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Vendor Issues: Hospital Credentialing & Access Requirements

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History

- The subject of credentialing originated in the Pharma industry due to concerns about relationships that pharma companies had with physicians
- Some studies proved that there were benefits accrued by physicians from vendors
- This resulted in focused attention from the OIG on possible cases that could violate the anti-kickback statute
- The credentialing process is aimed at eliminating potential conflict of interest between vendors and employees



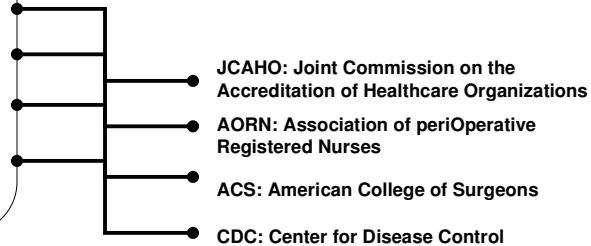
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Overview

Regulatory requirements and standards are driving healthcare providers to integrated compliance and business credentialing solutions. These solutions enable that business partners comply with these standards.

JCAHO, AORN, ACS and the CDC have introduced vendor compliance recommendations, guidelines and standards for healthcare facilities.



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Focus Areas

- Two Key Components for discussion today:
 - Credentialing
 - Vendor Access
- Credentialing involves
 - Conducting background checks using social security numbers
 - Reviewing credit histories
 - Verifying vaccinations
 - Employment status verification
 - General liability insurance coverage
- Vendor Access involves
 - Completing applications to allow access into hospitals and/or labs
 - Paying a fee to be credentialed
 - Being registered and getting approval for access



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What is Credentialing?

- This is a new requirement for vendors to allow them to access to hospital and laboratory sites
- There is apparently no single standard for vendor credentialing. The institution is free to create their own credentialing requirements
- Most hospitals require credentialing of their vendors to ensure they are safe to work in the institution, i.e. no drug problems, no criminal history, appropriately trained, etc.
- Apparently hospitals have recommended that vendors setting foot inside the hospital register employees by providing similar credentialing for the same reasons
- Credentialing also ensures that vendors have product knowledge. It further sets out to prevent uninvited visits requiring vendors to make appointments in advance
- Credentialing may include specific proof of vaccinations, background checks, employment status, general liability coverage, etc.

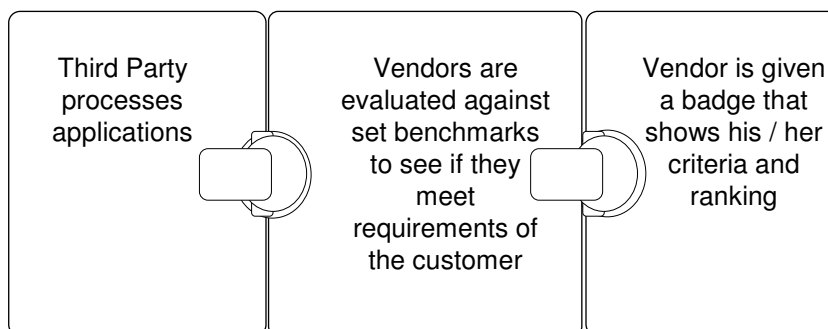


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Process for Credentialing

In many organizations, a cross-functional team comprised of the Legal, Compliance, HR, Operations, and Health & Safety functional groups form into a taskforce to respond quickly to credentialing requirements.



Source: Siemens Healthcare Diagnostics



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Healthcare Provider Requirements

- In evaluating vendors, healthcare organizations are asking some of the following questions:
 - Have vendors received any criminal or financial sanctions?
 - Is the vendor on a Government watch list that would prevent the healthcare facility from receiving funding from the government?
 - Is the vendor knowledgeable enough to sell the products?
 - Has the vendor representative been accused of a felony? Are they a registered sex offender?
 - Are vaccination records updated and complete?



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Issues

- Fees can range between \$50 and \$450 ***per person***.
- Lack of Harmonization with the third party credentialing vendors.
- Are concerns of legal liability really being addressed?
- What is the correlation between fees collected and services provided?
- Some outsourcing sites have requested that customers go through the credentialing process.



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Joint Commission

- The Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations (“JCAHO”) promulgates standards by which healthcare organizations are measured.
- Accreditation is defined as compliance with all standards at time of on-site survey.



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Joint Commission Requirements – Contract Personnel

- JCAHO standards include HR standards for employment of hospital personnel *and* contractors “providing patient care and/or services”
- JCAHO has stated that healthcare organizations must manage contracted personnel just as they manage their direct employees
- Healthcare organizations have full discretion in determining to whom these standards should apply



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Credentialing Requests – Siemens

- In FY 2005, there was a spike in requests from customers regarding personnel requirements for Siemens employees
- Generally, there is no contract language to support these requests
- Customers started to implement these requirements due to some changes in the JC audits, in which contract staff were now being evaluated on the “checklist”
- Various Siemens Med employees have been impacted:
 - Service employees
 - Outsourced employees
 - Application specialists
 - Professional services consultants



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What does the JC HR standard require?

- The healthcare organization should have verified information that the contract staff have:
 - Education and training consistent with legal and regulatory requirements and organization policy
 - Evidence of license, certification or registration, when applicable
 - Evidence that the individual’s knowledge and experience and competence are appropriate for his/her assigned responsibilities as assigned by organization



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Employee Privacy Issues

- This new requirement to ensure that vendors are credentialed has recently received attention from privacy groups around the country recently:
 - Confidentiality concerns with the amount of information that is requested for credentialing
 - Concerns about web- based tools that are used to credential vendors
 - Safety of online records of vendors
 - Hacker concerns
 - Privacy groups have expressed concern about background check records and other personal information requested for this process.
 - The counter argument on this is that credentialing protects the customer / patient



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Vendor Credentialing Companies

There are several vendor credentialing companies today that provide similar services for healthcare organizations. Most of them meet JCAHO, AORN, ACS and CDC compliance requirements.



- Vendor Credentials LLC
- Vendor Credentialing Service (VCS) LLC
- PASS, Inc.
- REPtrax
- Status Blue LLC
- Vendor Clear
- Vendor Mate, Inc.



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What are the Requirements?

- Administrative
 - Background check
 - Proof of liability insurance
- Training
 - HIPAA Training
 - Product Training
 - Compliance Training
- Policies and Procedures
 - Review and acknowledgement of hospital's policies and procedures
- Vaccinations
 - Documentation from Healthcare provider of tuberculosis vaccination



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Challenges

- Customers are now specifying the vendor to use for credentialing.
- Some customers have been extremely inflexible with vendor selection, which presents some difficulties.
- The cost can be prohibitive
 - T&E expense submissions increasing for this process
 - Cost centers are being created to capture these costs on the G/L
- Currently no amendments in contracts to say who pays for credentialing.
- Establishing, maintaining and enforcing a vendor compliance program drains valuable healthcare facility resources and is more challenging and complex than ever before.



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Tactics to Respond to Issues in a Cost Effective Manner

- Ascertain that these requirements are explicitly dealt with in new contracts or contracts up for renewal
- Institute a process for expediently complying with customer's requirements
 - As mentioned earlier, form a taskforce comprised of functional groups
 - Identify one key contact at your organization well versed on the credentialing process
- Outline a parallel process for dealing with employees who do not "pass" the screening exercise
- Standardize as much as possible
 - The challenge is, given the broad discretion provided to healthcare organizations implementing these standards, requests continue to differ



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How Siemens Responds to Customer Requests

- Single Point of Contact
- Pursue Contract Amendments
 - Because customers had not included these requirements in contracts, we ask for amendments to contracts to clearly outline to whom these requirements are to apply, how they should be implemented, who should absorb the costs, etc.
- Siemens verifies many of the requirements – appropriate education/experience, certifications, background checks and, after implementation of drug testing policy, the drugs tested for – and provides this information when requested
- Quarterly review of costs expended on credentialing



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How Siemens Responds to Customer Requests

- Siemens has a team working on a structured process for credentialing
 - HR, Legal, Compliance, COO are engaged in defining the process
 - Currently mapping out how to evaluate requests, determine what is in or out of scope, etc.
- Evaluating one third party provider to conduct “health screening”
 - This will allow for a certain level of screening
 - Employees will be able to move between hospitals with card stating screened and/or provided proof of immunizations for:
 - Diphtheria, tetanus, poliomyelitis, measles, mumps, rubella (or positive rubella titer) and hepatitis B immunization
 - Annual TB check



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Regulatory Concerns

- Rising regulatory requirements and growing security demands are causing the integration of business credentialing and compliance monitoring
- Healthcare providers are relying on credentialing companies to ensure that vendors adhere to government regulations
- Some of the larger medical centers in the United States now have vendor credentialing requirements:
 - University of Pennsylvania Medical Center, Stanford University Medical Center, Henry Ford Health Center, University of Chicago Medical Center, Vail Valley Medical Center, Covenant Health, Houston Healthcare, Children’s Hospital Central California, Miami Children’s Hospital, etc.



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Future Developments

- Harmonization of requirements across the board from medical centers
- Consolidate training and credentialing offerings or ensure that offerings meet the same requirements
- Create access to credentialing certificates through once centralized repository
- Create and communicate alignment – credentialing process, fees for certificates and legal liability
- Improved Technology Enablement – remove the need to carry around physical badges proving certification



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