

HEALTHWEST  
Policy and Procedure  
No. 02-026

Prepared by:

Effective: December 20, 2002  
Revised: May 7, 2024

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Subject: Credentialing and Re-Credentialing  
Requirements of HealthWest  
Employees, Licensed  
Independent Practitioners, and  
Designated Collaborating  
Organization (DCO) Staff

Approved by:

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*Rich Francisco*

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I. POLICY

HealthWest will ensure compliance with all applicable Federal, State and local laws, rules and regulations for credentialing and re-credentialing of all individual HealthWest Employees, Licensed Independent Practitioners, and Designated Collaborating Organization (DCO) employees. This does not include contracted organizational provider staff.

II. PURPOSE

In accordance with statutory and funding requirements, HealthWest is responsible to assure that practitioners are appropriately qualified and competent to provide covered and authorized services. All professionals who provide clinical services within the network must be properly credentialed and re-credentialed, including HealthWest's directly employed practitioners.

III. APPLICATION

HealthWest directly employed practitioners, as well as directly contracted licensed independent practitioners and interns.

IV. DEFINITIONS

A. Clinical Operations Committee – Designated committee to evaluate and review credentialing files that are not considered “clean”, as well as give input to any potential questions by the Credentialing Specialist. The committee is comprised the Chief Clinical Officer, who will chair the committee. It shall also include the Medical Director, Clinical Directors for both Adult and Children's services, Director of Health Information Services, Integrated Health Manager, Access Manager, Correctional Services Manager, and Client Information Manager.

- B. Clean File – A “clean” credentialing file consists of all of the required pieces of documentation pertaining to the credentialing application, primary source verifications, and sanction checks that are without issue or findings and are considered to meet all State and PIHP requirements.
- C. Credentialing – process by which HealthWest ensures staff and licensed independent practitioners meet criteria as determined by the State of Michigan and the PIHP and remain in compliance in order to provide services to HealthWest.
- D. Re-credentialing – process by which HealthWest receives an update of information obtained during initial credential and re-verifies that information to ensure it still meets the criteria as determined by the State of Michigan and the PIHP in order to remain in compliance and continue to provide services on behalf of HealthWest.
- E. Licensed Independent Practitioner (LIP) - Any individual permitted by law and the organization to provide care without direct supervision, within the scope of the individual’s licensure and/or certification and in accordance with individually granted clinical privileges.
- F. Verification - the act of validating, through a primary source or designated equivalent source, the accuracy of a credential reported by an independent health care practitioner. Refer to LRE Procedure Credentialing and Re-credentialing Individual Practitioners Attachment A.

V. CREDENTIALING STANDARDS

HealthWest will ensure that:

- A. An individual credentialing/re-credentialing file is maintained for each credentialed provider. Each file must include:
  - 1. The initial credentialing and all subsequent re-credentialing applications.
  - 2. Information gained through primary source verification; and
  - 3. Any other pertinent information used in determining whether or not the provider met HealthWest’s credentialing and re-credentialing standards.
- B. The HealthWest Credentialing Specialist, in tandem with Human Resources staff, will review each credentialing or re-credentialing file for completeness and any issue or question that may arise will be brought forth to the Clinical Operations Committee at the next weekly standing meeting.
- C. The credentialing and re-credentialing processes do not discriminate against ([438.12](#)):
  - 1. A health care professional, solely on the basis of license, registration, or certification; or
  - 2. A health care professional who serves high-risk populations or who specializes in the treatment of conditions that require costly treatments.
- D. They stay in compliance with Federal requirements that prohibit employment or contracts with providers excluded from participation under either Medicare or Medicaid. A

complete [excel list](#) of Centers for Medicare and Medicaid Services (CMS) sanctioned providers is available on the Michigan Department of Health and Human Services website.

- E. Providers residing and providing services in a bordering state must meet all applicable licensing and certification requirements within both states.
- F. Lakeshore Regional Entity (LRE), the Pre-Paid Inpatient Health Plan (PIHP), retains the right to approve, suspend, or terminate a provider selected by HealthWest from participation in the provision of Medicaid-funded services.
- G. The Executive Director of HealthWest is responsible for the oversight and implementation of the credentialing/re-credentialing decisions and processes.
- H. The HealthWest Credentialing Specialist (or other Human Resources staff as delegated by the Executive Director) is responsible for oversight and implementation of the credentialing/re-credentialing processes and will seek input from the Clinical Operations Committee when a credentialing file is not considered a “clean” file or to seek input as necessary. Minutes from those meetings will be kept as proof of consultation along with any outcomes rendered.
- I. The LRE Credentialing Specialist shall review HealthWest’s credentialing/re-credentialing processes and decisions made by HealthWest as part of its compliance monitoring.
- J. Credentialing and re-credentialing must be conducted and documented for at least the following health care professionals:
  - 1. Physicians (M.D.s and D.O.s)
  - 2. Physician’s Assistants
  - 3. Psychologists (Licensed, Limited License and Temporary License)
  - 4. Licensed Master’s Social Workers
  - 5. Licensed Bachelor’s Social Workers
  - 6. Limited Licensed Social Workers
  - 7. Registered Social Service Technicians
  - 8. Licensed Professional Counselors
  - 9. Nurse Practitioners
  - 10. Registered Nurses
  - 11. Licensed Practical Nurses
  - 12. Occupational Therapists
  - 13. Occupational Therapist Assistants
  - 14. Physical Therapists

15. Physical Therapist Assistants
16. Speech Pathologists
17. Board Certified Behavior Analysts
18. Licensed Family and Marriage Therapists

Other behavioral healthcare specialists licensed, certified, or registered by the State

- K. The credentialing and re-credentialing process is monitored by the MDHSS and the LRE and any findings will be addressed in a timely manner and may be included in the agencies QAPIP

## VI. PROCEDURE

- A. The process for Credentialing and Re-credentialing will be as follows:
  1. When a prospective hire is presented to the agency and will hold a client facing position, the hiring manager/supervisor will complete a credential review form and submit it with the recommendation for hire. This form will give both HR and the Credentialing Specialist a list of services the new hire is expected to provide along with their work history and educational background. The Credentialing Specialist will preliminarily review these service codes to ensure that the education and experience the prospective candidate has meets the requirements in order to provide the listed services before the individual is even hired.
  2. After an applicant formally accepts the job offer/contract, the individual will complete the Initial Credentialing and Insurance Paneling Application (A254) or the electronic Laserfiche form. The Re-credentialing Application (A255) will be completed as needed (promotion/transfer) either on paper or electronically, as required by the credentialing timeline.
  3. Once the above steps are complete, Human Resources will begin their process of verification, while also completing the Credentialing Documentation Summary on the Laserfiche Credentialing and Privileging Determination Form. This summary is the first piece of the credentialing approval process.
  4. Once the Credentialing Documentation Summary is complete, the Credentialing Specialist is notified via Laserfiche email, and completes the remainder of the verifications and checks to ensure a clean file. If the file is not clean, the staff in question will be brought forth to the Clinical Operations Committee at their next regularly scheduled meeting.
  5. Once either the Credentialing Specialist or Clinical Operations Committee reaches a decision, it is documented on the Committee Review tab in Laserfiche, written notification will be sent to the employee and supervisor notifying them of the decision, along with a final copy of the Credentialing and Privileging Determination Form.
  6. When re-credentialing is due, the Credentialing Specialist will send out notice 60 days prior to expiration date if possible, to notify the staff and supervisor of the upcoming request to complete/update their Credential Review Form in Laserfiche

and the Re-Credentialing and Paneling Application (Form A255 and in Laserfiche) with any new licenses or certifications staff may have obtained and add/remove any EBPs and/or therapies they need updated. A copy of the previous Credentialing and Paneling Application will be sent with this request for reference and to mitigate the amount of time for staff to complete the process. The forms will be returned to Human Resources and the process outlined above will repeat. Any time an individual is due to be re-credentialed, whether due to timing, promotion, or transfer, the Credentialing Specialist or designee will also reach out to Customer Services to ensure that there have been no grievances and/or appeals made against the staff member that need attention prior to being re-credentialed, as well as review the most recent evaluation on file to ensure there have been no supervisor concerns.

7. In addition to performing the quality checks with the Customer Services Department and a review of the provider's most recent performance evaluation, HealthWest also performs monthly sanction checks using EPStaffCheck through Valenz Health that searches databases from Michigan Medicaid Exclusions, Office of Inspector General for both the Most Wanted, as well as Exclusions databases, System for Award Management Excluded Parties, and the Office of Foreign Assets Control Specially Designated Nationals.

#### B. Initial Credentialing

At a minimum, HealthWest's policies and procedures for the initial credentialing of the individual practitioners must require:

1. A written application that is completed, signed and dated by the individual practitioner and attests to the following elements:
  - A. Lack of present illegal drug use.
  - B. History of loss of license, registration, certification, and/or felony convictions.
  - C. Any history of loss or limitation of privileges or disciplinary action.
  - D. Attestation by the applicant of the correctness and completeness of the application.
  - E. Attestation by the applicant that they are able to perform the essential functions of the position with or without accommodation.
2. An evaluation of the provider's work history for the prior five (5) years. Gaps in employment of six (6) months or more in the prior five (5) years must be addressed in writing during the application process.
3. Verification from primary sources of:
  - A. Licensure or certification and in good standing.
  - B. Board Certification, or highest level of credentials attained if applicable, or completion of any required internships/residency programs, or other postgraduate training.

Official transcript from an accredited school and/or LARA license. HealthWest will continue to ask for official transcripts where applicable.

- C. National Practitioner Databank (NPDB)/ Healthcare Integrity and Protection Databank (HIPDB) query or, in lieu of the NPDB/HIPDB query, all of the following must be verified:
  - i. Minimum five-year history of professional liability claims resulting in judgment or settlement;
  - ii. Disciplinary status with regulatory board or agency; and
  - iii. Medicare/Medicaid sanctions.
- D. If the individual practitioner undergoing credentialing is a physician, the physician profile information obtained from the American Medical Association may be used to satisfy the primary source requirements of (a), (b), and (c) above.

- 4. Human Resources staff will conduct background checks (see Background Check Policy 02-030) on potential and current staff using the Internet Criminal History Access Tool (ICHAT) (bi-annually), as well as the Michigan Public Sex Offender Registry (<https://mssql.com>) and the National Sex Offender Registry (<http://www.nsopw.gov>). See LRE's Attachment A for timing requirements.
- 5. Timing: Initial Credentialing must be completed within 90 calendar days starting from the date on the credentialing application from the practitioner. Completion time ends when notice is sent from HealthWest to the practitioner with a decision.

C. Temporary/Provisional Credentialing of Individual Practitioners

Temporary or provisional credentialing of individual practitioners is intended to increase the available network of providers in underserved areas, whether rural or urban. HealthWest must have policies and procedures to address granting of temporary or provisional credentials when it is in the best interest of Medicaid Beneficiaries that providers be available to provide care prior to formal completion of the entire credentialing process. Temporary or provisional credentialing shall not exceed one hundred and fifty (150) days. The Credentialing Specialist or designee shall have up to thirty-one (31) days from the dated Credentialing Application, accompanied by the minimum documents identified below, within which to render a decision regarding temporary or provisional credentialing.

- 1. For consideration of temporary or provisional credentialing, at a minimum, an individual practitioner must complete a written application that is completed, signed, and dated by the individual practitioner and attests to the following elements:
  - A. Lack of present illegal drug use.
  - B. History of loss of license, registration, or certification and/or felony convictions.

- C. Any history of loss or limitation of privileges or disciplinary action.
  - D. Attestation by the applicant of the correctness and completeness of the application.
  - E. Attestation by the applicant that they are able to perform the essential functions of the position with or without accommodation.
2. An evaluation of the individual practitioner's work history for the prior five years. Gaps in employment of six (6) months or more in the prior five (5) years must be addressed in writing during the application process.
3. Designated HealthWest staff will conduct primary source verification of the following:
- A. Licensure or certification and in good standing;
  - B. Board certification, if applicable, or the highest level of credential attained, if applicable, or completion of any required internships/residency programs, or other post graduate training; and
  - C. Official transcript of graduation from an accredited school and/or LARA license (HealthWest will continue to request official transcripts when applicable and use only LARA as a last resort); and
  - D. National Practitioner Databank (NPDB)/ Healthcare Integrity and Protection Databank (HIPDB) query or, in lieu of the NPDB/HIPDB query, all of the following must be verified:
    - i. Minimum five-year history of professional liability claims resulting in judgment or settlement;
    - ii. Disciplinary status with regulatory board or agency; and
    - iii. Medicare/Medicaid sanctions.
  - E. If the individual practitioner undergoing credentialing is a physician, then physician profile information obtained from the American Medical Association or American Osteopathic Association may be used to satisfy the primary source requirements of (a.), (b.), and (c.) above.
4. The Credentialing Specialist or designated staff of the Clinical Operations Committee will review the information obtained and determine whether to grant provisional credentials. Following approval of provisional credentials, the process of verification as outlined in this Section, should be completed.

D. Re-credentialing Individual Practitioners

At a minimum, the re-credentialing policies for physicians and other licensed, registered or certified health care providers must identify procedures that address the re-credentialing process and include requirements for each of the following:

1. Re-credentialing at least every two (2) years
2. Submission of the current credentialing application
3. An update of information obtained during the initial credentialing if applicable
4. Primary Source Verification
5. Refer to initial credentialing section of this policy for additional details

E. Notification of Adverse Credentialing Decision

An individual practitioner that is denied credentialing or re-credentialing by HealthWest shall be informed of the reason(s) for the adverse credentialing decision in writing by the Credentialing Specialist within thirty (30) days of the decision.

F. Appeal of Adverse Credentialing Decision by HealthWest

An appeal process shall be available when credentialing or re-credentialing is denied, suspended, or terminated for any reason other than lack of need. The appeal process will be consistent with federal and state requirements.

1. The practitioner must make a written request for reconsideration within thirty (30) business days of receipt of the notification letter. The written request must include a detailed description of the issues in dispute, the basis for the practitioner's disagreement, all evidence and documentation supporting the practitioner's position, and the action the practitioner desires from HealthWest. The HealthWest Executive Director, in consultation with the Clinical Operations Committee, will review the written request and inform the practitioner of their decision in writing within thirty (30) days.
2. If the practitioner is not satisfied with the decision made, the practitioner can submit a written request within thirty (30) business days for a hearing with a Credentialing Appeals Board. The Executive Director will appoint the Credentialing Appeals Board which would include the practitioner's practicing peers, medical management representatives and administrative personnel. The Credentialing Appeals Board would notify the practitioner in writing of its decision within fifteen (15) days of the hearing.
3. If the practitioner is not satisfied with the decision of the Credentialing Appeals Board, the practitioner can submit a written request for a hearing with the HealthWest Board of Directors within thirty (30) business days of the Credentialing Appeals Board decision. The hearing will be held at the next earliest date of the Board of Directors' regularly scheduled meeting. A decision by the Board of Directors will be considered as a final decision.
4. If the practitioner fails to submit a complete and timely request for a reconsideration or a request for a hearing with the Credentialing Appeals Board or the HealthWest Board of Directors, the practitioner will be deemed to have accepted HealthWest's determination of the issues raised regarding the practitioner and to have waived all further internal or external processes



regarding the issues.

#### G. Suspension and Revocation

Circumstances that automatically result in suspension or revocation:

- Lack of current licensure – The practitioner does not possess a current, valid license to practice in Michigan or the bordering state in which they reside and provide services, including because a previously valid license has expired, lapsed, or has been suspended or revoked, or otherwise ceases to meet the qualification.
- Lack of DEA/CDS registration - The practitioner does not possess a current, valid registration with the DEA/CDS, including because a previously valid registration has lapsed, expired, or been suspended or revoked or otherwise ceases to meet the qualification. This criterion applies only to a practitioner who prescribes controlled substances.
- No malpractice insurance - The practitioner does not currently have professional liability insurance in the amounts required by the agency policy or otherwise ceases to meet the qualification. This criterion applies only to a Practitioner required to carry professional liability insurance and is not covered under the agency policy.
- Exclusion from government programs - The practitioner is excluded from or limited in participation in a federal or state health care program.
- Criminal charges - The practitioner is charged with, indicted for, or convicted (including a plea of guilty or no contest) of an exclusionary crime as outlined in the 9.11 Criminal History Check policy (Compliance).

H. Credentialing suspension/revocation decisions will not include any information regarding an applicant's status related to allegations or pending investigations in process associated with licensure or registration; LRE and its Member CMHSPs and SUDSPs support due process for all independent applicants in matters pertaining to unsubstantiated allegations of misconduct.

#### I. Deemed Status

Individual practitioners or organizational providers may deliver healthcare services to more than one CMHSP. A CMHSP may recognize and accept credentialing activities conducted by any other CMHSP in lieu of completing their own credentialing activities. In those instances where a CMHSP chooses to accept the credentialing decision of another CMHSP, they must maintain copies of the credentialing CMHSP's decisions in their individual practitioner's credentialing file.

#### J. Reporting Requirements

HealthWest policy requires the reporting of improper known organizational provider or individual practitioner conduct that results in suspension or termination from HealthWest's provider network to the appropriate authorities such as: MDHHS Bureau of Health Professions, Health Investigative Division; MDHHS Office of Attorney General, Health Care Fraud Division/Program Investigations Section; and the individual or organization's Regulatory/Licensing Board. Criminal offenses should be reported to law enforcement. Such procedures shall be consistent with current Federal and State requirements, including those specified in the MDHHS Medicaid Specialty Supports and Services Contract and the Balanced Budget Act of 1996.

K. Record Retention

All credentialing and recredentialing documentation must be retained for each credentialed provider and include:

- Initial credentialing and all subsequent recredentialing applications;
- Information gained through primary source verification; and
- Any other pertinent information used in determining whether or not the provider met credentialing and recredentialing standards.
- Records shall be retained in accordance with the [Lakeshore Regional Entity's Record Retention Policy](#).

VII. REFERENCES

[MDHHS Credentialing and Re-Credentialing Processes dated March 2023](#)

[Lakeshore Regional Entity Policy 4.4](#)

Lakeshore Regional Entity Procedure – Credentialing and Recredentialing – Individual Practitioners

Provider Discrimination Prohibited - [42 CFR 438.12](#)

Provider Selection - [42 CFR 438.214\(c\)](#)

Lakeshore Regional Entity – [Attachment A for LIPs](#)

Lakeshore Regional Entity – [3.6 Retention of Records](#)

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