Benefits of Outsourcing Your Credentialing and Enrollment Process

(Or: Why the Best Way to Deal with Credentialing and Enrollment is Not to Deal with It at All)

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HEALTH CARE, INC.

BENEFITS OF OUTSOURCING YOUR CREDENTIALING AND ENROLLMENT PROCESS

> *…the entire healthcare business model…rests on the foundation of proper medical credentialing, enrollment, and privileging.*

It would hardly be an exaggeration to say that the entire healthcare business model—from small rural clinics to large hospitals, and everything in between—rests on the foundation of proper medical credentialing, enrollment, and privileging.

This is because the entire system is designed to assess and certify the competency of providers. And when a solid, dependable system of credentialing, enrollment, and privileging is not in place, patient safety may be compromised.

Of course, most patients aren't even aware (or, at best, are only vaguely aware) that such a system exists, but they nevertheless rely on the healthcare system to ensure that they are treated by competent medical professionals. And when patients aren't happy with their treatment, the result is often malpractice lawsuits and claims of negligent credentialing.

But patient safety isn't the only benefit. Healthcare providers benefit greatly from the credentialing and enrollment system, as it allows them to become in-network providers with a number of payers, bringing stability, consistency, and predictability to medical billing. In addition, providers benefit from indirect advertising through online provider network directories, allowing them to tap into existing carrier patient bases.

Patients benefit from the system because the practice's medical claims billing services take care of working with the patient's insurance carrier. Plus, there are fewer surprises on costs when visiting in-network providers. This leads to higher overall patient satisfaction (STAT MedCare, 2020).

The flipside is that problems can occur when the system isn't used as it's intended. For example, for practices, the out-of-network option is less stable, especially for new, small, or growing practices, because they don't have a definable patient base available through a carrier affiliation.

In addition, when practitioners choose to provide out-of-network care, carriers will typically reimburse only the "usual and customary" rate, with the balance left to the patient. Patients today expect, even demand, to use their health insurance benefits when receiving health care rather than paying out-of-pocket or out-of-network, and patient satisfaction drops if they can't use their benefits (STAT MedCare, 2020).

THE PROCESS

As important as credentialing and enrollment are to the medical system, it's nevertheless a daunting task for any medical practice to stay on top of everything that needs to be done to stay compliant. It typically involves many people and multiple steps carried out over a period of months.

Despite many calls in recent years to streamline the process through new technologies and other efficiencies, the process of credentialing practitioners and enrolling them in numerous payers' programs is still a decentralized, primarily manual, heavily paper-based and time-consuming process.

For example, in a small hospital system, the process typically consists of the following steps:

- Practitioners complete an initial stack of documents, including a lengthy Application for Medical Staff Appointment form accompanied by a checklist of other documents that must be submitted in order to create the practitioner's credential file.
- Next, hard copies of these forms are made, and the hospital's Medical Staff Services team starts primary source verification, checking the practitioner's file against primary and third-party sources. While some information can be obtained quickly, other documentation, like medical education and malpractice insurance coverage, often takes 4-6 weeks to verify.
- After the practitioner's credentials file is compiled, it is reviewed by someone with authority to move it forward for a committee review, usually the relevant Department Chief. If all looks satisfactory, it is scheduled for review by the Credentials Committee.
- The committee meets and reads any number of new applications and reappointments. The credentials files may be anywhere from 40 to over 100 pages long and each one often takes 20-30 minutes to review. The committee decides what services the practitioner should be privileged to perform.
- Once approved by the committee, the practitioner is recommended for privileges and the file is prepared for final approval by the corporate Board of Directors. If all goes well at the board meeting, privileges are granted.
- Once approval has been granted, the lengthy enrollment process officially begins. I say "officially" because the truth is that, in order to shorten the overall process, most administrators start the enrollment process rolling even before the practitioner has officially been granted privileges.
- Information from the practitioner's file is transcribed, copied, and attached to the proper enrollment forms for each payer and submitted for their own review and approval. Practitioners, on average, are enrolled with 20-25 different insurance payers, and each payer can take from several weeks to several months to complete their own review of the documentation, with approval times often taking 90 to 120 days.
- If the practitioner will be performing services at multiple locations in the system, the process above often must be repeated at each site due to system incompatibilities and siloed processes at each facility (Bailey Southwell & Co, 2018; Becker's Hospital Review, 2020; Santech Solution, Inc., 2013).

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It's plain to see that there are two major problems healthcare providers must deal with when credentialing and enrolling practitioners:

1. *The process is extremely complex.* There are many steps, and a number of people are involved. As a result, there are multiple opportunities for mistakes to be made, and whenever a mistake happens (a document doesn't get copied and included in a file, for instance), delays inevitably result. Which leads us to…
2. *The process takes a great deal of time.* Altogether, credentialing and enrollment can take three to six months for each provider, even when everything goes without a hitch (STAT MedCare, LLC, 2020).

Additionally, a third problem often occurs due to the fact that most payers **do not allow retroactive reimbursement** for services performed prior to enrollment. This means that a practitioner may end up performing services for which the practice **won't be reimbursed,** which negatively impacts the practice's bottom line.

SPECIFIC CHALLENGES

If we needed any more convincing that the credentialing and enrollment process is difficult for everyone involved, all we have to do is look at data from annual surveys of medical professionals.

One such survey found that nearly a third (32.6%) of medical services professionals say that they are either "dissatisfied" or only "somewhat satisfied" with the process in their practices, while 36.1% categorized their organization's onboarding process as either "challenged" or "SOS" (meaning that "immediate and widespread improvement opportunities are urgently needed").

And the dissatisfaction with the process is felt by the medical practitioners, as well. Only 24% of practitioners state that they are "well satisfied" or "extremely satisfied" with the onboarding process, leaving 76% who say that they see need for improvement (VerityStream, 2019).

Anyone involved with any part of the credentialing and enrollment process knows that it's extremely complex and maddeningly time-consuming, but it's instructive to look at the specific challenges that contribute to the complexity.

Here is a list of some of the most important complicating factors:

- *Inadequate Staffing:* Every doctor, nurse practitioner, physician's assistant, and many therapists must be credentialed. The amount of material that needs to be verified for accuracy is overwhelming. And most medical practices don't allocate enough people or resources to the process, leading to stressed, overworked staff and less revenue (Advantum Health, n.d.).

- *Overwhelming Numbers:* There are a lot of healthcare workers, and the numbers are only increasing. There are currently approximately 1.5 million practitioners in the United States, and due to the increasing need for healthcare services for the aging population, healthcare practitioners are forecast to be among the fastest growing job sectors in the country (Bailey Southwell & Co., 2018).
- *Lengthy Forms:* The applications practitioners are required to fill out are often 30 to 50 pages long (Bailey Southwell & Co., 2018).
- *Multiple Locations:* A practitioner must maintain credentials at every facility at which he or she practices.
- *Many Payers:* The average practitioner has at least 30 payer relationships (Bailey Southwell & Co., 2018).
- *Differing Forms and Processes:* Every payer's forms and processes differ from everyone else's. The lack of uniformity can cause errors in filing, which can delay enrollment.
- *Paperwork:* Most medical practices still rely on antiquated tracking methods, with much still done on paper or in Excel spreadsheets not designed for the job.
- *Mergers and Acquisitions:* There is an increasing trend toward hospitals growing through consolidations, mergers, or acquisitions. When this happens, all credentialing and enrollment records must also be merged to avoid gaps.
- *State-Specific Requirements:* All states have their own rules and regulations, which can cause another layer of difficulty, especially when a healthcare system runs facilities across multiple states.
- *Potential Lawsuits:* If someone makes a mistake in licensing or criminal background checks, medical malpractice suits can result, damaging the medical facility's reputation (Advantum Health, n.d.).
- *Increased Costs, Decreased Revenue:* Between time and labor, the cost to credential and enroll all of a facility's practitioners is a major drag on the budget. Moreover, when a practitioner is not properly enrolled in a healthcare plan, any services performed will have to be written off, leading to reduced revenue for the facility (Encompass Medical, 2018).
- *Tribal Knowledge:* When the knowledge about the credentialing and enrollment process resides in the minds of a few individuals instead of in well-documented processes, any event that causes a loss of access to those individuals (illness or injury, vacation, retirement, etc.) can seriously disrupt the process.
- *Staff Stress:* There is so much detailed work that must be managed and tracked (and this management is often in addition to other duties) that staff often gets burned out.
- *A Never-Ending Process:* Since every practitioner must be re-credentialed (typically every two years) and re-enrolled (typically every three years), the process never ends, adding chronic stress to the mix (Bailey Southwell & Co., 2018).

HANDLING THE CHALLENGES: FOUR MODELS

Clearly, the current system used by most medical practices for credentialing and enrollment is, if not completely broken, at least seriously stressed. This situation requires that practices step back and assess the efficacy of their current systems and ask themselves if what they are doing now will continue to be viable if current trends continue. Following are four models that all practices should compare and contrast as they decide how to proceed in the future.

Model #1: One-to-Many

The traditional approach for handling credentialing and enrollment has been called the "one-to-many" model. In this model, one specialist handles all parts of the credentialing/enrollment life cycle for multiple practitioners.

This model is usually the first model adopted when a medical practice is new. When the number of practitioners is small, when they work at one or only a few locations, when they participate in a limited number of health plans, and when they have long-term careers (reducing turnover), a single, efficient specialist can keep up with the process for multiple practitioners.

As the sheer volume of practitioners increases, as they add new work locations, as they participate in more health plans, and as the paperwork required becomes increasingly more complex, this model eventually becomes unworkable (Newport Credentialing, 2015).

Model #2: Many-to-Many

One way some medical practices have attempted to solve the problems inherent in the one-to-many model is by breaking the credentialing and enrollment process down into sub-processes and assigning teams of people to deal with all the practitioners flowing through each of the various parts of the process. For example, there might be an initial data entry team, a CAQH re-attestation team, an applications processing team, a credentialing follow-up team, and a re-credentialing team. Each team typically has a manager to oversee the work process.

The advantages of such a system are that (1) team members can become specialists in dealing with one aspect of the overall system, increasing their efficiency, and (2), when one team member has to miss work for a short or even long time, that team member's work can be covered by other team members and the entire process doesn't grind to a halt. The obvious disadvantage for smaller practices is that this model takes a serious investment in staff and training, greatly increasing overhead (Newport Credentialing, 2015).

Model #3: Occasional Review
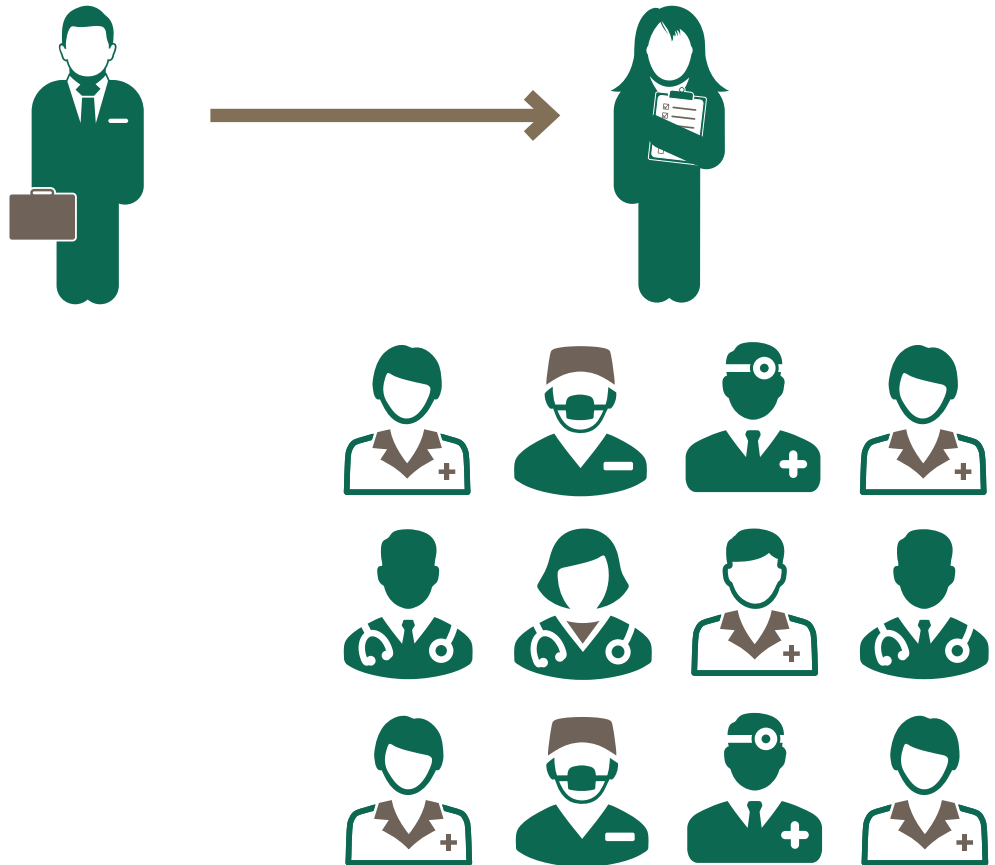
A third approach is to add an additional layer of oversight to your current procedure. You can do this by having an outside expert review your credentialing and enrollment records periodically. They will look for gaps in your paperwork that exist due to missing or incomplete documentation and advise you on ways to improve your current process (whether you're using a one-to-many model or a many-to-many model).

The advantage of having an outside expert review your process and records is that they bring an objective eye to your current procedures. They may see options for improving deficiencies that you have become so used to that you don't even notice them anymore. The disadvantages are (1) you will have the extra cost to bear for the review and (2) they may recommend large-scale changes that you aren't prepared to make (Med HQ, n.d.).

Model #4: Outsourcing to an Expert
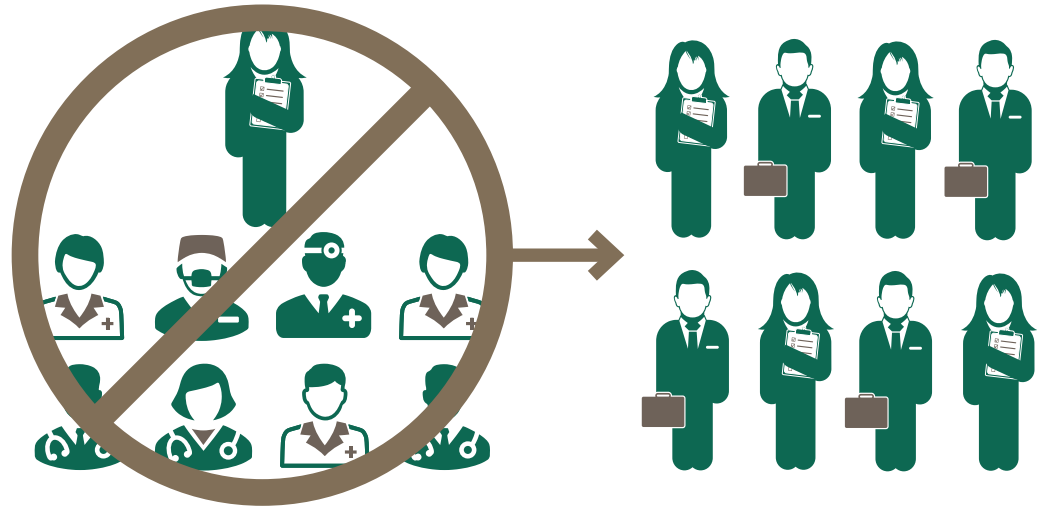
The fourth model you can adopt is to outsource your credentialing and enrollment process to an expert company. This approach may appeal to you if the entire process has become so costly and burdensome that you just wish it would disappear.

The advantages of outsourcing your credentialing and enrollment are many. In fact, there are so many benefits that we'll examine them one-by-one in the next section. The only disadvantage is that you will have to pay the outside company for their services, but the truth is that **you will likely save far more money by outsourcing the process than the service itself will cost you.**

OUTSOURCING MAY BE YOUR BEST BET

When it comes right down to it, outsourcing would appear to be the clear winner out of these four models for most medical practices.

The one-to-many model can work for a while if your practice is just starting out, but it's really not scalable and it's susceptible to the loss of tribal knowledge when one of your key credentialing people leaves.

The many-to-many model is great if you have the resources to make it work. For larger practices with healthy cash flow, this model makes sense. But most practices aren't in a position to utilize this approach.

The occasional review model can add a layer of oversight to either of the two models above, which can be valuable, but while it may catch some mistakes and suggest minor adjustments to your process, it won't fix major flaws in your current model.

Compared to these other three models, outsourcing your credentialing and enrollment process has very little downside while offering many benefits. Let's take a look at the benefits you might expect from outsourcing.

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BENEFITS OF OUTSOURCING

A good credentialing and enrollment service offers your practice the following benefits:

- *Reduced Administrative Costs:* When you outsource your credentialing and enrollment, many business expenses are reduced or eliminated—labor costs, advertising and interviewing costs, training costs, employee benefits costs, overtime costs, and paid time off costs, just to name a few. **In fact, typically, outsourcing reduces your business costs by 30-40% (STAT Med-Care, LLC, 2020).**
- *Expertise and Focus:* When you outsource, the provider enrollment and credentialing experts integrate their workflow with yours and third-party billing staff. They are experts who can focus on the task because they have **no other duties,** meaning that your credentialing and enrollment gets the full attention it needs.
- *Insider Knowledge:* An experienced company will have developed relationships with the payer's decision-makers, allowing them to skip middlemen and get things done more quickly and efficiently.
- *Less Lost Time:* Medical credentialing and enrollment is **an incredibly laborious process** that takes attention to detail and patience. At most medical practices, those tasked with this process have other duties, causing them to have to shift from one task to another frequently. An expert credentialing and enrollment company has the staff necessary to do the work and they are dedicated to this single job, allowing them to maintain focus and be more efficient with their time.
- *Registrations Taken Care Of:* One task your staff must do regularly is to register practitioners for the Council for Affordable Quality Healthcare (CAQH) database and keep those records updated. When you outsource your credentialing and enrollment, the company takes care of this task for you.
- *Ongoing Monitoring:* **Incomplete or inaccurate applications can lead to delays in reimbursement and possibly to denied claims.** A good credentialing and enrollment company will regularly monitor both your contracts with payers and your enrollment forms to make sure all information is complete and accurate (Advantum Health, n.d.).

- *Monitor Changes in Requirements:* The industry changes constantly, and state requirements, especially, are subject to frequent change. Keeping up with the changes is itself a full-time task. A good credentialing and enrollment company will stay on top of such changes and notify you if something needs to be modified.
- *Eliminate Errors and Denied Claims:* Many medical practices today are working just on the edge of profitability. **Denials can seriously impact your ability to maximize revenue.** A credentialing and enrollment expert can virtually eliminate denied claims.
- *Avoid Lawsuits:* If one of your staff members makes a mistake when doing background checks, the likelihood of malpractice lawsuits rises. Such suits can seriously damage your facility's reputation and bottom line. Credentialing and enrollment experts double- and triple-check the documentation to make sure everything is verified.
- *Constant Communication:* A good credentialing and enrollment partner will communicate with you regularly and build a relationship with you so you always feel comfortable coming to them with questions or concerns.
- *Increased Revenues:* When you do your credentialing and enrollment in-house, it's costly. You may be losing revenue due to mistakes and delays in the practitioner onboarding, credentialing, and/or enrollment stages. And, as noted above, if a practitioner provides services while not yet properly enrolled, those services will be written off. When you outsource the process, all these revenue "leaks" disappear.
- *Improved Patient Care and Increased Satisfaction:* When you remove the burden of the paperwork involved with the credentialing and enrollment process, **your staff will be freed up to concentrate on patient care and satisfaction.** And happy patients come back to you again and again, increasing your market share.

NEXT STEPS

It should be clear from the extensive list of benefits in the section above that outsourcing your credentialing and enrollment process is the best approach for most medical practices.

That said, credentialing and enrollment providers are not all created equal. So, it's up to you to do your due diligence and make the best choice for your practice.

Use the checklist on the next page to make sure you're getting the highest-quality work and the best value for your investment.

> *When you remove the burden of the paperwork involved with the credentialing and enrollment process, your staff will be freed up to concentrate on patient care and satisfaction.*

Checklist: Qualities of a Great Credentialing and Enrollment Partner

☐ Has a large staff dedicated to credentialing and enrollment.
☐ The staff is experienced.
☐ Has established relationships with the decision makers in the various payer's offices.
☐ Registers practitioners for the CAQH database for you and keeps those records updated.
☐ Regularly monitors both contracts with payers and enrollment forms for accuracy.
☐ Monitors changes in state requirements and keeps you informed.
☐ Has a track record of eliminating denied claims.
☐ Stays on top of re-credentialing and re-enrollment dates and makes sure nothing lapses.
☐ Communicates frequently with both you and all payers.
☐ Is reasonably priced.
☐ Can provide proof that they consistently save clients more money than they cost.
☐ Can provide testimonials from other healthcare providers that their out-sourcing services led indirectly to increased patient satisfaction.

Do your homework. Check out several credentialing and enrollment providers and compare them against the checklist above and against each other. Then make the choice that's right for you.

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ABOUT MIDWEST HEALTH CARE

Midwest Health Care, Inc., located in Cape Girardeau, Missouri, provides medical billing, consulting services for rural health care clinics, and credentialing and enrollment for their clients' practices across the United States. It is their goal to provide their clients with the highest level of experience and professionalism in combination with the most efficient use of their time and money.

Midwest Health Care is one of the most experienced companies in the field. They have been providing their clients with medical billing, credentialing, and consulting services for over 25 years, and they serve over 125 clients across the U.S. Many of their team members have 15 to 30 years of experience in the field, and their leadership team has over a century of combined experience in health care.

They offer a deep roster of trained professionals who stay on top of the constant changes in credentialing and enrollment, and they are continuing to upgrade staffing in this area. They also feature a thorough record-keeping program that ensures that recredentialing and reenrollment paperwork is delivered on time.

In addition, the team at Midwest Health Care constantly communicates with payer group representatives, and they have developed exclusive access with many of them. This allows them to skip automated systems and middlemen and talk directly to the person in charge.

If you've been looking for a solution to your credentialing and enrollment challenges, Midwest Health Care is ready to help. Get in touch for your free initial consultation today.

Just call

1-800-303-4263 or **573-335-4715**

or contact them through their website at

www.yourcredentialingpartner.com

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