




PENNSYLVANIA ASSOCIATION OF COMMUNITY HEALTH CENTERS

Credentialing Accountability

Issue: Community Health Centers  and other safety net providers are facing critical challenges in both ensuring access to primary health care and in maintaining their financial viability as a result of excessive Medicaid managed care organization provider credentialing timeframes and failure of the Department of Human Services to ensure payment to providers for eligible care already rendered.

Background: Before Pennsylvania transitioned to mandatory managed care, credentialing timeframes were less critical because the then Department of Public Welfare paid providers retroactive to the date of application for a PROMISE number, as they continue to do under the fee-for-service system. However, a similar requirement for retroactive payment has not been required of HealthChoices managed care organizations (MCOs) nor does the Department of Human Services (DHS) itself accept responsibility for payments for eligible encounters prior to completion of MCO credentialing. Therefore, MCOs are being paid by DHS for these “covered lives” but the providers giving care to the covered individuals are not, creating no incentive for MCOs to develop timely credentialing processes and, in fact, creating disincentives to doing so. The impact on cash flow and operations has been significant.

Based on a 2012 New Jersey Appellate Court decision (*New Jersey Primary Care Association v. State of New Jersey Department of Human Services, et. al.*), we believe that the state is liable for the costs of these encounters, regardless of whether or not an MCO pays. The case concluded a state cannot defer to an MCO to determine encounter eligibility, which under the current scenario is what is occurring. By default, not definition, an encounter eligible for payment is now a face-to-face patient visit by an MCO-credentialed provider.

PACHC Position: PACHC firmly believes that:

1. Pennsylvania has a responsibility to pay providers for care rendered to individuals insured by Medical Assistance.
2. Pennsylvania is required by federal law to pay Community Health Centers their Prospective Payment System (PPS), also known as their encounter rate for patient visits in a timely way for eligible encounters.
3. DHS therefore has a responsibility to require its contracted agents, the HealthChoices MCOs, to pay retroactive to the date of application or must assume the financial responsibility for those encounters itself.
4. If DHS, as the large purchaser it is, requires its agents to pay retroactive to the date of application or assumes the financial responsibility itself, incentives will again be aligned to support timely credentialing by MCOs and improved sustainability of the safety net in Pennsylvania.

PACHC's membership is comprised of over 250 non-profit health center delivery sites offering care for more than 700,000 Pennsylvanians through more than 2.5 million office visits every year; which makes these sites the largest network of primary care providers in our Commonwealth's rural and urban communities.