

# MANAGED CARE

## OUTLOOK

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### **Credentialing Innovation Update: Managing Your Network Providers' Risk through Outsourcing Continuous Automated Verification**

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The provider who joined your network 18 months ago graduated from a top medical school and was fully licensed to practice in her state. You confirmed her credentials during the contracting process, but do you know if her status has changed since then? If you do not plan to conduct the time-consuming and expensive credentialing process again anytime soon, how confident can you be that no recent issues have developed — such as a driving under the influence (DUI) charge or a malpractice claim — that pose a risk to health care consumers or your organization's financial health?

Every day, health care professionals with questionable credentials and qualifications work in hospitals, nursing homes, ambulatory surgical centers, and other health care facilities. In fact, an observational study that Medversant Technologies recently conducted found that of nearly 30,000 health care practitioners with professed current medical licensure, almost 2 percent were practicing without a license and nearly 19 percent were flagged with serious malpractice issues, expired licenses, falsified credentials, and other adverse findings.

Managed care organizations (MCOs) accredited by the National Committee on Quality Assurance (NCQA) or the Utilization Review Accreditation Commission (URAC) must

credential health care professionals every three years. Unfortunately, because they are so inefficient, many credentialing processes now in place are incapable of keeping up with these requirements. With the task of processing tens of thousands of provider verifications, these cumbersome, paper-based operations are bogged down by countless telephone calls, communication delays, and data errors and inaccuracies.

#### **New Approach to Managing Network Risk**

Outsourcing provider verification through a proper credentialing verification services organization can provide managed care organizations with cost savings and improved usability and accuracy. Outsourcing credentials verification is most helpful when you employ technology to move beyond the traditional paper-based process. There are technology-enabled verification services that provide continuous electronic validation, allow companies to access provider data in real time, and integrate it with existing systems. The database becomes more accurate because it is updated continuously, and since the report is updated until the moment it is sent, MCOs can fulfill their NCQA, URAC, and regulatory requirements more easily and with greater accuracy. In addition, this system may provide dramatic cost savings to MCOs while also making them better insurance risks.

“MCOs can face significant exposures as a result of outdated or inaccurate data,” says John Riordan, vice president of Managed Care Underwriting for OneBeacon Professional Insurance, which specializes in professional liability solutions for a broad range of industry groups including managed care organizations. “By being able to verify and update credentialing information continuously, they are immediately aware of potential problems and can act accordingly. This enhances their business, saves money, and improves their liability risk.”

### What to Look For

Web-based automated technology is a critical component of any verification outsourcing service. Picture the service you use as an extension of your own organization and demand transparency in the process. Again, this becomes a function of technology inasmuch as the service provider must utilize a technology platform that will allow both access by the client and shared use. Therefore, look for a service that includes most, if not all, of the following:

- continuously automates verification of all electronic credentials information;
- optimizes automated processes to handle offline verification sources;
- houses information in a single, electronic relational data warehouse that enables 24/7 login from any location to check the progress of a credentialing request;
- provides a complete digital-verified file and a summary-verified profile;
- makes available an online provider application with electronic signature;
- generates online reports, statuses, and other information;
- integrates provider data to other systems; and
- is accredited by NCQA and URAC.

An effective Web-based verification service also enables providers to complete a single online credentialing application that is centrally stored on secure servers. The system’s technology should handle every email,

correspondence, or other communication, thus preserving a complete digital record of all credentialing-related activities for you, and it should allow you to easily import information from or export it to other operational systems.

Finally, consider a credentials verification service that enables you to verify information against outside data sources. Some companies now offer proprietary technology on an outsourced basis to acquire practitioner credentials and electronically verify them against databases. These databases include state licensing boards, Drug Enforcement Administration (DEA), National Technical Information Service (NTIS), and the Excluded Providers Listing Service (EPLS).

### Changing the Rules of the Game

Outsourcing continuous verification to an automated technology-enabled credentialing organization can be a real game-changer for managed care. Organizations can offload a time-consuming, costly, error-prone and risk-laden process, improve efficiency, and protect the bottom line. Also, in light of increasing liability for credentialing lapses, adopting a more prudent approach is an important component of risk management. With health care administrative efficiency initiatives, increased competition, and the public spotlight on health care quality, outsourcing provider verification deserves serious consideration. ■

OneBeacon Professional Insurance is a member of OneBeacon Insurance Group that specializes in professional liability solutions for targeted industries including hospitals of all sizes, physician groups, managed care organizations, long-term care facilities, health care facilities, media organizations, real estate professionals, and lawyers. Additionally, OneBeacon Professional Insurance provides employment practices liability insurance, management liability, and tailored products for complex organizations including health care provider excess insurance and health maintenance organization (HMO) reinsurance. To learn more about OneBeacon Professional Insurance, go to [www.onebeaconpro.com](http://www.onebeaconpro.com).

Medversant Technologies, LLC is a provider of continuously monitored Web-based credentials verification solutions through patented AutoVerifi™ technology (U.S. Patent 7,529,682) for hospitals, health insurance plans, state Medicaid programs, nursing homes, outpatient centers, and other health

care settings. Headquartered in Los Angeles, Calif., Medversant can be reached at 213/291-6139 or [www.medversant.com](http://www.medversant.com).

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