



A Fight's Brewing Over Vendor Credentialing

By Curtis Rooney

Say the wrong two words to the right people and you might just start a fight! No, not those two words. Try *these* two words – “vendor credentialing.” For those who make their living by calling on hospitals, there are few buttons as hot.

On one hand, vendor policies allow patient-care facilities to document and manage the dizzying number of individuals who enter their doors. On the other, these requirements represent a patchwork of repetitive formalities and intrusive questionnaires, topped off by burdensome fees. Both providers and suppliers are concerned about protecting patient safety and confidentiality, improving quality care and avoiding risk and potential liability. Hospitals have felt, however, that they must act in this area due to concerns such as liability exposure, occupational health issues and implementation of the Health Insurance Portability and Accountability Act (HIPAA).

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Currently, hospitals' vendor credentialing requirements often include training documentation and/or letter from a representative's employer, health vaccinations, codes and conduct and other criteria. Many vendors often find the requirements inappropriate and irrelevant to their work. Most would agree that, depending on the function of the specific rep, there is a range of appropriate levels of access to a healthcare facility. Yet some hospitals use a “one size fits all” approach that creates challenges for suppliers. Fortunately, not all hospitals do the same. Instead they classify access into three categories:

- Non-patient-care areas
- Patient-care areas
- Direct impact on patient care.

Once classified, all reps must wear color-coded badges indicating the level of access. Often the initial badge is free. Problems arise when this badge is not recognized by all facilities. Some representatives call on large numbers of hospitals – not to mention the number of facilities for which their managers or vice presidents of sales are accountable.

Some hospitals require that sales reps visit a facility by appointment only, while others mandate that they record their presence via an automated telephone system, which includes a vendor identification code. Many hospitals have rules that can only be described as idiosyncratic. For example, at least one system has been reported to use its vendor credentialing process to control more local issues, such as parking.

Responding to this market, a number of credential management companies have sprung up. Many offer a centralized, online process that provides access to compliance officers, materials managers and managers of surgical departments, which allows them to:

- View records
- Check certification progress
- Confirm current status of all vendor requirements
- Maintain daily vendor and visitor logs
- Monitor watch lists, such as the Office of Inspector General.

These firms charge anywhere from \$100 to \$700 per rep. Because reps are often responsible for a number of unrelated hospitals or systems, these charges add up.

Clearly, the time has come for the system to become more rational. A number of trade associations, including AdvaMed, have voiced their opinions. And the Strategic Marketplace Initiative – a consortium of providers and vendors – issued recommendations two years ago. The Healthcare Industry Supply Chain Institute recently began looking into these concerns, and sponsored a panel debate at the recent HIGPA/HISCI Expo. HISCI is scheduled to make available to its members in April a comprehensive educational module outlining all of the issues surrounding vendor credentialing. After providing its members an opportunity to become better informed, it will then ask the question, “What needs to be done next?”

What looms in the distance, if the private sector fails to address this situation, is the threat that policy-makers could come to this fight – and not just to sell tickets.

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