

**POLICY NUMBER:** Policy # 2/0032/R2

**POLICY TITLE:** Priority Health Organizational Provider Credentialing & Recredentialing Policy  
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**POLICY STATEMENT:** To define those organizational providers that require credentialing and recredentialing and define the general process of evaluation.

**EFFECTIVE DATE:** 12/94

**REVIEW DATE:** November 1998 annual review; 11/3/99 annual review; 12/6/00 annual review, 9/5/01 annual review with revisions, 10/2/02 annual review, 10/1/03 annual review, 11/3/04 annual review with revisions, 7/1/09 CMS revisions

**STATUS:** Existing policy

**APPROVAL COMMITTEE/DATE:** Credentialing Committee Annual Review: 12/3/97, 11/4/98, 11/3/99, 12/6/00, 9/5/01, 10/2/02, 10/1/03, 11/3/04

**DISTRIBUTION/SECURITY:** All staff/No security required

**AUTHOR(S):** Credentialing Committee

**BACKGROUND:** Priority Health developed an Organizational Provider Credentialing Policy to ensure that contracted organizational providers, as defined in this policy, meet the criteria and qualifications as set forth by Priority Health.

**POLICY DESCRIPTION:**

It is Priority Health's policy to exercise reasonable care in selecting, and to review and periodically evaluate, the organizational providers included in the Priority Health network. Priority Health will initially credential and periodically recredential those hospitals, home health agencies, skilled nursing facilities nursing homes, freestanding surgical centers, and behavioral health facilities providing mental health or substance abuse services in an inpatient, residential or ambulatory setting in its network in accordance with this Credentialing and Recredentialing Policy and Procedure.

Credentialing is the initial process through which Priority Health determines whether or not to grant network membership to an organizational provider. Priority Health will collect, review and verify specific information regarding each organizational provider, determine whether the organizational provider meets specific criteria, and approve or deny the organizational provider's application for membership in Priority Health's network.

Recredentialing is the process through which Priority Health will update and verify all pertinent information regarding network organizational providers and review each organizational provider's performance. It is Priority Health's policy to recredential every organizational provider at least triennially.

**A. Application of Process**

This Credentialing and Recredentialing Process applies to all organizational providers included in or seeking membership in the Priority Health network, as defined in the policy and the Credentialing Grid for Ancillary Providers.

## **B. Criteria**

1. An organizational provider that desires to participate in the Priority Health network must submit a completed initial assessment form and addendum, as applicable to Priority Health and fulfill all criteria for participation in the Priority Health organizational provider network (attached as Appendix and referred to in the document as “Criteria”). The organizational provider will complete a credentialing process, during which the Credentialing Committee (defined in Section C below) will assess the organizational provider. Priority Health may offer the organizational provider a contract only after the Credentialing Committee has determined that the organizational provider satisfactorily fulfills the Criteria.
2. Organizational Providers in the Priority Health network must continuously fulfill the Criteria. The Credentialing Committee will assess whether each organizational provider continues to satisfy the Criteria by recredentialing each organizational provider from time to time that will include, without limitation, review of information regarding malpractice insurance, accreditation status, and proof that the facility is in good standing with state and federal regulatory bodies.

## **C. The Credentialing Committee**

The selection of organizational providers is a prerogative of the Priority Health Board of Directors. The Board of Directors has appointed and assigned the Quality Integration Committee responsibility for clinical issues regarding Priority Health network providers. The Quality Integration Committee has delegated authority for credentialing and recredentialing activities and decisions to the Credentialing Committee. Priority Health will execute the contract of the organizational provider upon the approval of the Credentialing Committee.

1. The Credentialing Committee is comprised of participating physicians from various specialties and the following Priority Health employees:
  - a) the Chief Medical Officer (voting member);
  - b) the VP of Corporate QI Strategies, the Credentialing Manager, a Network Management representative (nonvoting members); and
  - c) a recording secretary (nonvoting member).
2. The Committee's responsibilities include:
  - a) conducting an evaluation of each applicant or provider;
  - b) determining whether an applicant or provider satisfactorily fulfills the Criteria;
  - c) determining the acceptance or denial of applicants and the affirmation or termination of providers who have been reevaluated and reporting these decisions to the Quality Integration Committee; and
  - d) developing new criteria and forwarding it to the Quality Integration Committee. If the Quality Integration Committee and the Board of Directors amend or add criteria, the Credentialing Committee will begin to use such criteria for both credentialing and recredentialing 30 days after Priority Health has sent written notice of the adoption of the criteria to providers.

## **D. The Credentialing and Recredentialing Process**

1. Throughout the credentialing or recredentialing process, the organizational provider is responsible for:
  - a) responding to requests for information made by the Credentialing Committee, Quality Integration Committee or the Board of Directors; and
  - b) keeping Priority Health informed of any changes in its status relative to the criteria. For example, an organizational provider should notify the Committee regarding any:
    - (i) judgment, settlement, or compromise in a professional liability action;
    - (ii) exclusion from the Medicare or Medicaid programs;
    - (iii) cancellation of professional liability coverage;
    - (iv) loss of Michigan Health licensure;
    - (v) loss of accreditation from a recognized accrediting body.
2. The Credentialing Department will confirm or obtain information relating to the organizational provider applicant with various sources, including, but not limited to:
  - a) professional liability claims and insurance history and current status of malpractice insurance with the organizational provider;
  - b) proof of good standing with the state licensing agency, as applicable;
  - c) status regarding accreditation from applicable accrediting organizations;
  - d) status with Medicare and/or Medicaid.
3. The Credentialing Committee will review the application and verify that the Criteria for participation are present.
4. In the case of an organizational provider being recredentialled, the Credentialing Committee will review any information regarding the effectiveness and efficiency of the organizational provider since the initial credentialing or most recent recredentialing.
5. Priority Health may inspect, initially and from time to time, organizational provider's physical plant and determine whether the site complies with applicable regulations and is appropriate for use by Priority Health members. See the Credentialing Grid for Ancillary Providers for requirements regarding site visits for organizational providers.
6. The Credentialing Committee will review the file of the organizational provider at a meeting held within a reasonable time after application. The Committee will either:
  - a) recommend that the organizational provider be added to or allowed to continue in the Priority Health network;

- b) recommend that the organizational provider **not** be added or allowed to continue in the Priority Health network; or
  - c) defer a decision regarding the organizational provider pending further investigation.
7. Any action to be taken against a provider by the Committee has to be approved by a majority of all Committee members (excluding, if applicable, members who may have a conflict of interest.)
8. If the Committee:
- a) recommends approval of the organizational provider, Priority Health will execute the contract of the organizational provider subject only to approval by the State of Michigan, if required.
  - b) recommends denial of the organizational provider's initial application for membership in the Priority Health network, Priority Health will deny the applicant membership unless and until the Quality Integration Committee and Board of Directors reverse the decision of the Credentialing Committee.
  - c) recommends revocation or suspension of an organizational provider's existing membership in the Priority Health network. Priority Health will follow the procedure stated in number 10 below.
  - d) defers its recommendation, the Committee will undertake further investigation, reconsider the organizational provider's application or continued participation, and make a final decision within 90 days of such deferral.

The Credentialing Committee will report their decisions regarding organizational providers to the Quality Integration Committee and the Board of Directors.

9. The Chief Medical Officer may immediately suspend the organizational provider from participation in the Priority Health network, pending the Committee's review, if the Chief Medical Officer determines that the organizational provider has materially breached this policy. The Chief Medical Officer shall give the organizational provider notice of any suspension within 2 business days of such determination.
10. If the Committee revokes or suspends an organizational provider's existing membership in the Priority Health network, the Committee will notify the facility, in writing, of its recommendation within five (5) days of its decision by certified mail. The notice will state the recommendation, present the Committee's reasons for the recommendation, including the acts or omissions attributed to the organizational provider and give the required contractual termination notice.
11. The Quality Integration Committee and Board of Directors will review all decisions made by the Credentialing Committee regarding organizational providers.
12. If, due to its final decision, any law or regulation requires Priority Health to report its action to a governmental agency, Priority Health will notify the designated authority in accordance with the specifications of the applicable law or regulation.

## **E. Credentialing for Employed Providers**

1. Organizational provider agrees to accept responsibility for credentialing and recredentialing all physicians, nurse midwives, physician assistants, nurse practitioners, and other licensed professional providers, including locum tenens providers, whom organizational provider directly employs or contracts with.
2. Organizational provider shall, as applicable, provide Priority Health a written copy of its internal credentialing and recredentialing policy, which shall meet National Committee for Quality Assurance and Michigan Department of Community Health requirements and be acceptable to Priority Health.
3. Organizational provider represents and warrants that all providers employed by Organizational provider comply with organizational provider's credentialing and recredentialing policy.
4. Organizational provider agrees to allow Priority Health to monitor the effectiveness of the organizational provider credentialing and recredentialing policy through the review of credentialing and recredentialing files, discussion with providers employed by organizational provider and other actions as determined by Priority Health.
5. Priority Health shall retain the right to credential and recredential all providers employed by organizational provider and the right to prevent such providers from providing services to a Member of Priority Health even if the organizational provider has credentialed the provider.

#### **F. Confidentiality**

Priority Health will treat information it receives as part of its credentialing and recredentialing activities as confidential. Priority Health will not disclose information to individuals who are not members of the Credentialing Committee, the Quality Integration Committee or the Board of Directors, except as permitted or required by this credentialing and recredentialing policy or as required by State or Federal statutes, regulations, or judicial order. Priority Health will maintain all Credentialing Committee and Quality Integration Committee documents in a secure manner in Priority Health's Health Management Department.

#### **G. Policy Review**

Priority Health's Organizational Credentialing and Recredentialing Policy will be reviewed at least biennially and revised as needed.

**SUPPORTING DOCUMENTATION:** Credentialing Grid for Ancillary Providers, Organizational Participation Criteria, CR 1, CR 12, Medicare Managed Care Manual ( Chapter 6: Relationship with Providers).

**OPERATIONAL AREAS IMPACTED:** Health Management

**SPECIAL NOTES (I.E., PRODUCTS AFFECTED)** This policy applies to all products