**Credentialing Reliance Clause for Managed Care Contracts**

You can use the following clause to get a plan to agree to rely on your own credentialing process of new employees and partners/owners. It’s based on one used by a university-based physician hospital organization (PHO), but it can be mod­ified for use by other providers.

Paragraph a requires the PHO to meet the plan’s credentialing require­ments, but allows the plan to accept the PHO’s credentialing process, if the plan approves it. Paragraph b gives the plan the right to inspect and review the PHO’s files to ensure that it’s complying with its credentialing process. Paragraph c requires the PHO to give any revisions of its credentialing process to the plan. And it allows the plan to terminate its agreement to rely on the PHO’s creden­tialing if it believes that the revisions cause the group to no longer meet the plan’s credentialing criteria.

Show the clause to your attorney, and get his or her okay before using it.

**CREDENTIALING**

a. ***Agreement to Accept PHO’s Credentialing***. PHO and its Participant Providers shall at all times be subject to, meet, and comply with, Plan’s credentialing policies and procedures. Plan will accept the cre­dentialing done by PHO of its Participant Providers, as an alternative to Participant Providers’ participating in Plan’s credentialing process, as long as PHO’s credentialing policies and procedures continually meet Plan’s credentialing criteria. PHO shall submit its credentialing policies and procedures to Plan for approval. If Plan gives its approval, PHO shall accept full and complete responsibility for the credentialing of its Participant Providers.

b. ***Plan Right to Inspect***. PHO agrees to permit Plan, during normal business hours or at such other time as may be agreed upon, to inspect and review a random sample of provider applications and credentialing files to ascertain compliance with PHO’s credentialing policies and procedures.

c. ***Revisions Subject to Approval***. PHO further agrees that if it revises its credentialing policies and procedures, such revisions shall be pro­vided to Plan at least thirty (30) days prior to their effective date. If Plan finds that the revised policies and procedures result in the fail­ure of PHO’s credentialing policies and procedures to meet the cre­dentialing criteria established by Plan, Plan shall have the right to immediately terminate its acceptance of PHO’s credentialing and to require that all PHO Participant Providers be credentialed in accor­dance with Plan’s credentialing policies and procedures.