Credentialing by Proxy

A Practical Guide for Medical Staff Services

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INTRODUCTION

This guide is designed to help you:

- Define Credentialing by Proxy (CBP) and distinguish the Originating Site from the Distant Site.
- Explain when a hospital may use CBP and what the written agreement must address.
- Clarify responsibilities of the Originating Site, DSH/DSTE, medical staff, and governing body.
- Identify operational controls: licensure, NPDB, privilege alignment, performance information, and roster changes.
- Recognize common implementation hurdles and practical ways to build a sustainable CBP program and how MPR can assist.

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What is Credentialing by Proxy?

Credentialing medical providers is essential to ensuring patient safety and quality of care. Credentialing by Proxy (CBP) offers an alternative, streamlined process established by the federal government and accrediting organizations for credentialing telemedicine providers.

The OS may rely on the DSH/DSTE's credentialing information and decisions when making its own credentialing and privileging recommendations—if the CBP requirements are met.



Originating Site (OS)

Where the patient is receiving the telemedicine service.



Distant Site Hospital (DSH)

A Medicare-participating hospital where the practitioner is affiliated/credentialed.



Distant Site Telemedicine Entity (DSTE)

A non-Medicare-participating hospital or other entity providing telemedicine services in a manner that permits the OS to meet applicable CoPs



Conditions of Participation (CoPs)

CMS federal regulations governing acute care hospitals and their participation in Medicare and other federally funded programs, including Medicaid

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Telemedicine/
Remote Care

SEVERAL TYPES DEFINED

SYNCHRONOUS

Real-time audio or audio-video interaction.

ASYNCHRONOUS

Store-and-forward transmission of clinical information.

REMOTE PATIENT MONITORING

Recurring electronic collection and transmission of patient data

E-CONSULTATIONS

Clinician-to-clinician exchange of relevant health information in a secure environment.

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Benefits of Credentialing by Proxy

- Potential benefits of CBP include faster access to telemedicine services, expanded access to specialists, lower costs compared with traditional onsite staffing, and improved patient access.
- CBP is intended to streamline credentialing—not eliminate credentialing and privileging responsibilities.
- Program design should remain flexible based on clinical specialties, services, state laws, organizational bylaws, and individual credentialing requirements.
- The written agreement should clearly define responsibilities, information sharing, contract renewal, disciplinary-action reporting, and other support expectations.
- Hospitals should determine whether a separate medical staff category for telemedicine practitioners is appropriate under their bylaws and applicable law.

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Traditional Credentialing vs. Credentialing by Proxy

Traditional credentialing	Credentialing by Proxy
Primary-source verification performed by the Originating Site	Accept qualifying distant-site credentialing file, - including verifications, information, and decisions
Individual credential file	Can maintain a roster/list for covered practitioners
Individual privilege delineation	Common privilege delineation can improve efficiency
Full initial or reappointment workflow	NPDB query remains an Originating Site responsibility
Traditional committee and medical staff obligations may apply	Medical staff membership/committee duties may be optional, depending on Bylaws and Agreement

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When can an Originating Site use CBP?

- The telemedicine practitioner is affiliated with and credentialed by a Medicare-participating DSH or a qualifying DSTE.
- The OS and DSH/DSTE enter into a written CBP agreement that satisfies applicable CMS Conditions of Participation and accreditation requirements.
- The distant site uses a credentialing/privileging program that meets or exceeds Medicare standards.
- The practitioner has been privileged at the distant site.
- The practitioner is licensed or otherwise authorized to practice in the OS state.
- The OS periodically reviews the practitioner's services and sends required performance information to the distant site.

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Implementing a Written Agreement

SIX CORE ELEMENTS TO ADDRESS

- DSH/DSTE credentialing program meets or exceeds Medicare standards.
- DSH/DSTE provides the OS a current list of approved privileges.
- OS reviews services and reports performance information, including adverse events.
- Covered practitioners are privileged at the DSH/DSTE.
- Practitioners are licensed/authorized in the OS state.
- DSTE agreements state that the DSTE is a contractor providing services in a manner that permits the OS to comply with applicable CoPs.

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Implementing a Written Agreement

OPERATIONAL DETAILS WORTH NOTING

- Practitioner data elements needed for NPDB queries.
- Privilege delineations and how the OS will confirm that granted privileges do not exceed the distant site's privileges.
- Initial and updated practitioner rosters, including additions/removals.
- How adverse events, complaints, corrective actions, and privilege changes are communicated.
- Practitioner acknowledgment/authorization for sharing credentialing and privileging information.
- Whether telemedicine practitioners will have medical staff membership, pay dues, attend meetings, complete orientation/education, or have voting rights.
- How the agreement, roster, licensure, privilege, approval, and change records will be maintained for survey readiness.

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CBP Agreements do NOT transfer the authority of the Originating Site.

The OS remains responsible for the credentialing and privileging decisions it makes.

MEDICAL STAFF OFFICE

May rely on DHS/DSTE credentialing and privileging decisions when making recommendations, consistent with the bylaws and policy.

GOVERNING BODY

Retains ultimate authority over privileges granted at the Originating Site.

ORIGINATING SITE

May choose CBP for some practitioners and traditional credentialing for others. CPB is not an all or nothing requirement.

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Originating Site Responsibilities

- Approve bylaws/policies that recognize and govern CBP.
- Verify each practitioner has a license or recognized authorization in the OS state.
- Grant privileges that are consistent with—and do not exceed—the distant site's privileges.
- Maintain evidence of internal performance/quality review.
- Provide the DSH/DSTE with performance information, including adverse events and complaints.
- Query the NPDB before granting privileges and again at renewal, unless the DSH/DSTE is properly authorized to act as agent.
- Maintain an accessible CBP file or electronic record containing the agreement, current roster, privilege delineations, licensure information, and approval documentation.
- Obtain governing-body approval before the practitioner performs telemedicine services.

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Distant Site Responsibilities

- Maintain credentialing and privileging that meets applicable standards.
- Provide the OS with a current practitioner roster and approved privilege delineations.
- Conduct recredentialing/reappraisal consistent with applicable requirements and consider OS performance information.
- Notify the OS promptly when privileges change or disciplinary/state/federal restrictions affect a covered practitioner.
- Provide credentialing/privileging policies and procedures when needed as evidence of compliance.
- Support the OS with survey questions, bylaw revisions, and ongoing communication when appropriate.

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NPDB, Performance Monitoring, and Quality Reporting

Best-practice: Agreements should address timely sharing of adverse events, complaints, corrective actions, and privilege changes; privilege restrictions/modifications are recommended to be reported rapidly.

NPDB

CBP does not eliminate the OS's NPDB responsibility. Query before granting privileges and again at renewal; an authorized-agent arrangement may be used where appropriate.

Originating Site Performance Review

Track incidents, complaints, and other relevant performance information generated at the OS.

Close the Loop

Send required performance information to the DSH/DSTE so it can be considered in ongoing appraisal/recredentialing.

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Requirements by Accreditation Standard

Organization	License Requirements	DSH Agreements	Requirements of DSH	Requirements of DSTE	Requirements of OS
CMS CoP	State licensure is required in both states when the distant site and originating site are in separate states.	Allows medical staff reliance on DSH.	1. Participate in Medicare. 2. Provider practitioner list and privileges. 3. Ensure state licenses.	1. Periodically review services and share feedback. 2. Query NPDB.	1. DSTE provides services that allow the originating site to comply with CoPs. 2. Determines provider eligibility for medical staff appointment. 3. Appoints providers based on existing medical staff recommendations. 4. Maintains approved medical staff bylaws, rules, and regulations. 5. Ensures medical staff accountability to the governing body. 6. Uses character, competence, training, experience, and judgment for selection. 7. Does not base membership solely on certification, fellowship, or specialty affiliation. 8. Conducts periodic medical staff appraisals. 9. Reviews credentials and recommends eligible candidates for appointment per state law.

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Requirements by Accreditation Standard

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

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Steps to Build a CBP Program

- Assess scope: specialties, services, states, and telemedicine delivery models.
- Confirm legal/regulatory fit: CMS, state law, accreditation standards, and bylaws.
- If not already in done, amend bylaws/policies and define medical staff category as appropriate.
- Select and evaluate DSH/DSTE partners and define due diligence expectations.
- Draft and execute CBP Service Agreements.
- Build roster, privilege, licensure, NPDB, approval, and change notification workflow.
- Establish OS performance review and feedback reporting.
- Establish a periodic audit process.

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Quick Reference Checklist

BEFORE IMPLEMENTATION

Bylaws/policies permit CBP; state/accreditation requirements reviewed; DSH/DSTE evaluated; agreement executed.

BEFORE APPROVAL

Current roster; privilege list; OS-state licensure; NPDB query; MEC review/recommendation; governing-body approval.

DURING PRACTICE

Track privileges/licensure; review services; capture complaints/adverse events; report required information to distant site.

CHANGES

Update roster/privileges; notify counterpart; document disciplinary or regulatory restrictions; update credentialing records.

AT RENEWAL

Repeat required NPDB query; confirm licensure and privileges; incorporate performance information; recredential/reappoint according to the applicable process.

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Common Hurdles and Practical Responses

STAKEHOLDER RESISTANCE
Educate medical staff leadership, governing body, operational leaders, and enrollment/credentialing teams on why CBP is being used.

TRACKING DATA
Define exactly what the OS tracks versus what the DSH/DSTE tracks; keep a current roster and approval evidence

PERFOMANCE EVALUATION
Build an internal quality-review process and a reliable method for sending feedback to the distant site.

CVO CONFUSION
CBP is broader than credentials verification: it can allow reliance on distant-site credentialing evaluations and decisions.

SITE-SPECIFIC REQUIREMENTS
Decide in advance which local forms, orientations, meetings, education, or medical staff obligations apply.

SURVEY READINESS
Keep the executed agreement, roster, privilege list, licensure evidence, NPDB results, and approvals accessible.

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How MPR Can Help Avoid Potential Gaps

CBP Process and Responsibilities

When utilizing the Credentialing by Proxy (CBP) process, the Distant Site Hospital (DSH) or Distant Site Telemedicine Entity (DSTE) typically provides the originating site with a list of its telemedicine providers and their approved privilege forms. The specific information provided depends on what is outlined in the written CBP agreement.

The originating site is responsible for enrolling the telemedicine providers in the facility's NPDB Continuous Query and verifying that each telemedicine provider holds an active license in the state where the originating site is located.

In addition, there are electronic verifications that are not typically included in the telemedicine provider files but may be used by the originating site when making credentialing and privileging decisions.

Medicaid Screening Requirements

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 databases prescribed by the Secretary for exclusions at least monthly.

Under 42 CFR §455.436(c)(2), any agency or facility accepting Medicaid payments must:

- Confirm the identity and determine the exclusion status of providers and any individual with an ownership or control interest, as well as any agent or managing employee of the provider, through routine checks of federal databases.
- Check the Social Security Administration's Death Master File, National Plan and Provider Enumeration System (NPPES), LEIE, System for Award Management (SAM)—formerly known as the Excluded Parties List System (EPLS)—and any other databases prescribed by the Secretary.
- Consult appropriate databases to confirm identity during enrollment and re-enrollment.
- Check the LEIE, SAM, and state licensing board data at least monthly.

MPR Support

MPR can support facilities that utilize the CBP process by enrolling telemedicine providers in the facility's NPDB Continuous Query and completing electronic verifications that may be needed for credentialing and privileging decisions.

These electronic verifications may include:

- OIG/LEIE
- SAM
- Board certification
- State licenses
- DEA
- NPI
- Certificate of insurance
- Background checks
- Other applicable provider verifications

MPR also provides ongoing monitoring of these electronic verifications and document updates for the facility's telemedicine providers. If a report or issue is identified, MPR will notify the facility at the earliest opportunity.

MPR will maintain a roster, working directly with the DSH/DSTE. Rosters and all documents are housed in the MPR Client Portal to keep you Audit Ready.

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Summary

- CBP is a streamlined credentialing pathway—not a waiver of credentialing and privileging responsibilities.
- The written agreement is the foundation: define who does what, what information is shared, and how changes are communicated.
- The Originating Site retains ultimate authority over privileges granted at its facility.
- NPDB, licensure, performance review, complaints/adverse events, and privilege changes remain important operational controls.
- CBP works best when bylaws, agreements, credentialing software, quality processes, and stakeholder expectations all align.
- State law, CMS requirements, accreditation standards, and organizational bylaws should be checked for current applicability before implementation.

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Links and References

STATE REGULATIONS

1. Colorado: Code of Colorado Regulations
2. Kansas: K.A.R. 28-34-6a — Medical Staff
3. Missouri: OAC 310:667 — Hospital Standards
   a. This updated monthly
4. Oklahoma: Title 310 Chapter 667
   a. Navigate or Search Title 310 Chapter 667
5. Wyoming: Chapter 12 - Licensure of Hospitals

REFERENCES

1. NAMMS-ATA 2022

   Credentialing by Proxy: A Guidebook

   National Association Medical Staff Services (NAMSS) and American Telemedicine Association (ATA).

   * Used for: traditional vs. CBP comparison, CBP agreement elements, operational best practices, bylaws, implementation, FAQs, and overcoming hurdles.

Important: Requirements can change; confirm current CMS, state, accreditation, payer, and organizational requirements before relying on any CBP process.