BoardBrief

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Knowledge Resources for Governing Effectiveness

The Board's Role in Medical Staff Credentialing and Privileging

As a board member you understand the commitment your organization has to the community to deliver excellent, safe patient care. Do you know, however, the impact you have on this commitment at every board meeting when you appoint and reappoint members of the medical staff?

Medical staff credentialing and privileging are two of the most important tasks boards undertake to assure quality of care in their organizations. The overall objective of credentialing and privileging is to ensure that only qualified doctors (and others who qualify as 'medical staff' due to making diagnoses and prescribing treatment) are admitted to and remain on the hospital's medical staff, and that they practice within their scope of experience and competence.

What is Credentialing and Privileging?

Medical staff credentialing is a two-pronged process that involves establishing requirements and evaluating individual qualifications for entry into a particular medical staff status (e.g. active, courtesy). The types of medical staff status are delineated in the medical staff bylaws. Medical staff membership generally includes all providers who will be diagnosing and treating patients at any of the hospital/health system's sites of care. This includes providers who are working in hospital-sponsored/owned outpatient clinics and contracted providers.

The scope for medical staff credentialing and privileging is broader than allopathic and osteopathic physicians, dentists and podiatrists. The scope includes advanced practice nurses (such as nurse midwives, nurse anesthetists, nurse practitioners), physician assistants and psychologists.

Credentialing first involves considering and establishing the professional training, experience, and other requirements needed for medical staff membership. The second aspect of credentialing involves obtaining and evaluating evidence of the qualifications of individual applicants. Basically, credentialing is verifying that each applicant:

1. Is who he/she claims to be;
2. Has been properly licensed and, as appropriate, board-certified (or board-eligible);
3. Has appropriate malpractice insurance; and
4. Meets minimum requirements established by the hospital to be on staff (education and experience).

Credentialing Verification. In past years, credentialing verification was no more complicated than having the applicant present some form of documentation, such as a diploma or certificate.

Today's credentialing, however, goes far beyond this approach and requires primary source verification – direct contact and verification from the sources of credentialing, such as schools, residency programs, and licensing agencies – to guarantee that statements of education, training, experience and other qualifications are legitimate. Primary source verification is not only important in meeting requirements of major accreditors and regulators, such as The Joint Commission and the Centers for Medicare and Medicaid Services (CMS), but also critical in avoiding legal problems, managing risk and ensuring quality patient care.

For large systems, credentialing may be centralized at a corporate level. There are a number of commercial software tools available to help track and document compliance with medical staff requirements for credentialing. For small organizations, tracking medical staff credentialing is frequently done by the Medical Staff Office, often using simple spreadsheets. Accountability for obtaining initial credentials and keeping these credentials current is a critical aspect of meeting accreditation and regulatory requirements.

Granting Privileges. After verification that the applicant is initially properly credentialed, the next step is initially granting privileges. Privileging is a three-pronged process that determines:

1. The diagnostic and treatment procedures the provider is approved to perform, assuming that the hospital is equipped and staffed to support those areas;
2. Given the nature of the requested privilege, the applicant's training and experience necessary to competently carry out each privilege requested; and
3. Whether the credentials of applicants meet minimum requirements and then approve authorization to carry out requested procedures, treatment and care management.

A unique circumstance may occur when either: a) emergencies strike the hospital and there is a

Delineation of Clinical Privileges

"Delineation of clinical privileges" determines what procedures, processes and treatments (including experimental and/or research protocols) may be performed by the provider and which conditions each medical staff member may treat. As new technologies are developed and new subspecialties evolve, privileging medical staff members will become more challenging for organizations and their leaders.

Delineation of privileges is an ongoing process that must not only be flexible enough to add new procedures or conditions to treat, but also be objective, evidence-based and consistent.

Additions to privileges should be considered when:

- Providers learn new technologies (e.g. lasers, robotics)
- The nature of that medical treatment has changed (e.g., laparoscopic surgery)

Privileging reductions should be linked to the peer review of medical staff quality of care, with privileges suspended or terminated when the provider is not meeting the quality standards.

Key Board Roles

The board has two key functions in medical staff credentialing and privileging:

- **Attend to process**— Delineate the steps in the process and specify/approve criteria used to make recommendations or decisions at each step. The board must also ensure that the process is thorough, fair, consistent and functioning effectively.
- **Decision-making**— The board must ultimately decide which providers will be admitted to the medical staff, allowed to remain on the medical staff, and which procedures and/or treatments they can perform.

need for 'temporary privileges' to help in a crisis; or b) there isn't sufficient immediate coverage of a particular clinical area and urgent clinical assistance is required from a provider from another location. Temporary privileges are generally granted through the Chief Medical Officer, Medical Executive Committee and the CEO. They are intended for only a short duration and should be carefully granted and eliminated when no longer necessary.

The Board's Role in Credentialing and Privileging

The board of trustees assumes all legal responsibility for the hospital and is ultimately responsible for approving all bylaws, policies and procedures. The board has two key functions in credentialing and privileging: 1) Attend to process; and 2) Decision making.

Attend to Process. The board must delineate steps of the credentialing and privileging processes and specify/approve criteria that it uses to make recommendations or decisions at each step. They also must ensure that the process is thorough, fair, consistent and functioning effectively.

Questions the board may want to ask to ensure these objectives are being met in the process:

- Are the steps of the credentialing and privileging processes and the specific responsibilities of various individuals and groups clearly delineated in the medical staff and board's bylaws and/or policies?
- Are the criteria used at each step of the process explicit, objective, valid and reasonable?
- Is the data needed for effective credentialing and privileging consistently available for the processes to be completed effectively?
- Does the privileging process tie to the medical staff quality of care evaluation results?
- Does the board periodically assess the extent to which it follows the specified process?
- Within the last several years, has the board evaluated its credentialing and privileging processes to ensure that they are conforming to applicable laws, regulations, and Joint Commission standards?

Decision Making. The board must ultimately decide which providers will be admitted to the medical staff (initial appointment), allowed to remain on the medical staff (reappointment), and which procedures and/or treatments they can perform and which diseases/conditions they may treat (privilege delineation).

Although in the past, the board's role in credentialing and privileging has often been minimal, recently, boards are becoming more intricately involved in the credentialing and privileging processes. In many instances, boards are designating responsibility for appointment and privilege decisions to a board subcommittee that better understands the complexity of the issues and that the board has authorized to act on its behalf in such matters. The credentialing and privileging processes require more oversight from the board than most areas of governance; active board participation is integral in assuring viable, effective credentialing and privileging processes and a high-quality medical staff.

Background Checks

One essential component of credentialing is utilizing practitioner data banks that allow organizations to gather pertinent background information on physicians. The intent of these data banks is to protect the public from incompetent practitioners and reveal any negative sanctions taken against specific providers.

In addition to basic background checks, many health care organizations are now conducting drug screening testing and doing criminal background checks to further guarantee the safety of their patients.

Investigative/Corrective Action

Even though most organizations go through a stringent process of provider credentialing and privileging medical staff members, there are times when organizations or individuals may want to "reverse the process" and remove a physician or other provider from the medical staff. These processes are generally outlined in the medical staff bylaws. Hospital legal counsel and/or risk management typically becomes involved if investigative and/or corrective actions need to be addressed with a medical staff member.

An investigation may be initiated whenever a practitioner with clinical privileges exhibits behavior – either within or outside the hospital – that is likely to be detrimental to the quality of patient care or safety, the hospital's operations or the community's confidence in the hospital. An investigation may be initiated by any medical staff officer, the chair of the department in which the practitioner holds appointment or exercises clinical privileges, the CEO, the MEC or the governing board. All requests for investigations should be submitted in writing to the MEC.

Prior to determination by the MEC if an investigation should be undertaken, often the individual or committee requesting the investigation may ask for an interview with the involved practitioner. This assists in gathering information for the decision of whether or not there is a relevant cause for further examination. If the decision is made to continue the investigation, there are generally two forms of suspensions that may affect the individual involved: automatic suspension or summary suspension.

Automatic Suspension. Automatic suspension of the involved practitioner will take place if:

- The practitioner's state license to practice or DEA number is revoked, suspended, restricted, or placed under probation;
- The practitioner fails to satisfy or has falsified an interview requirement;

- The practitioner fails to maintain malpractice insurance; and/or
- The practitioner's medical records are not completed in a timely manner.

Summary Suspension. The CEO or any member of the MEC or the governing board may initiate summary suspension of the involved practitioner's medical staff status or clinical privileges. Summary suspension is typically initiated whenever a practitioner's conduct requires that immediate action be taken to prevent immediate danger to life, or injury to him or herself, patients, employees, or other persons present in the hospital.

After a summary suspension, the MEC will typically convene to review and consider the suspension. The MEC may recommend modification, continuation or termination of the suspension. Unless the MEC recommends immediate termination of the suspension or one of the lesser sanctions, the practitioner is entitled to the procedural rights contained in a "fair hearing" as outlined in the medical staff bylaws. Any and all decisions or conclusions that are drawn by the MEC are assessed by the governing board before any final decision is made.

Finally, any applicant who has been denied appointment, clinical privileges or reappointment, or who has been removed from the medical staff during the appointment year, usually may not reapply to this hospital for a period of one year (12 months), unless specified otherwise in terms of the specific corrective action, consistent with the bylaws.

Sources and Additional Information

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