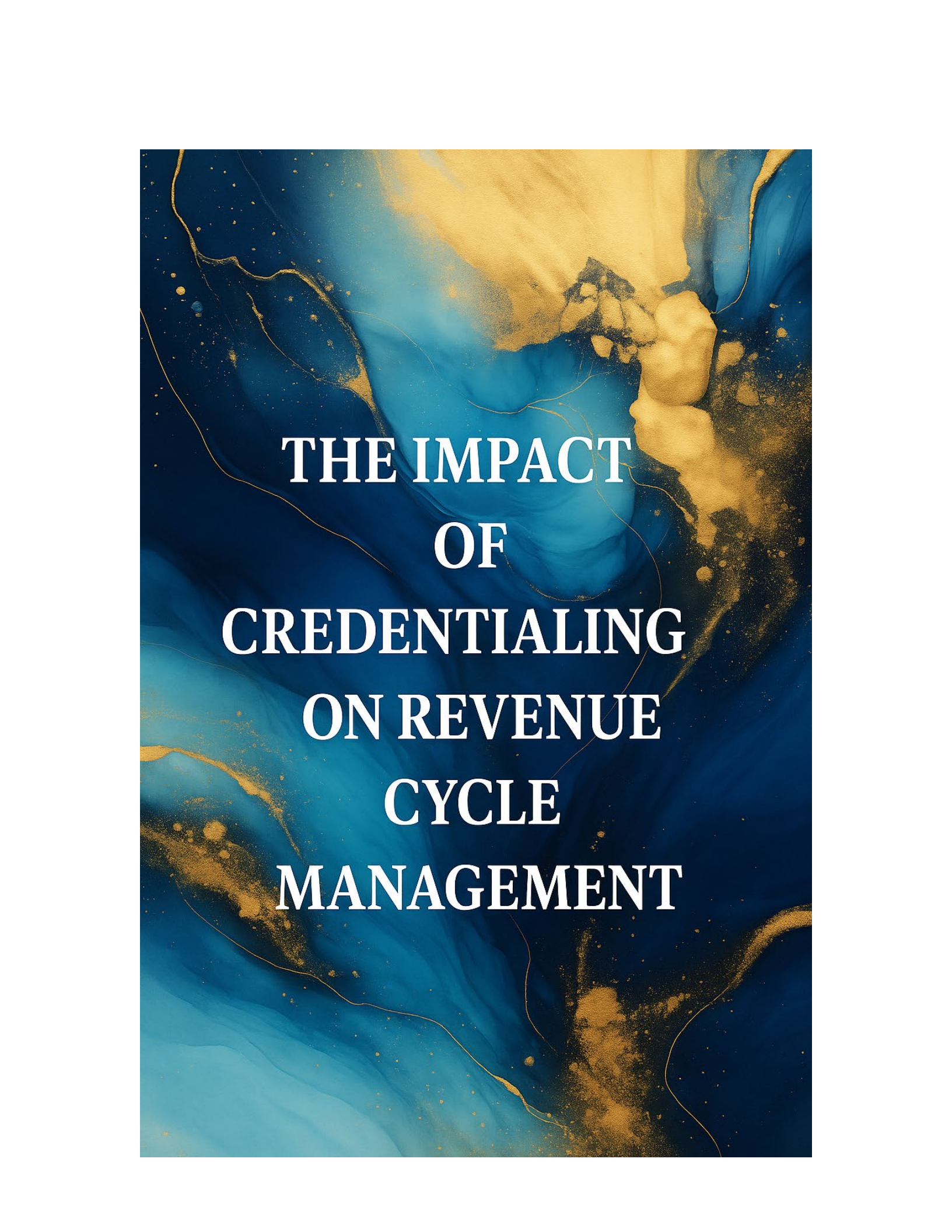




# THE IMPACT OF CREDENTIALING ON REVENUE CYCLE MANAGEMENT



## The Impact of Credentialing on Revenue Cycle Management

Credentialing is more than a regulatory requirement, it's a strategic tool that directly impacts operational efficiency, financial performance, and patient trust. Effective credentialing helps to:

### **Ensure High Standards of Care and Improve Patient Satisfaction**

Credentialing verifies that providers and staff possess the necessary qualifications and experience to deliver quality care. This reassures patients and allows providers to participate in a broader range of insurance plans. Being in-network reduces patients' out-of-pocket costs, making your services more accessible and appealing—ultimately attracting more patients to your practice.

### **Maintain Compliance with Federal, State, and Accreditation Standards**

Credentialing is mandated by agencies such as the Centers for Medicare and Medicaid (CMS) and accrediting bodies like The Joint Commission. Non-compliance can result in loss of eligibility for Medicare and Medicaid reimbursements, significantly affecting a practice's revenue and credibility.

### **Reduce Legal Risk and Malpractice Exposure**

Proper credentialing helps safeguard your practice from potential legal liabilities by ensuring that only qualified, vetted providers are granted privileges. Failure to do so can result in costly malpractice lawsuits. In several high-profile cases, hospitals faced substantial settlements after credentialing lapses allowed unqualified individuals to provide care, leading to patient harm and legal action.

### **Enhance Professional Reputation and Credibility**

Credentialing promotes confidence among peers and referring providers, boosting your professional reputation. It also signals a culture of excellence and accountability—enhancing your practice's public image and attracting both patients and skilled professionals.

### **Improve Claims Management and Minimize Denials**

Efficient credentialing reduces the risk of denials caused by expired credentials, data mismatches, or authorization issues. A well-managed process ensures that documentation is accurate and accessible, facilitating faster resolution of claim problems and protecting revenue flow.

However, credentialing can be complex and time-consuming, especially for practices managing multiple providers. Many healthcare organizations choose to outsource credentialing to specialized services to reduce administrative burden and improve outcomes.

## **Without proper credentialing, critical revenue cycle Key Performance Indicators (KPIs) suffer:**

### **Days in Accounts Receivable (AR)**

Ideally, claims should be processed and paid within 30 days. Missing or outdated credentials can delay claim processing by several months. For instance, if a provider is unknowingly out-of-network, multiple claims may be denied before the issue is discovered, resulting in significant financial loss and potential write-offs.

### **Aging Claims**

Best practices aim for at least 75% of claims to be resolved within 60 days. Credentialing delays often extend this timeline, negatively affecting performance metrics. Proactively addressing credentialing requirements and monitoring renewal dates helps reduce claim aging.

### **Clean Claim Rate**

The goal is to secure payment on the first claim submission. Claims denied due to credentialing errors are not considered “clean” and require costly rework. Practices target a clean claim rate of 90% or more, but unresolved credentialing issues—especially with major payers—can significantly reduce that rate.

Proper credentialing is essential not only for compliance but also for financial health. Investing in a reliable, streamlined credentialing process ultimately strengthens your practice’s operations, protects revenue, and builds lasting patient trust.

Don’t allow credentialing bottlenecks drain your revenue and damage your credibility—**take control now.** Visit [CredentialingMadeEasy.net](https://CredentialingMadeEasy.net) to enroll in our 6-month access Provider Credentialing Masterclass which contains proven strategies, ready-to-use tools, and expert guidance that will streamline your credentialing, boost your clean claim rate, and protect your bottom line.

