



White Paper on Vendor Credentialing

A Collaborative Industry Study

Executive Summary

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Executive Summary

Vendor Credentialing (VC) is the process of establishing the qualifications of vendors and assessing their background and legitimacy. Healthcare providers may utilize VC as a primary criterion in Vendor Access Management - this means managing the access of vendors to the hospital in general, and / or to certain clinical areas.

The practice of VC in healthcare is well established in the United States but is only recently becoming an established practice in Canada. As a result of the challenges and inefficiencies being experienced in the US, the Healthcare Supply Chain Network (HSCN), representing the Canadian industry, would like to influence the development of Vendor Credentialing in Canada and steer its growth towards value while minimizing cost to the industry.

Through a process of literature review and interviews with healthcare supply chain professionals, HSCN has developed industry statements on 7 important elements of Vendor Credentialing. Those statements are as follows:

1. **Financial Impact of Vendor Credentialing** – Providers and suppliers must work together to limit the financial and bureaucratic impact of introducing more robust and / or third party vendor credentialing systems into the Canadian healthcare landscape. Specifically:
 - a) Providers and suppliers should work to create nationally acceptable credentialing standards that could be used either internally or through third party Vendor Credentialing Companies (VCCs);
 - b) Providers should accept a single credentialing approach, meaning that each VCC would be recognized by all as a valid credentialing body, allowing access to any hospital or clinic for those completing the credentialing. If a supplier's sales representatives are credentialed by a different third party VCC than the VCC the provider has contracted with, then this credentialing is seen to be acceptable and no new credentialing is required;
 - c) In order to minimize the financial burden on the healthcare system of vendor credentialing, the cost of the annual renewal fee for a supplier sales rep should more closely reflect the true cost of renewal.
2. **Levels of Vendor Credentialing** - Two levels of vendor credentialing should be implemented, with the differentiation being those supplier representatives entering clinical areas, such as the OR, and those entering other patient care areas. Supplier representatives only accessing those areas where any member of the general public has access, including, but not limited to, common areas, the corporate office or loading dock, should not be required to be individually credentialed.
3. **Immunizations** - Recognizing that it is an individual's right to receive or decline immunizations, the credentialing record of each supplier sales representative should indicate all current immunizations that this representative has received. Individual

hospitals would have access to this record and may restrict access based on a bona fide occupational requirement given clinical circumstances and risks of having non-immunized individuals in specific areas of the healthcare facility. *

4. **Background Checks** - Including criminal record checks (CRC) as part of vendor credentialing should be done with caution as it may impinge provincial or federal rights and laws. If a healthcare provider deems that a CRC is a bona fide occupational requirement in order for a vendor representative to provide services in a specific area of a healthcare facility, the initial requirement and subsequent renewal of the CRC should only be done as required to support the original rationale for a CRC. Again, if a CRC is deemed to be required, the arrangements to provide a CRC can be made directly with the vendor representative, or the representative's employer can attest to the check on behalf of their employee and provide this information either directly to the provider or through the VCC. *
5. **Hospital Policy Reviews** - Credentialing requirements for policy reviews should focus only on patient privacy and confidentiality and a Vendor Code of Conduct.
6. **Education Courses** - HCSN believes suppliers are providing sufficient education to their sales representatives and that should any specific training be required as part of a credentialing process, in-house training provided by suppliers is sufficient.
7. **Secure Canadian Data Storage** - All data collected by third party Vendor Credentialing Companies must be stored in Canada by a Canadian based data storage company. Further, all VCCs should follow the Canadian Standards Association's Model *Code for the Protection of Personal Information*, ensure they are in compliance with PIPEDA (Personal Information Protection and Electronic Documents Act (Canada) and comply with all applicable provincial and federal privacy laws.

* HSCN encourages readers to seek their own legal advice when considering implementing policies relative to Immunizations or Background Checks.

Through this paper, HSCN has undertaken a review of the concerns of both healthcare providers and suppliers and reached an agreed upon, collaborative statement on critical elements of Vendor Credentialing. It is the intent of this paper to guide and influence how Vendor Credentialing takes form in Canada and to encourage a national approach that ensures added value and is conscious of added costs. In the months ahead, HSCN will continue to facilitate an efficient, sustainable approach to Vendor Credentialing in the Canadian Healthcare industry.

A copy of the full White Paper can be downloaded from the HSCN Website www.hscn.org.