

Chapter 6

Medical Staff Credentialing and Privileges



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It takes longer than you think!

Before you can start to practice with your new employer, you need to apply to the Medical Staff of the hospital(s), ambulatory surgery center(s), etc., in which you'll be working, and request privileges to practice in these organizations. In addition, in order to bill and collect from the various types of insurances, including governmental payers, you will also need to either be credentialed by each insurer, an IPA (Independent Practice Organization) if the insurers delegate credentialing to the IPA, and get the appropriate provider numbers for your new state's Medicaid program (every state is different) and Medicare. This latter form of credentialing is usually done by your practice or billing agency, but you must provide them with the appropriate information. We will focus on Medical Staff credentialing and privileges here since many of the same principles apply to both types. A suggested timeline for how best to plan your credentialing and obtain privileges can be found in the Appendix.

6.1 Credentialing

Credentialing and obtaining privileges are two quite different topics. Credentialing is the verification process that assures the organization that you are who you say you are, that you've completed the education you said you completed, and that you have completed (or are currently in good standing in) the residency training you plan to complete prior to joining their Medical Staff. In addition, they verify any board certifications, that you have a license to practice in their state (and any prior or current state licenses) and any prior Medical Staff memberships. In their application,

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they will ask you a variety of other questions such as those covering prior arrests and convictions, malpractice suits, illegal drug use, and the like. Refer to the next chapter for a harrowing story about something as silly as a DUI! All these answers need to be verified as well.

The standard that all Medical Staffs are required follow is to use “primary source verification” whenever possible. That means they can’t rely on the fact that another hospital has verified something like your college education and degree. They must do this again from “scratch” by directly contacting your college or university. The only exception to this is if several organizations have delegated credentialing to a central office (as in a health system) or IPA for insurances, then only the delegated source needs to complete the primary source verification.

There are a couple of sources for verification that exist on the national level, although these are technically secondary sources of verification. The first is the National Practitioner Data Bank (NPDB) sponsored by the federal government. This data bank was established to prevent incompetent practitioners from moving from state to state without disclosure of prior medical malpractice payments or adverse actions taken against them by licensing boards or Medical Staffs. To assure confidentiality, the NPDB is only accessible to entities that meet certain eligibility requirements (e.g., Medical Staff credentialing offices and State licensing boards) and is not generally accessible to the public. To keep the NPDB useful, there is a mandatory reporting requirement for State licensing boards, professional societies, and Medical Staffs to report any adverse actions against physicians, dentists, and other practitioners. Any entity that makes a medical malpractice payment for the benefit of a physician, dentist, or other practitioner must report certain payment information to the NPDB. A companion federal data bank is the Healthcare Integrity and Protection Data Bank (HIPDB). The HIPDB was created out of Health Insurance Portability and Accountability Act (HIPAA) legislation. It is a repository for fraud and abuse in healthcare insurance and healthcare delivery. Together, these two data banks are a valuable source of information that Medical Staffs utilize to verify statements made on Medical Staff applications. For more information on these data banks, visit www.npdb.hrsa.gov.

As you might imagine, all of this verification takes time. Plan on a minimum of 2 months, but 3–4 is more likely. Don’t assume you will just be granted temporary privileges to practice in a hospital. The Joint Commission has restricted this practice to very specific circumstances, none of which you will likely fit. The verification of credentials cannot be hurried. The application, once complete, can be rushed through Medical Staff and Board channels, but this isn’t a good way to start out your relationship with your new hospital.

The first rule governing a successful Medical Staff application is to be complete. Answer all the questions, include all the requested documents, and sign everywhere they ask you to sign. And don’t forget to send the check for the processing fee. You must pay them to do all this work! The second rule is to be truthful. They search a variety of sources to verify your answers to questions. If you lie, chances are they will find out. Just about everything about you is somewhere on the Internet and they

know how to find it! The third rule is to send in your completed application 6 months before you want to start working, or within a week of receiving the application after you accept your new job.

On your application, you will be asked to provide references. All these references will be contacted and will be sent some type of form to return to the Medical Staff credentialing office to which you are applying. Many of the people you list as references will have large stacks of papers on their desks, and this piece of paper will likely migrate toward the bottom of one of these stacks (or into a circular file). It's a good practice to call the Medical Staff credentialing office about 3 weeks into the process and ask them about the status of your application, whether they have received everything they need and whether your references have been received. Assuring that your references are complete is as much your responsibility as the credentialing office.

6.2 Obtaining Privileges to Practice

Once your credentials file has been fully verified, a few more steps remain. Credentialing is different from granting privileges to practice. Both are ultimately necessary to complete the process. A fully credentialed physician can join the Medical Staff, but they can't actually practice until they have been granted the privilege to do so. In your Medical Staff application, you were asked to fill out a request for privileges in your specialty. If you are just completing your training, your training program will attest to your ability and competency to perform a given set of privileges. The department head of the Medical Staff must "sign off" on these privileges.

The completed application, all the verifications and recommendations, and the request for privileges are sent to the organization's credentials committee for review. This group will review all of the documents and determine if there are any issues that need to be more fully explored. For example, one of your references may indicate that you have a difficult time getting along with subordinates, they may ask for additional references or even request a personal interview prior to passing your application along to the Board of Directors for final approval.

After you successfully complete this process, and are accepted into the Medical Staff, you will receive a confirming letter from either the chair of the credentials committee, your department chief, or the president of the Medical Staff. If you didn't already pay Medical Staff dues with your application, you will be asked to pay them. You will receive a copy of the privileges you were granted and be notified whether any you requested were denied. One or more members of the Medical Staff will be assigned as your "proctor" for these privileges. All privileges, when first granted, are only interim until you demonstrate your proficiency as judged by a member of the Medical Staff with similar privileges. It is your responsibility to contact your proctor when you are initially caring for patients at the facility. The number and types of procedures that require proctoring will be listed in your letter.

As a general rule, Medical Staff applications are eventually approved, and privileges are granted commensurate to a new applicant's training and experience. But there are some exceptions to this general rule. Some departments are "closed" due to an exclusive contract between a group and the hospital. The departments that often have these exclusive arrangements are the hospital-based departments of Radiology, Anesthesia, Pathology, and Emergency Medicine. If you attempt to join a Medical Staff and gain privileges in one of these hospitals or other facilities and is not joining the exclusively contracted group, your application will not be accepted. There are other times when privileges you are qualified for may be denied. For example, department chief "A" is one of only a couple of physicians on the Medical Staff of a hospital who performs a very lucrative procedure. You apply for privileges in that hospital for that same procedure and A denies your application, stating that you have insufficient experience in doing this procedure. In this case, your privileges were denied based on economic, not medical reasons. Remember, the practice of medicine is a business, and some put business ahead of medical ethics.

It is unlikely that you'll be a victim of such an event, but if you are, you'll usually have recourse within the Medical Staff bylaws themselves. These bylaws will often outline an appeal process through which adverse decisions such as the denial of privileges can be adjudicated. In our example above, it's likely that A's denial of your privileges was a breach of contract (the contract being the Medical Staff or hospital bylaws), violated due process, had antitrust implications, and might even violate federal antidiscrimination laws. Any one of these arguments, if successful, would be enough to overturn A's decision.

Another issue is confidentiality. Your Medical Staff application is confidential and information in it cannot be disclosed outside of formal Medical Staff committee deliberations. One might imagine that department chief "A" isn't beyond leaking some sort of information that may be intended to discredit his competition if this was allowed. You can ask to view any information you provided in your application, but even you cannot view any of the references, verification work, or Medical Staff committee deliberations on your application.

Throughout this process, especially if you're out of town, it is best to rely on the administrative staff of your new practice to make sure that your application is proceeding through Medical Staff channels and will be completed by the time you show up to work, and that you are going to be properly credentialed with third-party payers by the time bills must be submitted for your services. They know the local personnel and have likely worked with them many times to process new recruits. We intentionally made this process seem very complicated because it is! Respect it as there is nothing worse than showing up at your new job unable to work and draw a salary.