff members dedicated to keeping up with changes in credentialing standards, including who needs credentialing and what credentials are necessary. Healthcare facilities that outsource credentialing do not have to worry about non-compliance with government regulations in the credentialing process. The dedicated resources of a third-party vendor make sure that no standards are missed.

2. Cost Savings

With budgets being stretched thin, health-care facilities are under increasing pressure to reduce operating costs and streamline processes. By moving from a paper system to a cloud-based computing solution, the costs of credentialing can be lowered without negatively affecting people’s health and safety. Using a technology-enabled CVO for credentialing has been shown to save between 20 to 80 percent over in-house credentialing.

Exhibit 1



⁶ Healthcare Professional Credentialing Requirements Washington State Department of Health - Health Systems Quality Assurance. Retrieved from <http://www.doh.wa.gov/LicensesPermitsandCertificates/ProfessionsNewReneworUpdate/HealthcareProfessionalCredentialingRequirements>

"The companies have developed proprietary credentialing software and processes to ensure that the highest standards of credentialing are met every time for every doctor."

Healthcare providers are beginning to embrace the ease and affordability of cloud-based services. Keeping data "in the cloud" means that the user is harnessing the power of shared computing. The data is stored remotely, but can be accessed locally with any specially designated Internet-capable device. Because the hospital is sharing the power with other institutions, the cost is spread around, too. There are lower costs-of-entry with manageable monthly fees. The improved cost predictability is much friendlier to hospital budgets.

In addition to lower operating costs, hospitals can avoid millions of dollars in litigation expenses by ensuring only qualified medical staff are working in their facility. The number of states that are recognizing negligent credentialing as a reason for litigation against healthcare organizations is growing every year. Recent cases in several states have gone to trial, and courts have determined that negligent credentialing practices can be a factor in determining the liability of hospitals and other healthcare facilities.

For instance, an Indiana court decision extends the right for a patient to name the healthcare facility in malpractice suits for negligent credentialing when an authorized physician is brought to court in a malpractice case.⁷ Indiana is not alone. A 2013 ruling by a Superior Court judge in Worcester, Massachusetts states that hospitals can be sued for alleged negligence in granting physician credentials. The judge said, "It would be reasonable for [a patient] to expect that a physician treating him at the hospital was competent and would comply with all requisite standards of care."⁸

3. Improved Labor Efficiencies

CVOs do nothing but credentialing. This focus enables them to provide a high attention to detail to their work. Plus, the companies have developed proprietary

credentialing software and processes to ensure that the highest standards of credentialing are met *every time for every doctor*.

In-house credentialing staff are often forced to use a hodgepodge of tools consisting of a mix of spreadsheets, personal checklists, and other paper files making it difficult to communicate status to other groups within the organization. This is especially challenging in large hospitals with credentialing duties spread across multiple departments.

It is not uncommon for different versions of a document to exist, so staff needs to constantly compare dates and changes. On the other hand, CVOs rely on cloud-based, real-time credentialing software that automatically checks for errors and ensures improved quality while lowering overhead.

Having all the data in the cloud allows individual hospitals to avoid lengthy set-up times, resulting in more rapid implementation. With minimal training needed to learn the system, and immediate access to analytics, every authorized individual can log in to the most up-to-date credentialing files when they need them.


Outsourcing this component of medical staff credentialing allows staff to focus on the skills for which they were trained. Automation doesn't replace employees, it frees them to focus on doing the work they were hired to do.

4. Quicker Turnaround/ Shorter Time to Revenue

Outsourcing medical staff credentialing saves hospitals both time and money. Not only does it spare staff from having to manually verify documentation, it also shortens the time it takes for physicians to treat patients and the hospital to earn revenue. Universal accessibility of credentials among healthcare facilities

7 McDonald-Merrill-Ketcham Memorial Lectureship and Award for Excellence in Law and Medicine. Note: Negligent Credentialing as a Cause of Action in Indiana Medical Malpractice Litigation. *Indiana Law Review*. 10 Ind. Health L. Rev. 249.

8 Gee, B. (2013, May 21) Hospital can be sued for 'credentialing' physician. *New England In-House*. Retrieved from: <http://newenglandinhouse.com/2013/05/21/hospital-can-be-sued-for-credentialing-physician/>



provides major benefits to both the hospital administration and medical staff. Currently, hospitals using a manual credentialing process take 60-120 days⁹ to credential a physician. A dedicated CVO speeds up the process, allowing physicians to do what they're supposed to do – practice medicine – faster. In addition, universal access to credentialing information prevents physicians and surgeons who lose their credentials with one hospital network, from simply moving to another area and continuing their unsafe practices.

5. Less Paper/Greater Security

Cloud-based credentialing means that there is no more need to secure faxes and other paper documents in filing cabinets.

Though many administrators may feel more secure with these important files under their control, control doesn't necessarily equate to security. According to an Alert Logic 2012 State of the Cloud Security Report,¹⁰ on-premise operations suffered over 50 percent more intrusions than cloud-based operations.

CVO companies have the ability to offer secure, online access to information databases similar to popular cloud solutions like Salesforce.com, Amazon EC2, and Rackspace. Through a secure online infrastructure, administrators in different locations can share relevant data with other trusted facilities, and in turn, can use existing information for their own credentialing process.

Conclusion

The rapidly changing healthcare landscape, combined with the financial challenges facing today's hospital administrators, presents a challenge to both hospitals and healthcare facilities that continue to rely on their existing staff for physician credentialing. This challenge

can be met by partnering with a reputable credentialing and privileging service.

Automation and outsourcing **reduce human error**. This not only results in better patient safety, but massive **cost savings**. The savings don't stop here. By switching to a subscription model, hospitals avoid huge upfront costs. Administrators are better able to predict future costs and budget appropriately. **Labor efficiencies are improved** as redundant tasks are eliminated. Staff are able to focus on the duties for which they were trained, instead of repetitive paperwork.

When hospitals can have their staff credentialed quickly but competently, physicians can begin practicing almost immediately. This creates a **shorter time to revenue**, because there is no dependence on current staff conducting a manual credentialing process amidst their other priorities. An automated, cloud-based process means **less paper and more security**. Because the data is secure, healthcare facilities can share information, instead of duplicating effort.

Outsourced credentialing is clearly better. CVOs work from a broad base of knowledge and have more hands-on credentialing staff. A CVO's focus on verification allows the hospital staff to spend their time on assessment, problem solving, and processing files through the medical staff and board. Administrators can rest easier knowing that the practitioners providing care in their facilities are fully qualified and vetted. Most importantly, patient safety improves as a result of fewer adverse events. Why wait any longer? Now is the time to outsource medical staff credentialing to a cost-effective, quality Credentialing Verification Organization.

"A dedicated CVO speeds up the process, allowing physicians to do what they're supposed to do - practice medicine - faster."

9 Minnesota Medicine - (2008, August) Cover Story - Finding and Starting A Job. Retrieved from: <http://www.minnesotamedicine.com/Past-Issues/Past-Issues-2008/August-2008/Feature-Finding-August2008>

10 Cloud Security Report - Alert Logic. (n.d.). Retrieved from <http://alertlogic.com/resources/cloud-security-report/>



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IntelliCentrics is driven by a single purpose which is to bring broad public awareness to the principle that we all play a role in obtaining quality patient care by creating a safe and SEC³URE environment. IntelliCentrics, defined as "Intelligent Concentric Circles," is part of a 20-year-old multinational company operating in the technology sector and within the security services industry. Today, IntelliCentrics is focused on healthcare and trusted by over 8,600 facilities nationwide, but tomorrow you'll find us at home and in many other industries. There is a 50-year plan for the 5 Rings. Regardless of the industry, we take away the distraction and the worry so the safety-conscious have one less thing to be concerned about. SEC³URE-it with IntelliCentrics.