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HEALTH CARE LAW

Reducing Paperwork

Physicians may use a universal credentialing application for managed care plans

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After years of studying and training, physicians are very well prepared to practice their profession. They want to spend their time and efforts performing their respective specialties. Unfortunately, however, the practice of medicine involves an ever-increasing demand on physicians to deal with administrative matters and seemingly endless “paperwork.” One such task is the application process that physicians must endure to be credentialed and recertified by the many managed care plans in which they seek to participate.

Most managed care plans and insurance companies have credentialing application forms that are extremely lengthy and detailed and require a significant amount of time, energy and resources to complete. The problem is compounded by the fact that each of the plans and insurance companies has their own forms that they want completed. To alleviate this burden on physicians, New Jersey adopted regula-

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tions to allow physicians the option to use a universal application form that must be accepted by all insurance carriers offering managed care plans in the state. Although the regulations have been in effect and the universal application forms have been available for two years, there remains some confusion among carriers and physicians as to the process and their respective rights and obligations under the regulations. Some physicians are not aware of the options available to them. Others are misled by the carriers and continue the tedious chore of completing numerous applications, unnecessarily.

When applying for participation in a managed care plan, a physician may use the universal credentialing application or may participate in a national credentialing database. Carriers must accept the universal application, or in the alternative, may use the information from the national credentialing database. Either option presents a significant reduction in the amount of paperwork that a physician must complete to participate in managed care plans in New Jersey.

The regulations governing the physician credentialing applications for managed care plans are found at N.J.A.C. 8:38C-1.1, et seq. The regulations were adopted pursuant to the authority of the Health Care Quality Act, N.J.S.A. 26:2S-7.1. They apply to all carriers that offer managed care plans in New Jersey, and any

agents they may use for purposes of credentialing or recertifying physicians.

“Credentialing” is the process of collecting and validating the professional qualifications of a physician and evaluating those qualifications against a carrier’s standards of qualifications for participation in the health care provider network for the carrier’s managed care plans. N.J.A.C. 8:38C-1.2. Credentialing requires the completion of an application in which the physician must provide detailed information about his personal and professional life, including, among other things: practice information, practice locations, licensure, disciplinary actions, education, training, medical specialty, hospital affiliations, board certifications, work history, references, professional affiliations, professional liability insurance, malpractice claims history, professional sanctions and criminal history. The physician must also give the carrier the authority to verify all of this information from the primary or secondary sources, such as schools, state licensing agencies, hospitals and insurance companies. The physician must also provide a release and authorization for all such sources to provide information directly to the carrier. The carrier, or its agent, then verifies all of the information provided to determine if the physician satisfies the carrier’s standards for participation.

“Recertifying” is the process by which a physician’s information related to his credentials is updated and re-verified for purposes of determining whether the physician shall continue to participate in the carrier’s health-care provider network.

N.J.A.C. 8:38C-1.2. Recredentialing occurs every two or three years for every physician in a carrier's network.

The regulations establish the New Jersey Universal Physician Application (NJUPA) and the New Jersey Physician Recredentialing Application (NJPRA) forms. All carriers that offer managed care plans in New Jersey are required to accept these forms for purposes of credentialing and recredentialing physicians.

For purposes of credentialing, the carrier may use another physician credentialing form, but if so, the carrier must inform the physician that the universal form, NJUPA, is available and how to obtain it. N.J.A.C. 8:38C-1.3. If the carrier provides to the physician another form, it must provide written notice to the physician as to the availability of the NJUPA form. The physician has the option of submitting the NJUPA form in lieu of the carrier's application form. If the physician chooses to submit the NJUPA, the carrier must accept that form and cannot condition a physician's participation in the network on the use of the carrier's form. The decision as to whether the carrier must accept the NJUPA is at the discretion of the physician, not the carrier. For managed care plans, all carriers must accept the form if the physician wants to use it.

An alternative credentialing process permitted by the regulations allows carriers to access information about a physician from a recognized national credentialing database, data bank or repository of health-care providers. N.J.A.C. 8:38C-1.3(c). The use of this alternative process must be agreed upon by both the physician and the carrier. The carrier cannot require a physician to use a national database in lieu of the NJUPA form. Also, the database must satisfy certain conditions. It must include credentialing information commonly requested by carriers, hospitals, other health-care entities and credential verification organizations for purposes of credentialing and shall minimize the need for the collection of additional credentials data. The database must be accessible by physi-

cians at no cost and available through electronic and paper formats. The database must have adequate security features to ensure the confidentiality of the physician's information and shall not release the information without the physician's written consent.

For purposes of recredentialing, all carriers that offer managed care plans shall accept the NJPRA form, in lieu of their own recredentialing application form. N.J.A.C. 8:38C-1.4. As with the NJUPA form, the carrier may continue to use another recredentialing form, but if so, it must inform the physician of the availability of the NJPRA form, and provide information on how to access the application form. If the carrier provides another form to the physician, the carrier's notice to the physician as to the availability of the NJPRA form must be in writing.

If the carrier uses a form for recredentialing other than the NJPRA form, it must prepopulate the form. Prepopulate means that the carrier must preprint the requested information derived from a database on a form prior to distributing the form to the physician for review, completion and correction, as appropriate. In other words, the carrier must complete the form with the physician's information before the form is provided to the physician. The physician then must review the preprinted form and complete or correct the form. The prepopulated form must provide space for the physician to correct, add or update any incorrect or missing information. The carrier may not require the physician to use the carrier's recredentialing form in lieu of the NJPRA form in order to continue to participate in the carrier's network.

As an alternative to the recredentialing process using the NJPRA or the carrier's prepopulated form, the carrier may use a national credentialing database, data bank or repository of health care providers to perform recredentialing. Such database, data bank or repository of health care providers must satisfy the conditions described above. The use of the NJPRA is

still at the discretion of the physician.

The use or acceptance of the NJUPA form, the NJPRA form, or the use of a national database, does not restrict the right of the carrier to request additional information necessary for credentialing or recredentialing. N.J.A.C. 8:38C-1.5. The carrier may request additional information, but it may not request information that duplicates information already requested on the universal forms, or as part of the national database. A request by the carrier or its agent, for primary or secondary source verification, is not considered a request for duplicative information, or otherwise prohibited.

The use of the NJUPA and NJPRA forms is the most efficient way for a physician to participate in the credentialing and recredentialing process. The forms are available in the regulations. They may be accessed and downloaded through the Web site for the State of New Jersey, Department of Banking and Insurance. Paper copies may be obtained from the department or the carrier.

A physician may complete the forms once and save them for distribution to each managed care plan, when the initial application is made, or upon recredentialing. Any additional information or changes can be made on the forms and saved. Rather than completing numerous application forms and recredentialing forms, the physician may use the universal forms and the managed care plans must accept them. The forms should not be submitted to the department, as it does not perform the credentialing functions for the carriers. The forms are to be submitted directly to each carrier in whose managed care network the physician seeks to participate.

With all of the administrative tasks and paperwork otherwise involved in the practice of medicine, the credentialing process for managed care plans need not be overly burdensome. The universal application forms should be utilized as a means to simplify the process and save valuable time and effort. ■