CAQH® Solutions

Credentialing - All for One

The benefits of moving to one platform to exchange credentialing information.

The credentialing process can be cumbersome for both healthcare providers and health plans. Over the years, solutions have been developed to alleviate the burdens associated with this workflow. But, while advances have been made in automating credentialing, a new problem has emerged: plans and providers are using a multiplicity of platforms that do not communicate with one another. Now, a physician who contracts with 10 or more plans may use just as many portals, platforms and manual processes to provide credentialing information to each.

In short, the benefits of automation are being lost to a fragmented system.

According to new analysis from CAQH, the burden associated with the current disjointed credentialing system does not impact providers across the country equally. In particular, providers in rural areas bear a much higher cost.

There is, however, reason for optimism. The research by CAQH showed that costs and complications are minimized when large numbers of providers and plans use a single automated platform. It can also improve accuracy by eliminating the risk of human error.

THE OPPORTUNITY FOR PROVIDERS

In September 2019, CAQH surveyed 1,240 physician practices to assess the administrative costs of responding to health plan requests to update and verify professional information.

To gauge the volume and frequency of these requests, the survey also examined the number of plan contracts each practice manages: on average, a physician practice has 20.2 plan contracts[1] — each of which has its own standards and frequency of data verification.

The survey found that physician practices that use multiple methods for credentialing spend $2,068.00 per month on this workflow, while practices that used one platform spent only $1,249.86 per month. On average, moving to one credentialing platform could save physician practices $818.14 per month, or $9,818.00 annually — a savings of 40%. Nationwide, streamlining the exchange of credentialing information on one platform could save physician practices $2.26 billion annually.

$2,068.00/month

The amount physicians spend on credentialing when using **multiple platforms.**

$1,249.86/month

The amount physician practices using **one platform** for credentialing spend

However, the research also found that the opportunity to save increased in certain geographic regions, with a savings potential of 73% in the West, 49% in the Midwest, 61% in the Northeast and 14% in the South. These regional variations may be influenced by differences in average practice sizes, labor costs and other factors.

Greater savings are also possible for physician practices located in rural areas[2]. According to the survey, physician practices in urban areas could save 39% while physician practices in rural areas could save 75% on credentialing costs by moving to a single data exchange platform.

While there are a number of factors that contribute to these additional savings, one of the most significant is that practices in rural areas manage 26 contracts on average, compared to urban health practices that have an average of 18 health plan contracts. In general, the greater the number of health plan contracts a physician practice has, the more likely that they will need to use multiple methods to exchange credentialing information.

REAPING THE REWARDS

Along with the benefits it brings to providers, adopting a single platform to manage provider credentialing has a significant upside for plans, including:

- **A faster process.** With one, streamlined platform in place, health plans can reduce the amount of time providers need to submit their information, as well as the time spent reviewing, validating and following up.

- **Lower costs.** Manual processes can put a strain on a payer's time and budget. With one automated workflow resource, plans can reduce the administrative resources needed for collecting and verifying credentialing information.

- **Greater accuracy.** Manual credentialing creates a significant risk of human error. An advanced platform eliminates human error through task automation and machine learning to rectify errors.

- **Consistency among providers.** While practices face disproportionate challenges based on their region and location, moving to one automated platform ensures that all providers within a network have access to the same resources and technology.

- **Improved provider compliance.** By introducing a more convenient process for their networks, health plans can encourage participation and ongoing compliance among providers.

- **Reduced provider abrasion.** Automated processes significantly reduce the need for health plans to follow up with providers—and lower provider abrasion.

CAQH ProView has been an industry standard for more than a decade and is currently used by 1.6 million providers and more than 1,000 participating organizations. Health plans have found it to be a practical choice for a single credentialing platform, since additional modules help them manage sanctions, directories, primary source verification and other provider data needs.

As healthcare moves towards more automated administrative processes, there has never been a better time for health plans to seize the opportunity to improve the credentialing process for themselves and their provider networks.

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1   White Paper: The Hidden Causes of Inaccurate Provider Directories. CAQH (November 2019)

2   United States Census Bureau, (n.d.), 2010 Urban Area FAQs, U.S. Department of Commerce. Retrieved August 24, 2020, from https://www.census.gov/programs-surveys/geography/about/faq/2010-urban-area-faq.html#par_textimage_1