



CREDENTIALS COMMITTEE

Essentials Handbook

Richard A. Sheff, MD

Robert J. Marder, MD

CREDENTIALS COMMITTEE

Essentials Handbook

Richard A. Sheff, MD

Robert J. Marder, MD

HCP Pro

Credentials Committee Essentials Handbook is published by HCPro, Inc.

Copyright © 2012 HCPro, Inc.

All rights reserved. Printed in the United States of America. 5 4 3 2 1

ISBN: 978-1-60146-945-8

No part of this publication may be reproduced, in any form or by any means, without prior written consent of HCPro, Inc., or the Copyright Clearance Center (978-750-8400). Please notify us immediately if you have received an unauthorized copy.

HCPro, Inc., provides information resources for the healthcare industry. HCPro, Inc., is not affiliated in any way with The Joint Commission, which owns the JCAHO and Joint Commission trademarks.

Richard A. Sheff, MD, Author	Mike Mirabello, Graphic Artist
Robert J. Marder, MD, Author	Matt Sharpe, Production Supervisor
Katrina Gravel, Editorial Assistant	Shane Katz, Art Director
Elizabeth Jones, Editor	Jean St. Pierre, Senior Director of Operations
Erin Callahan, Associate Editorial Director	

Advice given is general. Readers should consult professional counsel for specific legal, ethical, or clinical questions.

Arrangements can be made for quantity discounts. For more information, contact:

HCPro, Inc.
75 Sylvan Street, Suite A-101
Danvers, MA 01923
Telephone: 800-650-6787 or 781-639-1872
Fax: 800-639-8511
Email: customerservice@hcpro.com

**Visit HCPro online at: www.hcpro.com
and www.hcmarketplace.com**

Contents

Figure List.....	vii
About the Authors.....	ix
Chapter 1: Principles of Effective Credentialing and Privileging.....	1
Credentialing Principle #1: Credentialing Exists to Protect Patients	1
Credentialing Principle #2: No One Works Without a Ticket	3
Credentialing Principle #3: Beware the Two Types of Credentialing Errors.....	4
Credentialing Principle #4: Credentialing Is Composed of Four Distinct Steps.....	5
Credentialing Principle #5: Follow the Five Ps	8
Credentialing Principle #6: Excellent Credentialing Requires Clear Criteria That Are Consistently Applied	9
Credentialing Principle #7: Place the Burden on the Applicant	11

Credentialing Principle #8:
Treat Like Physicians in a Like Manner 12

Credentialing Principle #9: Before Granting Privileges,
Solve the Competency Equation..... 12

Credentialing Principle #10: To Match Competency
With Privileges, Use the Greeley Competency Triangle..... 13

Credentialing Principle #11: Never Deny Membership or
Privileges, Except in Cases of Demonstrated Incompetence
or Unprofessional Conduct 15

Credentialing Principle #12:
Do Not Confuse Membership With Privileges 15

**Chapter 2: Roles and Responsibilities of the
Credentials Committee 17**

Power of the Pyramid..... 18

Medical Staff Functions..... 19

Definitions 21

Responsibilities of the Credentials Committee..... 22

Responsibilities of Credentials Committee Members..... 27

**Chapter 3: Focused Professional Practice
Evaluation for New Privileges..... 29**

Defining FPPE..... 30

Evaluating Practitioner Care 33

Methods of On-Site Proctoring..... 34

Methods of Off-Site Proctoring 35

CONTENTS

New Technology in Proctoring	35
Protecting Proctors From Liability.....	36
The Credentials Committee’s Role in FPPE	38
Chapter 4: Privileges for New Technology	39
Follow the Five Ps	40
What Should the Technology Assessment Committee Do?.....	41
Should the New Privileges Be Considered Core?.....	42
Chapter 5: Effective, Data-Driven Reappointments.....	45
Effective OPPE = Systematic Measurement + Evaluation + Follow-Through	47
Why Use a Physician Performance Feedback Report?	54
Chapter 6: Reappointment Challenges: Low- and No-volume Providers and Impaired and Aging Practitioners	57
Low- and No-Volume Practitioners	57
Impaired Practitioners	67
Aging Practitioners	69
Chapter 7: Privileging Disputes.....	73

Chapter 8: The Credentials Committee’s Role in Professional Conduct.....79

How Does the Credentials Committee Handle Conduct Issues as Part of the Appointment and Reappointment Process?80

Chapter 9: Effective Credentials Committee Meetings83

Tip #1: Provide for Appropriate Leadership and Membership83

Tip #2: Spend Committee Time Wisely.....85

Tip #3: Streamline Meetings by Eliminating Paper87

Tip #4: Don’t Forget Surveillance Activities87

Tip #5: Provide Committee Support88

Figure List

Figure 1.1: The competency equation	13
Figure 2.1: When it comes to quality, who owns what?	18
Figure 2.2: The power of the pyramid	19
Figure 2.3: The medical staff's major functions.....	20
Figure 3.1: Sample FPPE plan for a newly trained and board-certified cardiologist.....	31
Figure 3.2: Sample FPPE plan for a nurse-midwife	32
Figure 5.1: Quality indicators.....	49
Figure 5.2: One target, two performance levels	53
Figure 5.3: Two targets, three performance levels.....	53
Figure 6.1: Medical staff membership categories	61
Figure 6.2: Determining privilege level	66

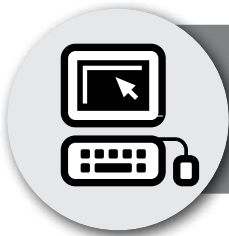
About the Authors

Richard A. Sheff, MD

Richard A. Sheff, MD, is principal and chief medical officer with The Greeley Company, a division of HCPro, Inc., in Danvers, Mass. He brings more than 25 years of healthcare management and leadership experience to his work with physicians, hospitals, and healthcare systems across the country. With his distinctive combination of medical, healthcare, and management acumen, Dr. Sheff develops tailored solutions to the unique needs of physicians and hospitals. He consults, authors, and presents on a wide range of healthcare management and leadership issues, including governance, physician-hospital alignment, medical staff leadership development, ED call, peer review, hospital performance improvement, disruptive physician management, conflict resolution, physician employment and contracting, healthcare systems, service line management, hospitalist program optimization, patient safety and error reduction, credentialing, strategic planning, regulatory compliance, and helping physicians rediscover the joy of medicine.

Robert J. Marder, MD

Robert J. Marder, MD, is an advisory consultant and director of medical staff services with The Greeley Company, a division of HCPro, Inc., in Danvers, Mass. He brings more than 25 years of healthcare leadership and management experience to his work with physicians, hospitals, and healthcare organizations across the country. Dr. Marder's many roles in senior hospital medical administration and operations management in academic and community hospital settings make him uniquely qualified to assist physicians and hospitals in developing solutions for complex medical staff and hospital performance issues. He consults, authors, and presents on a wide range of healthcare leadership issues, including effective and efficient peer review, physician performance measurement and improvement, hospital quality measurement systems and performance improvement, patient safety/error reduction, and utilization management.



***DOWNLOAD YOUR
MATERIALS NOW***

This handbook includes a customizable presentation that organizations can use to train physician leaders. The presentation complements the information provided in this handbook and can be downloaded at the following link:



Thank you for purchasing this product!

HCP Pro

Principles of Effective Credentialing and Privileging

The credentials committee plays a critical role in the hospital, medical staff, and quality patient care. Yet medical staffs often assign members who lack adequate training to serve on the credentials committee. The intent of this book is to equip medical staff members with the information they need to serve effectively as members of the credentials committee. The following are 12 principles of credentialing that every credentials committee member should know.

Credentialing Principle #1: Credentialing Exists to Protect Patients

Why do hospitals credential practitioners? Credentialing exists to protect patients. Patients entrust their care to practitioners. When a practitioner turns to a patient or a family member and says, “I need to take you to the operating room. Don’t worry—you’re in good hands,” the hospital must be confident that the practitioner

is adequately trained and competent. That's what credentialing is about.

Patients and families in the community count on the credentials committee to do a good job on their behalf. When the credentials committee does its job poorly, patients are at risk for receiving poor-quality care and the hospital is at risk for litigation should a malpractice suit arise. Although credentialing requires following a specific set of rules to meet regulatory legal requirements and reduce liability, the credentialing processes should be flexible and physician-friendly.

Adequate credentialing should result in high-quality patient care and physician and hospital success. If a hospital overfocuses on any one of those areas to the neglect of the others, bad results will happen. For example, if a physician had been out on extended maternity leave and wanted to join the medical staff of ABC Hospital, but ABC's credentialing rules are so rigid as to not allow a physician on staff who has been out of practice for two years, the hospital might lose out on a qualified and competent physician. In this example, the hospital's efforts to provide high-quality patient care by limiting its staff affects physician success (the physician can't practice) and hospital success (the hospital loses referrals). A more flexible approach might be to require the physician to participate in additional training and undergo an extended period of focused professional practice evaluation before the medical staff grants her privileges.

Credentialing Principle #2: No One Works Without a Ticket

The second credentialing principle is that nobody works without a ticket. If a physician or an allied health professional (AHP) wants to provide inpatient care, that practitioner must be authorized to do so. Authorization can be carried out in one of three ways:

1. Medical staff privileges with quality monitoring through the medical staff. Practitioners are granted privileges for a scope of services, and the medical staff is responsible for ensuring that each practitioner does a good job.
2. Job description with supervision and annual performance evaluation. Employees of the hospital have job descriptions, and a manager supervises and evaluates their performance.
3. Contract with scope-of-service agreement. The hospital could have a contract with a scope of services agreement that defines what a practitioner or entity can do under that agreement and how performance will be monitored.

The idea of a ticket is to provide everyone who works in the hospital with a scope of responsibility, a clear chain of accountability, and ongoing quality monitoring.

Credentialing Principle #3: Beware the Two Types of Credentialing Errors

The third credentialing principle asks “How can the credentials committee make a mistake?” In general, there are two types of credentialing errors:

- **Information errors:** Information errors occur when information existed that would have affected a credentialing decision, but the medical staff was unaware. For example, if a physician was able to hide several malpractice cases, a license suspension, or a gap in training or experience, that would constitute an information error.
- **Decision errors:** Decision errors occur when the medical staff knows about malpractice cases, license suspensions, training gaps, etc., but fails to make a wise decision.

One of the credentials committee’s responsibilities is to evaluate applicants for initial appointments, reappointments, and new privileges. The committee should find no gaps in training, the privileges requested should be typical for the physician’s specialty, the National Practitioner Data Bank (NPDB) query should be clear, and references should all seem okay. The majority of files will sail through free and clear.

Occasionally, the committee will come across a file that sends up a red flag (e.g., a reference that leaves a line blank about the

applicant's professional behavior, or all of the recommendations are excellent except for one low score regarding compliance with policies). In such a case, the credentials committee's job is to investigate the red flag and resolve the concern to the committee's satisfaction.

Credentialing Principle #4: Credentialing Is Composed of Four Distinct Steps

The fourth credentialing principle helps organize credentialing into four steps.

Step 1: Establish policies and rules

- Credentials committee, medical executive committee (MEC), and governing board

Step 2: Collect and summarize information

- Hospital management and medical staff leaders

Step 3: Evaluate and recommend

- Department chairs, MEC/credentials committee

Step 4: Grant or deny privileges

- Governing board or designated agent

Let's take a closer look at each of these steps.

Step 1: The credentials committee must establish the policies, procedures, and rules by which it will carry out credentialing functions. For example, what are the criteria for membership and privileges? What information will the committee request of applicants so it doesn't make an information error? What constitutes a completed application? How will the committee handle references? How will the medical staff handle turf battles?

The credentials committee doesn't establish policies, procedures, and rules on its own; it makes recommendations to the MEC, which in turn makes recommendations to the board.

Step 2: The credentials committee collects and summarizes information and creates a complete application file according to the processes defined in step one. This process is done primarily by the credentialing specialists in the medical staff services department, who are experts in how to query the NPDB, do primary source verification, and collect all the pieces of the puzzle.

Credentials committee members should not leave the entire process to the credentialing specialists. Rather, credentials committee members should contact the references on physicians' applications. In a small hospital, a committee member may be able to call every reference, but in a larger hospital, members may only be able to call references when an application raises a red flag. Whenever there

is a need to clarify a problem encountered during the information collection process, it is the medical staff leader's job to call the references. Practitioners will tell another practitioner something they wouldn't put in writing.

Step 3: The credentials file is complete, and a department chair must evaluate that application according to the rules established during the first step. Once the evaluation is complete, the department chair makes a recommendation to the credentials committee. The credentials committee evaluates that recommendation and reviews the file independently. The credentials committee then makes a recommendation to the MEC, which reviews, revises, and discusses the credentials committee's recommendation and makes its own recommendation to the board.

Step 4: The governing board decides whether:

- The application will be approved
- All or some of the requested privileges will be granted, or all of them will be denied
- There will be a change to the physician's medical staff category

The Centers for Medicare & Medicaid Services' *Conditions of Participation* require that privileging decisions rest with the governing board. When physicians make decisions about the

membership and privileges of fellow physicians, there's risk of breaching anticompetitive, antitrust, restraint-of-trade laws. That's why department chairs, credentials committees, and MECs make only recommendations; the board has the sole authority to grant or deny.

Credentialing Principle #5: Follow the Five Ps

Our Policy is to follow our Policy. In the absence of a Policy, our Policy is to develop a Policy.

At first, it seems this is a statement that only a bureaucrat could love, but it's a credentialing specialist's best friend. The Five Ps prevent hospitals from doing things on an ad hoc basis or treating practitioners prejudicially. When hospitals follow the Five Ps, they create policies and procedures and criteria and apply them consistently.

But what happens when a hospital is faced with a situation that it's never considered before, such as a new technology or privileging dispute, and therefore doesn't have a policy to guide it? Now what? Don't act. The Five Ps tell us that in the absence of a policy, our policy is to develop a policy. The hospital doesn't make a decision about that particular issue right away. Instead it conducts research and develops the necessary policy or criteria. Only then it is okay to return to the issue and make a decision.

The following list is a sample of the kinds of topics every hospital should have policies for.

- Criteria-based privileging
- New technology
- Privileging disputes
- Low-/no-volume practitioners
- Telemedicine
- Temporary privileges
- AHPs
- Expedited credentialing

These policies may exist independently, or they may be part of a credentialing policy and procedure manual. Some aspects may be in your bylaws.

Credentialing Principle #6: Excellent Credentialing Requires Clear Criteria That Are Consistently Applied

The sixth credentialing principle flows naturally from the Five Ps in that it prevents medical staffs from doing things without

thinking them through and setting the criteria first. Medical staffs should not act in a prejudicial manner. A medical staff leader should never say, “I knew someone you worked with, and therefore you’re a good person.” Get away from the “good old boy” network. Credentialing is an objective process with criteria that need to be applied consistently. Two types of criteria apply to the credentialing process: membership criteria and privileging criteria.

Let’s distinguish criteria for membership on the medical staff from criteria for privileging. Membership is a political question: Can the physician vote? Hold office? Constitute a quorum? Will the physician belong to the active, associate, courtesy, or emeritus staff category? The following list contains typical medical staff membership criteria.

- License
- Training
- Character and ethics
- Behavior
- Malpractice insurance
- Board certification
- Office/home location

Now let's consider privileging criteria. Privileges allow physicians to do specific tasks when treating patients. Privileging criteria include:

- License or certification
- Training (privilege specific)
- Experience
- Ability to perform requested privileges
- Evidence of current competence

Privileging criteria asks whether a physician's training is specific to the privileges he or she is requesting. What experience does the physician have doing that type of procedure or taking care of those types of patients? Is the physician competent to perform the privileges he or she is requesting? The competence question is the single most challenging aspect of credentialing, which brings us, in part, to the seventh principle.

Credentialing Principle #7: Place the Burden on the Applicant

Physicians must prove to the medical staff that they meet the medical staff's criteria.

If the credentials committee comes across a red flag in an application, it can ask for additional information, and the physician must

answer the questions fully and honestly. Credentialing policies should reflect this requirement.

Credentialing Principle #8: Treat Like Physicians in a Like Manner

Sometimes during the credentialing process, a physician might say, “If you’re asking for this additional information about me, don’t you have to ask everyone else, too?” The answer is, “Not so fast.” Credentialing policies should state that the credentials committee treats like physicians in a like manner. That is to say that physicians who have no gaps, questions, or red flags are treated similarly. The credentials committee drills down further for all physicians who represent red flags. Hospitals must place the burden on the applicant, so don’t let an applicant tie you up in knots over “if you do this to me you have to do it to everyone else.” Hospitals should treat physicians fairly, but that doesn’t necessarily mean all physicians will be treated equally. If a physician falls into a category because of a red flag, the credentials committee must drill down and get additional information until it is satisfied.

Credentialing Principle #9: Before Granting Privileges, Solve the Competency Equation

Current competency, as we said, is the thorniest challenge. Before granting privileges, the credentials committee must solve the competency equation (see figure 1.1).

Figure 1.1

THE COMPETENCY EQUATION

Current competency = Evidence that you've done it recently +
Evidence that when you did it, you did it well

Through performance data, the credentials committee can find evidence that a physician has performed a procedure or task recently and performed it well.

Credentialing Principle #10: To Match Competency With Privileges, Use the Greeley Competency Triangle

To solve the competency equation, the Greeley Company recommends using the Greeley competency triangle. Avedis Donabedian, one of the great thinkers regarding quality, came up with Donabedian's Triangle, which says that quality is a function of three factors: structure, process, and outcome. The Greeley Company applied Donabedian's Triangle to competency and found that competency is a function of three elements: privilege delineation, eligibility criteria, and peer review results.

Privilege delineation: There are several ways we can delineate privileges. Medical staffs can choose to delineate privileges in a "laundry list," where every single task or procedure—from hemicolectomy to total colectomy to colectomy with colostomy—is listed. Some hospitals have moved to core privileging, where the privileging documents describe overall what a physician in a

particular specialty does, and then pulls out specific procedures. Another way to delineate privileges is through competency clusters, where like privileges are grouped together. It's up to each medical staff to decide how it will delineate privileges.

Eligibility criteria: To develop eligibility criteria, the medical staff has to decide whether a practitioner must have had specific training to perform a procedure or must have performed the procedure successfully X number of times in the past two years. Perhaps the medical staff requires both.

If a physician does not meet the medical staff's eligibility criteria for a specific set of privileges, the medical staff should not process the practitioner's request for those privileges. Instead, the practitioner is ineligible to apply. When that happens, the medical staff should not deny the practitioner's application because a denial warrants a fair hearing and a report to the NPDB. (See the next section for more details about what to do in cases like this.)

Peer review results: Assuming that a physician is eligible to request privileges, the next step is to assess peer review results. For a new applicant, the medical staff should evaluate information regarding how the physician performed in other organizations; for reappointments, medical staffs must evaluate how well the physician functioned within organization.

Credentialing Principle #11: Never Deny Membership or Privileges, Except in Cases of Demonstrated Incompetence or Unprofessional Conduct

As previously stated, do not deny a physician's privileges unnecessarily. Denying membership or privileges is only appropriate in two cases: demonstrated incompetence or unprofessional conduct. Under any other circumstances, the physician is ineligible to apply for privileges. If the medical staff has evidence in the peer review results that a physician is providing poor-quality care and injuring patients or consistently acting in an unprofessional manner, the medical staff must deny his or her request for privileges.

Denying a physician's privileges gives him or her the right to a fair hearing and appeal. Fair hearings and appeals are time consuming and expensive, and tend to tear medical staffs apart. Establishing clear policies and eligibility criteria and using the competency triangle prevents medical staffs from denying membership or privileges except when a physician has demonstrated incompetence or unprofessional conduct.

Credentialing Principle #12: Do Not Confuse Membership With Privileges

As previously stated, criteria for membership are different than criteria for privileges. Membership is a political process, and

the medical staff category a physician belongs to will determine whether a physician can vote, hold office, or constitute a quorum. Privileges are what the hospital allows a physician to do while treating patients.

These 12 principles will allow you to credential and privilege physicians in the best interest of patient care while also seeking to achieve physician success and hospital success in a balanced and effective manner.

CREDENTIALS COMMITTEE

Essentials Handbook

Richard A. Sheff, MD · Robert J. Marder, MD

Credentials Committee Essentials Handbook clarifies the critical role of credential committee members and their responsibilities in relation to the medical executive committee, the quality committee, and department chairs. With this handbook, credentialing committee members can overcome the challenges of insufficient leadership training and get equipped with the information they need to serve effectively throughout their appointment. Plus, to make staff training easy, this handbook includes a customizable PowerPoint® presentation highlighting key takeaways covered in the handbook.

Benefits of Credentials Committee Essentials Handbook:

- State the four steps of credentialing by the MEC, governing board, department chairs, committees, and medical staff leaders
- Identify the role of the credentials committee member in relation to the MEC, quality committee, and department chairs
- Explain what focused professional practice evaluation is and is not
- Summarize the medical staff response to a physician requesting new technology privileges
- Identify two targets to create three performance levels
- Describe the strategic and competency goals of low- and no-volume providers, impaired physicians, and aging physicians
- Name the primary drivers of privileging disputes
- Describe the credentials committee's role in managing disruptive physician behavior
- Derive strategies to streamline credentials committee meetings

To complete your Medical Staff Leadership Training Handbook series:

Medical Executive Committee Essentials Handbook

Richard A. Sheff, MD & Robert J. Marder, MD

Peer Review & Quality Committee Essentials Handbook

Richard A. Sheff, MD & Robert J. Marder, MD

Department Chair Essentials Handbook

Richard A. Sheff, MD & Robert J. Marder, MD

©2012 HCPro, Inc. HCPro is not affiliated in any way with The Joint Commission, which owns the JCAHO and Joint Commission trademarks.

HCPro

75 Sylvan Street | Suite A-101
Danvers, MA 01923
www.hcmarketplace.com

MSLCCE

ISBN: 978-1-60146-945-8

