

# Credentialing vs. Enrollment: What is the difference?

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When applying to become "in-network" with a health insurance payer, the process contains several distinct parts including credentialing and enrollment.

Let's discuss each of these so you will know what to expect.

## Definitions

**Credentialing** - The process in which a provider's education, training, and experience are documented and verified.

**Contracting** - After the insurance payer verifies your credentials and accepts you as a new provider in their network, the next step will be contracting. You will be asked to sign a written contract agreeing to certain terms regarding the treatment of their members and a fee schedule of maximum reimbursement(s) for specific services provided. Your effective date with the network will be determined during this step. ***Any claim that you submit with a date of service before your effective date will be processed as an out-of-network claim, leaving your patient with a larger out-of-pocket cost if they have out-of-network benefits. If they don't, the entire claim will be denied for payment.***

**Enrollment** - Once your credentials are verified and a written contract is in place, you will need to submit additional paperwork to enroll in such services as EDI (electronic submission of claims), ERA (electronic explanation of benefits), and EFT (electronic deposit of reimbursement amounts). Each payer can have different requirements so it's best to check each payer for their specific process. Some payers require a separate enrollment for each service (EDI, ERA) while some do not. It's best to check with your clearinghouse or the payer for specifics. Many times, required paperwork can be obtained from the payer's website.

**Closed Network** - A part of the credentialing process where the insurance payer verifies that in your physical area of practice, there is not an abundance of providers in the same specialty. If the payer determines that there are, they will let you know that the network is closed in the area for now. You can continue to check with the payer to see if the network has reopened if you still desire to join their network. If you treat patients within the closed network, they will be processed as an out-of-network claim leaving your patient (if they have out-of-network benefits) with a higher out of pocket cost.

The time frame from submitting your initial application to completion of your enrollment paperwork can vary, with 6-8 months being common.

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