The Clinician’s Quick Guide to Credentialing and Privileging

Kathy Matzka, CPMSM, CPCS, FMSP
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About the Author

Kathy Matzka, CPMSM, CPCS, FMSP

Kathy Matzka, CPMSM, CPCS, FMSP, is a speaker, consultant, and writer with 30 years of experience in credentialing, privileging, and medical staff services. She worked for 13 years as a hospital medical staff coordinator before venturing out on her own as a consultant, writer, and speaker. She holds certification from the National Association Medical Staff Services (NAMSS) in both medical staff management and provider credentialing. She is one of the first recipients of the NAMSS Fellow Designation. Matzka has authored a number of books related to medical staff services, including Medical Staff Standards Crosswalk: A Quick Reference Guide to The Joint Commission, CMS, HFAP, and DNV Standards; Chapter Leader’s Guide to the Medical Staff: Practical Insight on Joint Commission Standards; The Compliance Guide to The Joint Commission Medical Staff Standards; and The Medical Staff Meeting Companion: Tools and Techniques for Effective Presentations. For eight years, she was the contributing editor for The Credentials Verification Desk Reference and its companion website, The Credentialing and Privileging Desktop Reference. She is co-author of HCPro’s Verify and Comply, Sixth Edition. Matzka has performed extensive work with NAMSS’ education committee, developing and editing educational materials related to the field, including CPCS and CPMSM Certification Exam Preparatory Courses. She also serves as an instructor for NAMSS.
About the Reviewer

Barbara Boone

Barbara Boone has been involved in medical staff management services related to the healthcare industry for almost three decades. Working at Emanuel Medical Center and Memorial Medical Center Hospital in California, Boone learned the value and necessity of integral and compliant credentialing. She is an expert in Joint Commission standards, as well as all mechanisms regarding how an organized medical staff oversees the quality of care and treatment provided by credentialed practitioners.

During her time with American Association of Medical Transcription (AAMT), currently known as the Association for Healthcare Documentation and Integrity, Boone worked as an associate editor of the bimonthly publication of the *Journal of American Association of Medical Transcription*. She also coordinated the medical transcription certification exam and educational sessions for AAMT’s annual meetings, which host 500-plus attendees.

Boone continues her work in medical staff management services for Northeastern Nevada Regional Hospital, in rural Elko, Nevada. She and her family have resided in Elko for four years.
Introduction

Physicians and other practitioners are often unaware of the detailed steps of the credentialing and privileging processes or don’t know who or how to ask for help. This book is meant to serve as a go-to guide for credentialing, privileging, applying for medical licensure, verifications, and other sometimes-confusing topics. This handbook is a quick reference guide for residents, new physicians, advanced practice professionals, and even seasoned practitioners as they go through the credentialing/appointment process with hospitals and health plans. For each topic covered, the guide provides brief, easy-to-understand information to help physicians and advanced practice professionals understand the process and what is required when they apply for a new clinical position.

Residents: Newly minted independent physicians do not know what they need to do to or how they can help the process along when it comes to obtaining privileges. Residents need this information as early as their second year of residency so they can prepare and start collecting the information they will need to submit with their medical staff application.

New practitioners: New practitioners and those who leave a group practice to strike out independently need to know what the credentialing and privileging processes entail—whether it be in a hospital, private practice, ambulatory care, or managed
Introduction

care—and what they need to do to make the application process flow smoothly and efficiently. Many do not understand that credentialing is a continuous process, and they don’t realize that, once they get on staff, they must reapply on a periodic basis. They need to understand that credentialing is one of the first steps in the revenue cycle. Practitioners will benefit greatly by being knowledgeable regarding how they can acquire and maintain all of the necessary documentation they need for applications and reapplications.

Healthcare facilities/group practices: Healthcare facilities (hospital and ambulatory care) and group practices need to have a resource to provide to practitioners that spells out what is required in order to meet accreditation and regulatory requirements and to enhance patient safety. Many practitioners view the facility credentialing process as overly burdensome and blame the facility for these processes. However, the sooner a practitioner gets on staff at a hospital or on the panel of a health plan, the sooner he or she can begin generating revenue for the practitioner, the practice, and the healthcare facility. Many times, the process is held up due to late applications or applications that lack sufficient information. This guide will help the practitioner understand the credentialing processes and will serve as a tool for the healthcare facility and group practice to educate the new applicant regarding how to appropriately complete applications.
### Acronyms—Websites

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<thead>
<tr>
<th>Acronym</th>
<th>Full name</th>
<th>Web address</th>
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<tr>
<td>AAAHC</td>
<td>The Accreditation Association for Ambulatory Health Care</td>
<td><a href="http://www.aaahc.org">www.aaahc.org</a></td>
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<td>ABMS</td>
<td>American Board of Medical Specialties</td>
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<td>AMA</td>
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<td>AOA</td>
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<td>Drug Enforcement Administration</td>
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<td>NAMSS</td>
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<td>TJC</td>
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<td><a href="http://www.urac.org">www.urac.org</a></td>
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Definitions of Credentialing and Privileging

Credentialing is the process the healthcare facility or managed care organization/health plan uses to collect and verify the credentials of the applicant. This includes verification of many elements such as licensure, education, training, experience, competency, and judgment. The process for verification of each of these elements is discussed in Chapter 3. The results of credentialing are used to support the privileging process.

Privileging is the process by which a practitioner is granted permission by the facility to provide patient care services. Privileges are granted within an area of practice, such as cardiology, internal medicine, family medicine, etc. Privileges are not a right. The applicant must prove that he or she is qualified to have privileges through documentation of training, experience, and current competency. Privileges are also granted based on consideration of the procedures and types of care, treatment, and services that can be provided by the facility. The facility must have the necessary equipment and have trained staff to support the procedures/treatments the practitioner wishes to perform.
Chapter 1

Although the words *credentialing* and *privileging* are often confused or may be used interchangeably, they are different processes.

**Appointment vs. Privileges**

When applying at a healthcare organization, candidates typically request both appointment to the medical staff and clinical privileges. There may be times, though, when an applicant may have medical staff appointment but not have clinical privileges. For example, a practitioner who limits his or her practice to the outpatient clinic setting may not have admitting privileges at the hospital but may instead refer all patients to a hospitalist. Additionally, practitioners may have privileges but not medical staff appointment, such as locum tenens practitioners and telemedicine providers.

**Why Do Healthcare Facilities and Managed Care Organizations Credential and Privilege?**

There are a few important reasons that credentialing and privileging are conducted.

**Patient protection**

Keeping patients safe is the primary reason for credentialing and privileging. The organization must have appropriate processes so that only qualified and competent practitioners are providing patient care.
Definitions of Credentialing and Privileging

Federal and state regulations and accreditation standards

There are federal and state requirements for credentialing. The Centers for Medicare & Medicaid Services (CMS) publishes requirements that must be met by every healthcare organization or managed care organization (MCO) that wishes to provide services to Medicare and Medicaid patients. State regulations also set forth requirements. Accreditors, such as The Joint Commission (TJC) and National Committee for Quality Assurance (NCQA), set minimum standards that must be met in order to maintain certification, including credentialing. Failure to follow these requirements can result in the organization losing its ability to care for Medicare/Medicaid patients, losing its state licensure, and/or losing its accreditation.

Risk management concerns

If a patient suffers an adverse outcome as a result of negligence by a provider, the hospital where the care was provided can be held separately liable for negligent credentialing if it is found that the credentialing was not performed appropriately. The case Darling v. Charleston Community Memorial Hospital, 211 N.E.2d 253 (Ill. 1965), set the precedent that a hospital can be held directly liable for negligent failure to properly credential a provider. Since that time, most states have recognized the tort of negligent credentialing.

In a case pertaining to managed care, the court in Pennsylvania determined that healthcare management organizations (HMO) and MCOs are liable for the malpractice for their participating physicians. In McClellan v. HMO PA, 413, Pa. Super. 128, 604
A.2d 1053 (1992), the court found that HMOs are liable for the actions of their physicians on much the same basis that hospitals are liable for the negligence of members of their medical staff in the hospital. The court found that HMOs have a “corporate responsibility” to uphold a proper standard of care for their members and concluded that an HMO could be liable for the negligent selection and retention of physicians whose quality of care was substandard.

**Summary**

Although the credentialing and privileging processes may seem burdensome, applicants can take comfort in knowing that they will be working alongside other practitioners who have had to meet the same stringent requirements.
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Clinicians are often unaware of the detailed steps of the credentialing process and are too embarrassed to ask. Now they have a go-to guide for credentialing, privileging, applying for medical licensure, verifications, and other sometimes-confusing topics. This handbook is a quick reference guide for residents, new clinicians, and even seasoned clinicians as they go through the credentialing/appointment process with hospitals and health plans. For each topic covered, the guide provides brief, easy-to-digest information to help clinicians understand the process and what is required before applying for a new clinical position.

This book will help you:

• Prepare for applying to a clinical position in a hospital or health plan
• Understand the typical timeline and process of credentialing
• Know what documents to retain to simplify the application process
• Prepare for your duties as a medical staff member
• Complete the medical licensure, DEA registration, and Medicare enrollment processes