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# Comprehensive Guide to Credentialing by Proxy: Your Essential Reference

## Quick Reference: Identifying the Gaps

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## INTRODUCTION

Credentialing medical providers is an essential part of healthcare to ensure patient safety. Credentialing by Proxy (CBP) provides an alternative, more streamlined process created by the federal government and accrediting bodies for the credentialing of telemedicine providers, but CBP can be confusing. To help our clients understand CBP, Medical Provider Resources (MPR) has developed this basic guidebook that includes the definition of CBP, terms you need to know (located at the end of this guidebook), what is expected from the originating site, what is expected from the distant site hospital (DSH) or distant site telemedicine entity (DSTE), gaps that may be present with the by proxy agreement, and how MPR can help.

## WHAT IS CREDENTIALING BY PROXY (CBP)

Credentialing by Proxy (CBP) allows an originating site's governing body to rely on a distant site hospital (DSH) or distant site telemedicine entity's (DSTE) credentialing information and decisions when making their own credentialing and privileges decisions regarding the DSH's or DSTE's telemedicine providers via a written agreement with the DSH or DSTE that meets CBP regulations listed within the Centers for Medicare and Medicaid Services (CMS) Conditions of Participation (CoPs).

## HISTORY OF CREDENTIALING BY PROXY

Before 2011, CMS CoPs did not differentiate between credentialing practitioners providing onsite and telemedicine-based services in hospitals. As a result, hospitals had to use traditional, resource-intensive processes for credentialing all practitioners, regardless of whether they offered in-person or telemedicine services. This was particularly challenging for smaller hospitals and critical access hospitals (CAHs) due to limited sources and expertise.

To address these challenges, CMS introduced new CoPs in response to industry needs. These regulations introduced the concept of Credentialing by Proxy (CBP), aimed at streamlining the credentialing process for telemedicine-based practitioners. CBP was designed to facilitate the widespread adoption of telemedicine in hospitals. Especially benefiting small CAHs in need of specialist practitioners.

CBP has the potential to save time and reduce costs for hospitals using telemedicine. However, its successful implementation requires strict adherence to legal and regulatory requirements. Hospitals must comply with CBP guidelines in the CoPs, state regulations (particularly in the Originating Site's state), hospital accreditation standards, and their own medical staff bylaws. Understanding and following these requirements is crucial for hospitals looking to establish or modify.

## KEY POINTS TO CONSIDER

1. **Requirements for using CBP:** To use CBP, telemedicine services must be provided by practitioners affiliated with and credentialed by either a Medicare-participating DSH or a qualifying DSTE entity. The Originating Site and the DSH or DSTE must have a written agreement that meets certain regulatory requirements.
2. **Requirements of CBP Written Agreement:** The DSH or DSTE must use a credentialing program that meets or exceeds Medicare standards. Practitioners seeking to provide telemedicine services must be privileged at the DSH or DSTE. The Originating Site provides a list of approved privileges for the telemedicine practitioners from the DSH or DSTE. Practitioners must be licensed or authorized to practice in the state where the originating site is located. The originating site reviews the services provided by the telemedicine practitioners and submits reports on adverse events and complaints to the DSH or DSTE. *For DSTE contracts, it must state that the DSTE is a contractor that helps the originating site comply with CoPs.
3. **Responsibilities Under CBP:** The responsibilities under the CBP include ensuring the practitioners are privileged at the DSH or DSTE maintaining a list of approved privileges, verifying practitioner licenses in the state of practice, and periodically reviewing the services provided and reporting adverse complaints.
4. **Benefits of CBP:** Implementing CBP can expedite the availability of telemedicine services, expand access to specialized practitioners, decrease costs compared to traditional on-site staffing, and improve the overall patient experience by providing specialty services beyond the local area.
5. **Accreditation Organizations:** Various hospital accreditation bodies have aligned their standards with CMS' CBP requirements.
6. National Practitioner Data Bank (NPDB): CBP does not change the requirement for originating sites to query the NPDB when granting privileges to telemedicine practitioners.
7. **State Regulations:** While accreditation organizations and CMS have aligned on CBP, each state may have its regulations regarding hospital licensure and medical staff operations that need to be considered. See below for links to states that likely interest our clients:
    a. Colorado: https://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=5698
    b. Kansas: https://sos.ks.gov/publications/pubs_kar_Regs.aspx?KAR=28-34&Srch=Y
    c. Missouri: https://www.sos.mo.gov/cmsimages/adrules/csr/current/19csr/19c30-20.pdf
    d. Oklahoma: https://oklahoma.gov/content/dam/ok/en/health/health2/documents/updated-oac-310-667-0919.pdf
    e. Wyoming: https://wyoleg.gov/statutes/compress/title33.pdf
8. **Contract Content:** The contract should outline the responsibilities of the DSH or DSTE and the originating site in detail including compliance with CMS CoPs, any consideration of contract renewal, the sharing of disciplinary actions, and other areas of support.
9. **Other Obligations:** The originating site must adhere to various other obligations, including maintaining a credentials file for each DSH or DSTE, querying the NPDB for telemedicine practitioners, and involving the medical executive committee and governing body in the CBP process.

10. **Program Development:** The document provides general guidance for developing a CBP program, emphasizing the need for flexibility due to variations in clinical specialty services, state laws, institutional bylaws, and individual credentialing requirements.

## SUMMARY OF KEY POINTS

| *Topic* | *Information* |
|---|---|
| *Credentialing by* proxy *(CBP)* | CBP for telemedicine-based services – CMS removed barriers to telemedicine use in hospitals and established new CoPs (Conditions of Participation) for telemedicine practitioner credentialing. |
| *Purpose* | Effective time and cost-saving tool – Legal and regulatory considerations must be addressed. |
| *Requirements* | Compliance with CoPs, state regulations, hospital accreditation standards, and medical staff bylaws is essential. |
| *Streamlined Credentialing* | Originating Site hospital and DSH or DSTE enter into a written agreement. DSTE is an entity that provides telemedicine services and helps the originating site meet CoPs. |
| *Credentialing by Proxy Agreement* | The agreement must include:<br>1. DSH or DSTE meets or exceeds Medicare standards.<br>2. Privileging of telemedicine practitioners at DSH or DSTE.<br>3. List of approved privileges<br>4. Licensing in the Originating State's state. |
| *Reporting and Oversight* | - The Originating Site periodically reviews telemedicine services and reports adverse events and complaints to DSH or DSTE.<br>- CBP agreement requires sharing credentialing information and practitioner reviews.<br>- The Originating Site retains privileging authority. |
| *Hospital Bylaws* | - The Originating Site's bylaws should recognize CBP.<br>- Hospitals can create a separate med staff category for telemedicine practitioners.<br>- Must align with state law requirements. |
| *Accreditation Organizations* | - Hospital accreditation organizations have adjusted standards to match CMS' CBP criteria.<br>- ACHC, DNV, and TJC have specific standards for DSH and DSTE agreements. |
| *TJC* | - TJC changed its CBP standard in 2011 to accommodate CMS regulations.<br>- Practitioners can work at TJC-accredited Originating Sites if specific conditions are met. |

**Please note that this chart provides a summarized overview of key information related to credentialing by proxy for telemedicine-based services. Organizations should refer to specific regulations and standards for comprehensive guidance.*

## REQUIREMENTS BY ACCREDITATION STANDARD

| *Organization* | **License Requirements** | **DSH Agreements** | **Requirements of DSH for Originating Site** | **Requirements of Originating Site** | **Requirements of DSTE for Originating Site** |
|---|---|---|---|---|---|
| *ACHC* | License required in both states if the distant site and originating site are in separate states. | Allows medical staff reliance on DSH. | 1. Participate in Medicare.<br>2. Provide practitioner list and privileges.<br>3. Ensure state licenses. | 1. Periodically review services and share feedback.<br>2. Query NPDB. | 1. Participate in Medicare.<br>2. Provide practitioner list and privileges.<br>3. Ensure State Licenses.<br>4. Comply with CoPs. |
| *DNV-GL* | License required in both states if the distant site and originating site are in separate states. | Allows medical staff reliance on DSH. | 1. Participate in Medicare.<br>2. Provide practitioner list and privileges.<br>3. Ensure state licenses. | 1. Periodically review services and share feedback.<br>2. Query NPDB. | 1. Specify contractor role.<br>2. Comply with applicable CoPs. |
| *TJC* | License required in both states if the distant site and originating site are in separate states. | Allows medical staff reliance on DSH. | 1. Participate in Medicare.<br>2. Provide practitioner list and privileges.<br>3. Ensure state licenses. | 1. Periodically review services and share feedback.<br>2. Query NPDB. | 1. Comply with applicable CoPs, including medical staff requirements. |

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| *CMS CoP* | License required in both states if the distant site and originating site are in separate states. | Allows medical staff reliance on DSH. | 1. Participate in Medicare<br>2. Provide practitioner list and privileges.<br>3. Ensure state licenses. | 1. Periodically review services and share feedback.<br>2. Query NPDB | 1. The DSTE site furnishes its services in a manner that permits the originating site to comply with CoPs.<br>2. Determines which providers are eligible for appointments to the medical staff.<br>3. Appoint medical staff members after existing members' recommendations.<br>4. Ensure that the medical staff has approved bylaws and rules and regulations.<br>5. Ensure the medical staff is accountable to the governing body.<br>6. The criteria for selection are individual character, competence, training, experience, and judgment. |

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| | | | | 7. Staff membership is under no circumstances solely dependent upon certification, fellowship, or membership in a specialty body or society.<br>8. Ensure that the medical staff periodically conducts appraisals of its members.<br>9. The medical staff examines the credentials for all eligible candidates for staff membership and makes a recommendation to the governing body on appointment in accordance with state law. |

## DISTANT SITE RESPONSIBILITIES

| *Aspect* | *Responsibilities and Requirements for DSH or DSTE* |
|---|---|
| ***Compliance with the Conditions of Participation*** | • The Originating Site must be a Medicare-participating hospital.<br>• If contracting with a DSH, the DSH must also be Medicare-participating.<br>• If contracting with a DSTE, OS must ensure that DSTE's services align with CoPs.<br>• DSTE responsibilities under CoPs include:<br>- Determining eligible categories of practitioners.<br>- Appointing medical staff members.<br>- Ensuring medical staff has bylaws.<br>- Approving bylaws and rules.<br>- Ensuring medical staff accountability.<br>- Establishing criteria for selection.<br>- Conducting periodic appraisals.<br>- Reviewing credentials of eligible candidates.<br>- Making recommendations to the governing body. |
| ***Credentialing*** | • DSTE evaluates and approves clinical privilege applications for telemedicine practitioners at OS.<br>• DSTE provides OS with a current list of telemedicine practitioner privileges. Offers policies and procedures related to telemedicine credentialing as evidence of compliance with CoPs (and accreditation standards if applicable). |
| ***Contract Renewal (Recredentialing)*** | • DSTE conducts re-credentialing following CoPs and accreditation body standards.<br>• Considers information from the OS regarding distant site practitioners exercising privileges at OS. |
| ***Changes in Privileges; Disciplinary Action*** | • DSTE promptly notifies OS of changes in privileges for DS telemedicine practitioners.<br>• Reports disciplinary actions and state/federal restrictions affecting DSTE practitioners. |
| ***Areas of Support DSTEs May Provide*** | • Offer OS the opportunity to perform a site visit at the DSTE office if OS is uncertain about DSTE compliance with CMS or accreditation organization-approved credentialing practices.<br>• Assist with responses to CMS or accreditation body inquiries regarding credentialing processes or actions.<br>• Aid OS Medical Staff Administration (MSA) in drafting bylaw revisions to accommodate CBP).<br>• Provide regular communication to address and resolve issues as they arise. |

**Please note that this chart summarizes the key responsibilities and requirements associated with compliance, credentialing, contract renewal, disciplinary actions, and support that DSTEs may provide in a telemedicine context.*

## ORIGINATING SITE RESPONSIBILITIES

| *Aspects* | *Responsibilities and Requirements for OS* |
|---|---|
| *Approvals and Policies* | • The governing body and medical staff must approve bylaws/policies enabling reliance on DSH or DSTEs telemedicine credentialing.<br>• Adhere to applicable CoPs and accreditation standards related to the CBP process. |
| *License Verification* | • Ensure distant site telemedicine practitioners hold a state-issued or recognized license in the OS states. |
| *Privileges Consistency* | • Ensure privileges granted align with DSH or DSTE privileges. |
| *Ultimate Responsibility* | • OS remains responsible for credentialing and privileging decisions, regardless of the method. |
| *Performance Information* | • Maintain evidence of internal reviews of each DS telemedicine practitioner's performance.<br>• Provide performance and quality info to DSH or DSTE for periodic appraisals, including adverse events and complaints.<br>• Notify DSH/DSTE promptly of disciplinary actions classified under OS's policies. |
| *State and Federal Disciplinary Action* | • Notify DSTE of any state or federal action limiting the practice or professional rights of a distant site telemedicine practitioner (including suspension, termination, licensure status changes). |
| *Other Obligations and Recommended Policies* | • The governing body must approve telemedicine clinical services.<br>• OS determines what services are appropriate for telemedicine.<br>• Periodic reaffirmation by MEC and the governing body regarding appropriate telemedicine services.<br>• Maintain credentials file for contracted DSHs and DSTEs, including CBP agreements, list of telemedicine practitioners, and licensure info.<br>• Query the NPDB for relevant telemedicine practitioners before granting privileges.<br>• CBP process should involve presenting CBP agreements and NPDB results to MEC for review, then to the governing body for approval. |

**This chart summarizes the responsibilities of the Originating Site regarding Credentialing by Proxy (CBP) for telemedicine practitioners.*

## POTENTIAL GAPS AND HOW MPR CAN HELP

When utilizing the CBP processes, the DSH or DSTE typically will only provide a list of their telemedicine providers and their approved privilege forms to the originating site, depending on what is specified in the CBP written agreement. It is the responsibility of the originating site to enroll the telemedicine providers into the NPDB's continuous query for their facility and verify that the telemedicine providers hold a license in the state where the originating site is located. Additionally, there are electronic verifications, not typically provided with the telemedicine provider files, that the originating site may use to make privileging decisions.

Under the Patient Protection and Affordable Care Act (PPACA), the State Medicaid agency must check the List of Excluded Individuals/Entities (LEIE), the System for Award Management (SAM), and any other such databases as the Secretary may prescribe for exclusions no less than monthly. 42CFR§455.436(c)(2) provides the following mandate of any agency or facility accepting Medicaid payment:

- Confirm the identity and determine the exclusion status of providers and any person with an ownership or control interest or who is an agent or managing employee of the provider through routine checks of Federal databases.
- Check the Social Security Administration's Death Master File, The National Plan and Provider Enumeration System (NPPES), the List of Excluded Individuals/Entities (LEIE), the System for Award Management (formerly known as the EPLS), and any such other databases as the Secretary may prescribe.
- Consult appropriate databases to confirm identity upon enrollment and re-enrollment.
- Check the LEIE, System for Award Management, and state licensing board data no less frequently than monthly.

MPR can help its client who utilizes the CBP process at their facility by enrolling the telemedicine providers into the NPDB's continuous query and providing electronic verifications, such as OIG, SAM, board certification, licenses, DEA, NPI, certificate of insurance, background checks, etc. MPR will provide the ongoing monitoring of these electronic verifications and document updates for a facility's telemedicine providers, notifying them at the first opportunity of any reports found.

## SUMMARY

CBP has the potential to save time and reduce costs for hospitals by allowing the originating site to rely on the DSH's or DSTE's credentialing information when making their own credentialing and privileging decisions. Both the originating site and DSH or DSTE have responsibilities that should be clearly defined in the CBP written agreement. The originating site typically receives only a list of telemedicine providers and a copy of their approved privileges. Under the PPACA, the State Medicaid agency must check specific federal databases no less than monthly. MPR follows the federal regulation 42CFR§455.436(c)(2) by performing vital electronic verifications and ongoing monitoring of the electronic verifications for telemedicine providers that would not typically be included in the files received from the DSH or DSTE.

# TERMS

**Centers for Medicare and Medicaid Services (CMS)**

A federal agency within the United States Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid, the State Children's Health Insurance Program (SCHIP), and Health Insurance Portability and Accountability Act (HIPAA) standards.

**Credentialing**

The process of obtaining, verifying, and assessing the qualifications of a provider to provide care or services in or for a healthcare organization.

**Credentialing by Proxy**

When an originating site relies on a distant site's credentialing information and decisions when making its credentialing and privileging telemedicine providers.

**Conditions of Participation (CoPs)**

The federal regulations set forth by CMS that govern acute care hospitals and their participation in Medicare, as well as other federally funded programs such as Medicaid.

**Distant Site Hospital**

The site at which the provider or other licensed provider delivering the service is located at the time the service is provided via a telecommunications system.

**Distant Site Telemedicine Entity**

An entity that provides telemedicine services and is not a Medicare-participating hospital but provides contracted services in a manner that enables the Originating Site hospital to meet all applicable Conditions of Participation, particularly those requirements related to the credentialing and privileging of telemedicine practitioners.

**Originating Site**

Location of the patient at the time the service being furnished via a telecommunications system occurs.

**Telehealth and Telemedicine**

A mode of delivering healthcare services using telecommunications technologies by a healthcare provider to a patient at a different physical location than the healthcare provider.

# ACRONYMS

**ACHC –** Accreditation Commission for Health Care

**CaH -** Critical Access Hospital

**CBP -** Credentialing-by-Proxy

**CMS -** Centers for Medicare and Medicaid Services

**CoPs –** Conditions of Participation

**DEA –** Drug Enforcement Agency

**DNV –** Det Norske Veritas

**DSH –** Distant Site Hospital

**DSTE –** Distant Site Telemedicine Entity

**LEIE** – List of Excluded Individuals/Entities

**MEC -** Medical Executive Committee

**NPDB -** National Practitioner Data Bank

**NPI –** National Provider Identifier

**NPPES** – National Plan and Provider Enumeration System

**OIG –** Office of Inspector General

**OS –** Originating Site

**PPACA** - Patient Protection and Affordable Care Act

**SAM –** The System for Award Management

**TJC –** The Joint Commission