

# Single Platform Provider Credentialing System

## Automated Provider Screening

Engrossed Substitute Senate Bill 6032; Sections 213(1)(aaa), (2)(f), 204(1)(v), 217(2), 219(30), and 220(1)(d); Chapter 299; Laws of 2018


December 1, 2018



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# Legislative Reference

HCA is submitting this report to the Legislature as required by Engrossed Substitute Senate Bill (ESSB) 6032, Section 213(1)(aaa), Chapter 299, Laws of 2018:

(aaa) \$69,000 of the general fund–state appropriation for fiscal year 2018, \$560,000 of the general fund–state appropriation for fiscal year 2019, and \$308,000 of the general fund–federal appropriation are provided solely for the authority to implement, operate, and maintain a provider credentialing system and are subject to the conditions, limitations, and review provided in section 724 of this act. The authority, in collaboration with the department of health, department of corrections, department of social and health services, the public employees' benefits board, and the department of labor and industries, shall work to ensure that a single platform provider credentialing system is implemented. The authority, departments, and board shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems. The authority must enter into agreements with the department of labor and industries and the public employees' benefits board to pay their share of the costs of implementing and operating a new provider credentialing system. The authority shall submit a report to the office of financial management and appropriate committees of the legislature outlining projected cost savings and cost avoidance no later than December 1, 2018.

## Executive Summary

ESSB 6032 directed the Health Care Authority (HCA) — in collaboration with the Department of Health (DOH), Department of Corrections (DOC), Department of Social and Health Services, (DSHS), and the Department of Labor and Industries (L&I) — to implement a single platform provider credentialing system. In addition to implementing the system, HCA is required to ensure that appropriate offsets and cost avoidances are assumed for reduced staff time required for provider credentialing activity, reductions in improper billing activity, and outline and report the projected cost savings and cost avoidance to the Legislature.

HCA, in collaboration with the agencies noted above, began planning and implementing the single platform provider credentialing system in spring 2018. HCA started by identifying organizations that would be participating and defining the organizations' business and functional needs.

This initial assessment found that L&I's business needs were significantly different than other agencies. As a result, the work was divided into two separate project tracks:

1. Automated Provider Screening Solution; and
2. L&I Provider Credentialing System.



HCA, DOC, DSHS, and L&I agreed to use the ProviderOne Provider Enrollment module as the single platform provider credentialing system. The scopes of both projects were defined and the requirements were documented. HCA and the Departments have made significant progress on both projects. The first project was broken into three phases:

- Phase 1: Provide a link within ProviderOne for manual screening.
- Phase 2: Provide automated functionality that screens all providers upon enrollment and then on a monthly basis.
- Phase 3: Provide additional enhancements and efficiencies.

As of September 21, Phases 1 and 2 have been implemented. The third phase is on schedule for November 2018 implementation. Planning, including defining requirements, for the second project is completed. L&I will use ProviderOne as their new provider enrollment and credentialing system in fall 2019.

As we have worked through the implementation of this proviso, the following issues have influenced savings assumptions:

- Phase 2 of Project 1 was implemented September 2018. Baseline measures will be utilized to track current staff time against the automation introduced by the tool; those measures will not be available until after full implementation in November. While we believe that automation will reduce staff time in provider screenings, we do not anticipate cost offsets. HCA Provider Enrollment is currently unable to keep up with federal provider enrollment requirements introduced by the Affordable Care Act. These requirements include re-credentialing all providers every five years and the requirement for the agency to enroll the medical, behavioral health, and dental provider networks of the Medicaid-contracted Managed Care Organizations. Because of the provider enrollment resources needed for compliance with these additional federal requirements, we anticipate that the automation introduced by the provider credentialing tool will allow us to achieve and maintain compliance with current resources.
- Since these services still need to be provided, there will be no reduction in cost.
- There is a funding shortfall of \$2.9M needed to effectively implement the new L&I Provider Credentialing System. L&I has submitted a 2019–2021 biennial budget decision package requesting funds to cover this project through the Workers' Compensation Fund's Medical Aid and Accident accounts.

## Background

In 2017, HCA submitted a decision package requesting funding for a Medicaid Provider Credentialing System to be implemented as a module of the Medicaid Management Information System (ProviderOne). The Legislature passed a revised version in 2018 in ESSB 6032, which directed the partner agencies to ensure that a single platform provider credentialing system is implemented. HCA is also required to ensure that appropriate offsets and cost avoidances are

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assumed for reduced staff time required for provider credentialing activity, reductions in improper billing activity, and to outline and report the projected cost savings and cost avoidances to the Legislature. Each agency had some of the funding in their budgets, as well as cost avoidance assumptions.

As HCA met with each agency involved in this work, we quickly learned that each agency had different needs:

- HCA was seeking to implement an enhancement to the current ProviderOne system that automates and integrates the LexisNexis provider identity management and credentialing solution into the ProviderOne Provider Enrollment module.
- L&I needs an entirely new provider credentialing and enrollment system to replace its desktop computer-based medical provider credentialing software, which the vendor is phasing out.
- Public Employees Benefits Board's (PEBB) Uniform Medical Plan has no credentialing needs. PEBB health plans successfully manage their own provider networks. HCA has no direct management of that work and is not a party to their provider contracts.
- DOC needs a method to support pre-employment credentialing for any candidate who may be hired to work in any DOC facility as a medical provider.
- DOH already has a new licensing system project underway and has decided not to participate.
- DSHS needs an automated way to review multiple databases and the ability to look at a history of its provider screenings.

After capturing each agency's requirements, we determined that we needed to define two distinct projects:

- 1. Automated Provider Screening Solution**

Integrate the LexisNexis provider identity management and credentialing solution into the ProviderOne Provider Enrollment module.

- 2. New L&I Provider Credentialing System**

Implement the ProviderOne Enrollment subsystem as L&I's new provider credentialing system, and define and integrate system modifications to meet L&I requirements.

The team decided that both projects would leverage the ProviderOne Provider Enrollment module as the single platform provider credentialing system for HCA, L&I, DOC, and DSHS.

## Performance Goals

HCA's goal is to approve all Medicaid provider applications within 30 days. HCA approves approximately 700 new applications each month, with a goal of approving 80 percent within 30 days. HCA has approximately 98,000 providers currently enrolled; the agency is required to revalidate each provider every five years. In addition to its existing provider enrollments, HCA expects that it will soon be enrolling an additional 10,000 dental, behavioral health and medical

providers participating in the managed care programs to meet the federal requirements under the managed care rules.

## Progress to Date

HCA and its partner agencies have made great strides toward implementing a single platform provider credentialing system. Since April 2018, staff have met regularly to plan the development and implementation of both projects.

### Automated Provider Screening Solution Project

All participating agencies contributed to defining requirements for the ProviderOne automated provider screening solution that integrates the LexisNexis provider identity management and credentialing solution into the ProviderOne Provider Enrollment module. Plans were made to implement the project in three phases.

Phase	Phase Description	Implementation Date
<b>Phase 1</b>	Provide a link within ProviderOne for manual screening. The link provides for single sign-on between ProviderOne and the screening solution.	July 27, 2018
<b>Phase 2</b>	Provide automated functionality that screens all providers as they are enrolled in ProviderOne, every month thereafter, and again when there are specific provider updates. The screening solution provides results which then have rules applied against them to determine whether user review is required.  Create a new web service for the DSHS Agency Contracts Database (ACD) that allows a DSHS worker to screen providers, with results returned to the ACD for review.	September 21, 2018
<b>Phase 3</b>	Provide additional enhancements & efficiencies: <ul style="list-style-type: none"> <li>• Add Revalidation Business Process Wizard and associated letters</li> <li>• Provide additional logic for provider changes</li> <li>• Automate rules for contracts received from ACD</li> <li>• Upload attachments</li> <li>• Categorize attachments</li> <li>• Add state of licensure</li> <li>• Add data elements for moderate &amp; high security risks</li> </ul>	November 16, 2018

Phase 1 and Phase 2 have been successfully implemented for HCA and DSHS. Phase 3 is on schedule for November 2018 implementation. DOC will begin using ProviderOne in November to enroll their provider candidates who have a National Provider Identifier (NPI). Currently, ProviderOne only allows providers who have an NPI to enroll through the provider portal. HCA currently has a work-around for enrolling providers without an NPI in which HCA staff enroll a provider manually.



Because the majority of DOC provider candidates do not have an NPI, DOC has chosen to wait until a ProviderOne enhancement for this specific functionality is released May 2019.

## New L&I Provider Credentialing System

The ProviderOne Enrollment subsystem will be implemented as L&I's new provider credentialing system. The project will define and integrate ProviderOne system modifications to meet L&I requirements. HCA and L&I collaboratively defined the requirements for this implementation and executed the contract with HCA's vendor. The ProviderOne system changes for this project will be split into two separate phases, planned for August and October 2019 implementation.

This project requires many more resources than the Legislature initially gave L&I in the 2018 supplemental operating budget. This is a major system implementation that encompasses retiring L&I's current provider system and moving to ProviderOne as the new L&I Provider Credentialing System. It will also require changes to L&I's current claims system, since it will interface with ProviderOne. In addition, it requires a data conversion strategy and change management activities for both L&I providers and staff.

## Benefits

There are many benefits to implementing the automated provider screening solution project. By the end of the project, we will be able to ensure that:

- All providers are automatically re-screened each month, reducing the possibility of waste, fraud, or abuse by Medicaid program providers; and
- All providers are screened in a standardized manner using the appropriate database checks; this minimizes the possibility of human error.

In addition:

- HCA anticipates an increase in the number of provider applications completed within 30 days.
- DOC will see a 50 percent reduction in National Practitioner Database contract dollars (the monthly average is \$191.00).
- The state should be able to keep pace with new and emerging federal revalidation requirements, something it is not currently able to do.

## Issues

### Cost Reduction

For Project 1, baseline measures will be utilized to track current staff time against the automation introduced by the tool. Although we completed initial implementation of this project (Phases 1 and 2) in September 2018, those measures will not be available until after the project is fully

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implemented in November 2018. While we believe that automation will reduce staff time in provider screenings, we do not anticipate reductions in costs, or cost offsets. HCA Provider Enrollment is currently unable to keep up with federal provider enrollment requirements introduced by the Affordable Care Act. These requirements include re-credentialing all providers every five years and requiring HCA to enroll the medical, behavioral health, and dental provider networks of the Medicaid contracted Managed Care Organizations (MCOs). Because of the provider enrollment resources needed for compliance with these additional federal requirements, we anticipate that, while costs will not be reduced, the automation introduced by the provider credentialing tool will allow us to achieve and maintain compliance with current resources.

## Improper Billing

Since these services still need to be provided, there will be no reduction in cost.

## Funding Shortfall

An additional \$2.9M is needed for L&I, in collaboration with HCA, to effectively implement the new L&I Provider Credentialing System. L&I has submitted a decision package for the 2019–2021 biennial budget requesting funds to cover this project through the Workers' Compensation Fund's Accident and Medical Aid accounts.

Two years ago, L&I sought funding in the 2017–19 biennium to replace its desktop computer-based medical-provider credentialing software, which the vendor is phasing out. The request was included in L&I's broader decision package for several business transformation work streams.

The final 2017–2019 budget directed L&I to collaborate with HCA and other agencies to jointly use a single-platform provider-credentialing system. However, the budget did not include sufficient funding for all of the work identified in L&I's decision package. Besides migrating its provider credentialing to a new system, L&I must do additional work to integrate the new system with other L&I computer systems.

L&I worked closely with HCA and the software vendor, Client Network Services Inc. (CNSI), to determine the work needed to configure the ProviderOne software to meet L&I's needs, including integrating the system with L&I's existing computer systems. Based on that work, the estimate for the total cost for development and implementation is \$3.7 million.

L&I reserved \$831,000 of the 2017–2019 business-transformation appropriation for the provider-credentialing project. That agency also came up with another \$569,000 from elsewhere in the agency. Therefore, L&I had \$1.4 million to cover the initial development work planned for the 2017–2019 biennium. These savings will cover the FY 2019 development work.

**L&I needs another \$2.9 million in the 2019–2021 biennium** — \$2.3 million to complete the project and \$601,000 to cover maintenance costs (vendor fees, etc.) for the balance of the 2019–2021 biennium.



The two tables below detail the development and implementation costs. Table 1 outlines L&I's anticipated development and implementation costs. The charges include work that will be performed by contractors (CNSI and Linea Solutions), L&I, and WaTech. The development phase includes identifying functional requirements, building an interface between ProviderOne and L&I's MIPS system, converting the data from MIPS to the ProviderOne format, project management, and change management.

**Table 1. L&I's ProviderOne development and implementation costs**

		FY2019	FY2020	Project totals
CNSI <sup>1</sup>	Development	\$ 393,261	\$1,006,000	\$1,399,261
CNSI	Data conversion		\$ 650,000	\$ 650,000
L&I IT Contractor	Interface	\$ 200,000	\$ 196,000	\$ 396,000
L&I IT Contractor	Data conversion	\$ 166,000	\$ 200,000	\$ 366,000
Provider Accounts & Credentialing– Business	Temp support	\$ 160,000		\$ 160,000
Linea <sup>1</sup>	Change management	\$ 177,000	\$ 79,000	\$ 256,000
Linea	Implementation	\$ 277,000	\$ 185,000	\$ 462,000
WaTech <sup>2</sup>	Testing	\$ 3,000		\$ 3,000
<b>TOTAL</b>		<b>\$1,376,261</b>	<b>\$2,316,000</b>	<b>\$3,692,261</b>

<sup>1</sup> CNSI and Linea are contractors for the specified services.

<sup>2</sup> Cost based on number of runs and how much of an AFRS batch is required to be run. Estimate is based on similar work WaTech has done for L&I.

Table 2 shows L&I's anticipated maintenance costs once implementation has been completed. The requested maintenance funding will pay CNSI to make any necessary repairs and/or cosmetic fixes to the system after the "go-live" date. As the system moves further into the general maintenance phase, less support will be needed and costs will decrease.

**Table 2. L&I's ProviderOne maintenance costs**

Maintenance costs–First 20 months	Monthly cost	# of months	Totals
November 2019 through February 2020	\$39,185	4	\$156,740
March 2020 through May 2020	\$40,269	3	\$120,807
June 2020 through February 2021	\$26,846	9	\$241,614
March 2021 through June 2021	\$20,414	4	\$ 81,656
<b>GRAND TOTAL</b>			<b>\$600,817</b>



## Next Steps

Tables 3 and 4 show the final phase work plan/timeline for the the automated provider screening solution project and the proposed timeline for the new L&I provider credentialing system.

**Table 3: Automated provider screening solution project work plan and timeline**

Phase/Milestone/Deliverable	Target Dates	Actual
<b>Implementation/Integration Phase</b>		
Phase 3 Integration testing complete	10/19/2018	
Phase 3 Go/No-go decision	11/14/2018	
Phase 3 User acceptance testing complete	11/16/2018	
Phase 3 Users trained	11/16/2018	
Phase 3 Go-live	11/16/2018	
<b>Close-Out/Business Value</b>		
Project close-out/Stabilization	12/31/2018	
Post implementation report	2/28/2019	
<b>Project End</b>	<b>12/31/2018</b>	
<b>Project Closure Complete</b>	<b>2/28/2019</b>	

**Table 4: New L&I Provider Credentialing System Project Work Plan and Timeline**

Phase/Milestone/Deliverable	Target Dates	Actual
<b>Project Start</b>		<b>11/01/2017</b>
<b>Planning</b>		
Define scope		11/30/2017
Obtain QA vendor		08/01/2018
Investment plan approved	12/31/2018	
Vendor on board		08/01/2018
Begin data interface and clean-up	05/03/2019	
<b>Implementation/Integration Phase</b>		
Phase 1 and 2 design	05/03/2019	
Phase 1 Development complete	07/29/2019	
Phase 1 User acceptance testing complete	8/26/2019	
Phase 1 Implementation	08/26/2019	
Phase 2 Development complete	09/23/2019	
Phase 2 User acceptance testing complete	10/18/2019	
Phase 2 Implementation	10/18/2019	
Data conversion complete	10/01/2019	
Go-live decision	10/21/2018	
Go-Live	10/22/2019	
<b>Close-Out/Business Value</b>		
Project End	10/31/2019	
Project Closure Complete	11/30/2019	



# Summary

ESSB 6032 requires HCA, in collaboration with other agencies, to implement a single platform provider credentialing system. The agency partners have made great strides toward implementation of a single platform provider credentialing system. These include:

- Defining scope for two separate projects;
- Establishing requirements for both projects;
- Designing Phases 1–3 of the automated provider screening solution;
- Implementing Phases 1 and 2;
- Submitting a decision package to fund the completion of the software integration and configuration of ProviderOne for the new L&I Provider Credentialing system; and
- Developing a draft implementation plan for the L&I Provider Credentialing system implementation.

Phase 3 is on schedule for completion on November 16 automated provider screening solution 2018. Given the additional time and resources to implement the new L&I credentialing system, this project is planned for implementation in the fall of 2019.

