



Transforming Practitioner Credentialing with Blockchain

Design Partner Overview

March 2018

The Opportunity

An opportunity exists within the healthcare market to create a disruptive and transformative solution addressing the historic challenges facing practitioner credentialing. Credentialing is a mandated— and largely nonstandard—process utilized throughout the industry to ensure that a healthcare practitioner can competently deliver patient care within a specific clinical setting (e.g., hospital, outpatient clinic, telehealth provider). Within the private sector, practitioners (e.g., MDs, PAs, advanced practice nurses) must also be credentialed by every payer contracted for reimbursement by that organization. Malpractice insurers, volunteer organizations (NDMS, et. al.), the military, and Medicare/Medicaid all require various forms credentialing as well. This often results in practitioners maintaining redundant credentials information with 12-25+ independent entities across the market.

The process for initially completing credentialing for a newly hired/contracted practitioner often takes 4-6 months from recruitment, appointment, and completion of payer enrollment. An initial credentialing “episode” costs an organization, on average, between \$500 and \$1,400+ to complete with payer enrollment costing an additional \$2000 to \$3600+ depending on the number and complexity of contracts maintained by the organization¹. Practitioners cannot bill for services until this work is completed (with a few exceptions from Medicaid/Medicare). In the hospital setting, the average physician net revenue forfeited from delays in this process is approximately \$7,500 per day².

Credentialing must be re-performed every two years for care delivery organizations and every three years for payers. In the interim, all expirable credentials (e.g., licenses, board certifications, DEA clearances) must be tracked and confirmed to be active and unlimited. Finally, healthcare organizations should be actively monitoring numerous sanctions issuing authorities (e.g., OIG, licensing boards, etc.) regularly to monitor compliance with all members of their clinical staff. Delays, inefficiencies, miscommunications, and errors in these processes directly impact recruitment, revenue cycle, cost, quality of care, and retention.

Our Solution

Our firm is developing a comprehensive solution that provides the healthcare industry with a common utility for collecting and distributing credentialing information by and between market constituents—regardless of systems or methods used locally. At its core, the solution will form an *exchange* providing members with both access to verified credentials information and a means for contributing verified information for other members to acquire. Further, exchange members can define the specific data, artifacts, rules, and validation checks for the various types of employees (e.g., practitioners, nurses, AHPs) requiring credentials for their organization—receiving this information in the form and substance relative to their *specific* rules and requirements.

¹ With the exception of NCQA accredited credentialing organizations that employ delegated credentialing agreements with payers. As of January 2018, there are approximately 186 organization maintaining this accreditation.

² According to the [Merritt Hawkins 2016 Physician Inpatient / Outpatient Revenue Survey](#)

The exchange platform itself will exist as a highly secure, massively scalable, 100% cloud-based solution leveraging advanced database, artificial intelligence, and blockchain technologies. The platform will also be multi-lingual and occupationally agnostic. We will leverage the Phoenix platform—originally developed by Tenon Consulting for managing complex military healthcare credentialing transactions—as a foundation for the exchange. We are integrating blockchain technology to create irrefutable transactional optics and validity regarding the source and provenance of all credentialing data. This capability alone will eliminate a substantial portion of the redundant collection and reverification of this data between the counterparties involved in credentialing episodes today. Analytically, the platform will assess credentialing data heuristically to ensure compliance with the rules and requirements governing credentialing activities for each member. Collectively, the platform will create a trusted, reliable, and cost effective utility capable of serving all members of the healthcare market and transform the way this work has been historically performed.

The value proposition for the exchange has many facets. For healthcare delivery organizations, the exchange will reduce administrative costs, practitioner onboarding cycle time, and revenue forfeitures. Payers will enjoy reduced costs, timely updates to practitioner data, and tools to maintain accurate directory information. Practitioners can consolidate and manage their credentialing requirements within a unified “profile” meeting the cumulative needs of members requiring this information and greatly reduce the risk of falling out of compliance with a specific organization or payer. Primary data sources (e.g., employers, malpractice insurers, post-graduate education programs) can both simplify their own credential gathering/verification processes and substantially reduce the redundancy of verification requests for their information. Credentialing and provider management software vendors, through direct integration with the exchange, can leverage its efficiencies to drive new sales, upgrades, and versioning compliance with their legacy clients. The market, as a whole, will realize substantial value through the elimination of redundant work, coordination and concurrency of data, and the elimination of credentialing-oriented impedances in growth areas such as telemedicine, outpatient clinics, direct-to-patient care, and other new channels of care delivery.

The revenue model for the exchange will consist of census-driven annual membership fees and transaction fees associated with obtaining requested credential artifacts. During the initial pilot phase of the exchange, we will be working with our early members and design partners to determine the most effective method for pricing individual verified credential elements supplied by members. We will also enable fee-for-data sources (e.g., background screening firms, NPDB, et al) to pass through their fees to members through the exchange. Finally, we believe a substantial international market exists for these capabilities and will look to expand into those markets after our initial entry into the US market.

Our launch team is comprised of proven leaders in both the subject matter area and the development of successful, enterprise-level technology solutions. Hashed Health is internationally recognized as the leading force driving blockchain-based solutions into the healthcare market. Finally, we are building a consortium of leading industrial participants to aid the firm as Design Partners in developing the exchange, piloting its operations, and proving its value propositions. Collectively, our team is exceptionally well positioned to complete the initial build phase, validate the solution through a well-managed pilot process, and initiate its commercial growth.

Design Partner Program

As mentioned earlier, the Design Partner Program is intended to aid the firm in collaboratively validating product designs, technical work flows, market economics, assisting with beta testing and operational pilots, and supporting the firm's early go-to-market activities. Partners will represent a wide range of market disciplines, to include:

- Leading Infrastructure & Technology Providers
- Large, Integrated Health Systems
- National Payer Platforms
- National Outpatient Specialty Clinic Firms
- Leading Telemedicine Providers
- National Credentials Data Aggregators and Verification Firms
- National Locum Tenens / Contract Clinical Staffing Firms

Operationally, Design Partners will be asked to meet once each month, either on-site or virtually, to discuss product strategy, review plans and progress, support pilot planning and deployment, and, where applicable, participate in pilot activities. Further, Design Partners may be asked to provide periodic ad hoc support as subject matter experts regarding questions the product team may have.

In recognition of their support, Design Partners will be given first mover opportunities within their representative geographic markets to supply verified credentials into the exchange infrastructure and enjoy discounted exchange transaction and subscription fees over a multi-year timeframe.

For more information regarding the Design Partner Program, please contact Anthony Begando directly at abegando@procredex.com. We are in the process of finalizing the initial Design Partner Program membership and plan to hold our inaugural meeting in the Summer of 2018.