

KORU RESEARCH INSTITUTE

Research Report No. 005

The Speed Illusion

*What Healthcare's AI Race Misreads About Credentialing, and the Ninety Days No
Algorithm Controls*

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A Note From the Author

Every intelligence failure worth studying shares one thing in common. Nobody was lied to. They were shown something true, and allowed to draw the wrong conclusion from it.

Healthcare credentialing is having exactly that moment right now. Vendors are not lying when they say their software processes an application faster. It does. What goes unsaid is that the application was never the part of the process actually holding anyone back.

A state medical board does not move faster because a hospital bought better software. Neither does a payer enrollment queue, a fingerprint processing center, or a primary source verification office running on aging infrastructure and an unchanged headcount. The industry has spent billions optimizing a fraction of the timeline anyone can actually control, and called it a solution to the majority nobody can.

I wrote this report to separate the two claims plainly, with the data to support it, because a market this convinced of its own progress rarely stops to check whether the clock it is celebrating is the one that actually determines the outcome.

Marcus J. Frazier

Abstract

The healthcare credentialing software market is projected to grow from approximately \$3.8 billion in 2026 to more than \$10 billion by 2035, driven substantially by vendors marketing artificial intelligence and automation as a solution to slow provider onboarding. This report examines a specific, checkable claim embedded in that marketing: that automated platforms can compress credentialing timelines to under thirty days.

Comparing vendor marketing claims directly against processing time data published by state medical boards, this report finds that the advertised timeline is achievable in only a narrow subset of states, primarily those participating in the Interstate Medical Licensure Compact, and is mathematically incompatible with published board level processing times in several of the largest states by population, including California and Texas. The report introduces the Koru Controllable Time Ratio, an original framework for separating the portion of a credentialing timeline that automation can genuinely influence from the portion that is structurally controlled by third party institutions automation cannot touch. The analysis finds that the majority of a typical credentialing cycle sits outside any single organization's control, regardless of the software it deploys, and argues that automation's real value lies in eliminating unforced errors rather than compressing a timeline it was never positioned to control.

The report presents a blended timeline scenario model showing how an organization's realistic credentialing timeline shifts based on its actual state footprint rather than a single national average, and identifies three genuine, no cost levers: fingerprint method, application timing, and interstate compact strategy. Each meaningfully affects total cycle time without requiring any software purchase. It closes by quantifying the financial exposure created when an organization budgets its staffing and revenue projections around a vendor's advertised timeline rather than its realistic one.

The report closes by identifying three structural blind spots that receive little attention in current market discourse: a silent CAQH re attestation lapse that can halt payer access without triggering any alert, a Medicare enrollment gap arising from the false assumption that commercial payer credentialing and federal PECOS enrollment are the same process, and a delegation trapdoor in which an organization's largest available speed advantage, delegated payer credentialing, can be silently revoked by a single audit citation, instantly reverting every provider in the pipeline from a matter of days to a matter of months. All three are genuinely, verifiably solvable by automation, in contrast to the board level processing delays this report shows automation cannot touch, suggesting the market is directing its engineering effort at the wrong problem while three real, addressable ones remain largely unmarketed.

Keywords: *healthcare credentialing, artificial intelligence, automation, provider onboarding, state medical licensure, Interstate Medical Licensure Compact, healthcare operations, credentialing software*

What the Market Is Selling

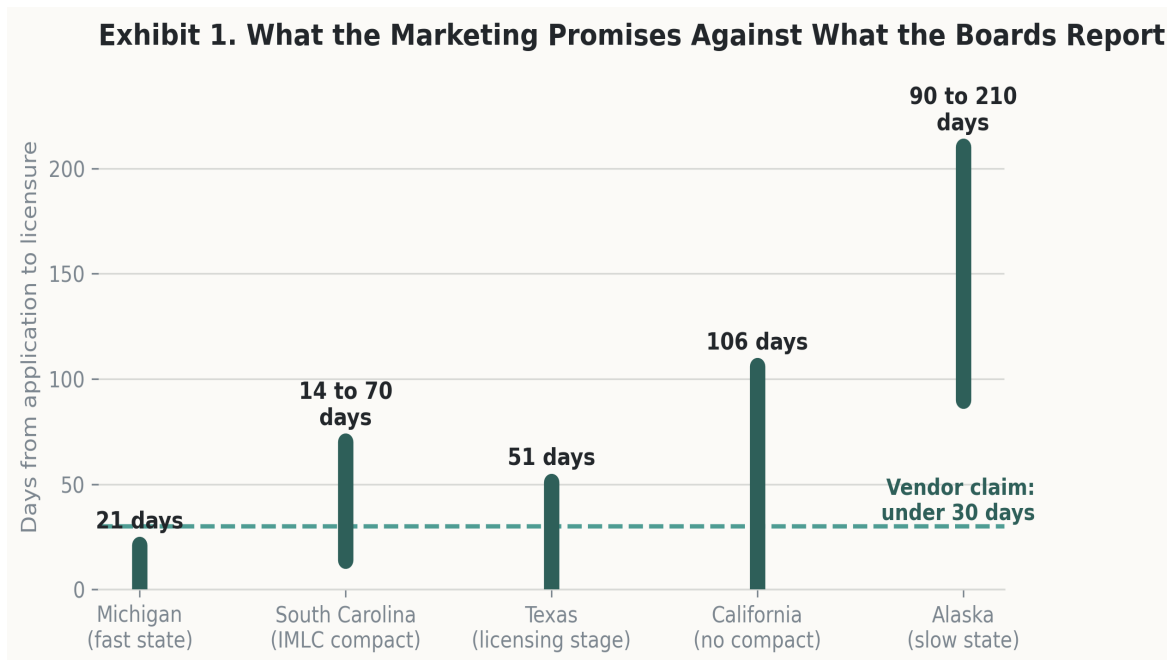
The healthcare credentialing software market is not a niche corner of health technology anymore. Industry research values it at approximately \$3.8 billion in 2026, projected to reach just over \$10 billion by 2035, an annual growth rate above eleven percent. Every major platform in that market is selling some version of the same promise: artificial intelligence and automation will compress a slow, manual process into something fast.

The specific claims vary, but they cluster tightly. One enterprise platform advertises operating sixty percent faster than competing credentialing software. Industry coverage describes manual credentialing as a ninety to one hundred eighty day process, with automated platforms in some cases reducing that figure to under thirty days. Separate market analysis describes NCQA certification timelines collapsing from eighteen months to under ninety days for health systems deploying automated platforms.

These are not fringe claims from unproven vendors. They are the standard pitch across a market projected to nearly triple in size over the next decade. The pitch rests on a premise worth examining directly: that the application itself, the part software actually touches, was the primary source of delay all along.

The industry sees a slow process and assumes the answer is faster technology. But speed only matters where you control the clock. When AI accelerates the portion of credentialing an organization already controls while most of the elapsed time sits beyond its reach, the bottleneck hasn't disappeared. You've simply arrived at it sooner.

AI may not eliminate the credentialing bottleneck. You may simply arrive at it faster.



Illustrative comparison of a common vendor marketing claim against published state medical board processing times. Sources include the Medical Board of California, the Texas Medical Board, and state licensing data compiled by White Glove IMLC, Locums One, and CompHealth. See References.

A state medical board does not move faster because a hospital bought better software.

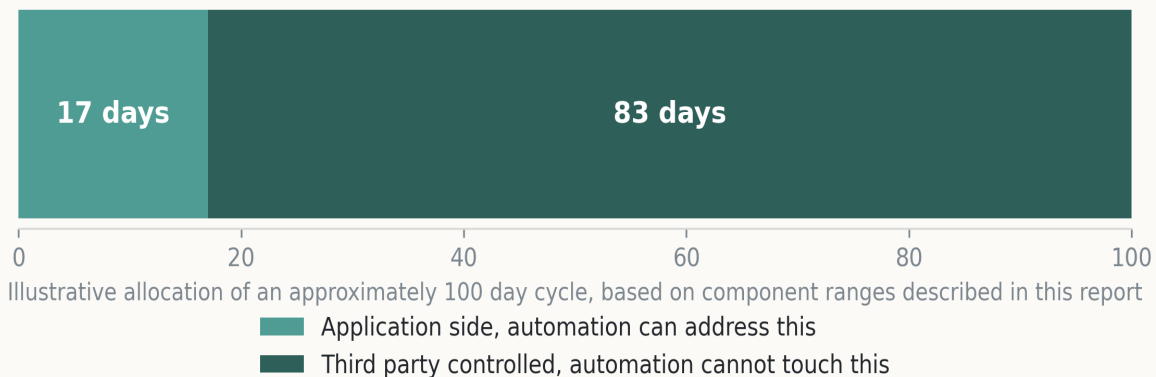
Where the Clock Actually Lives

A credentialing timeline is not one process. It is several processes owned by several different institutions, running partly in sequence and partly in parallel, and only one of those institutions is the healthcare organization doing the hiring.

The portion an employer and its software genuinely control includes collecting documents from the provider, entering that data accurately, assembling a complete application, and catching errors before submission. This is real work, and automation can meaningfully compress it, extracting data from scanned certificates, flagging missing fields, reducing the manual retyping that introduces errors.

What automation cannot touch is everything that happens after submission. The Medical Board of California has reported an average of eighty two days just to reach initial review for physician license applications, before a determination is even made, a figure the Board itself publishes and updates quarterly. The Texas Medical Board's statutory target is fifty one days once a file reaches the licensing stage, a number that applies uniformly regardless of what credentialing software the hiring organization uses. Payer enrollment queues, primary source verification offices, and fingerprint background check processing operate on the same logic: institutional capacity that no applicant side software can accelerate.

Exhibit 2. Where the 90 to 120 Day Cycle Actually Goes



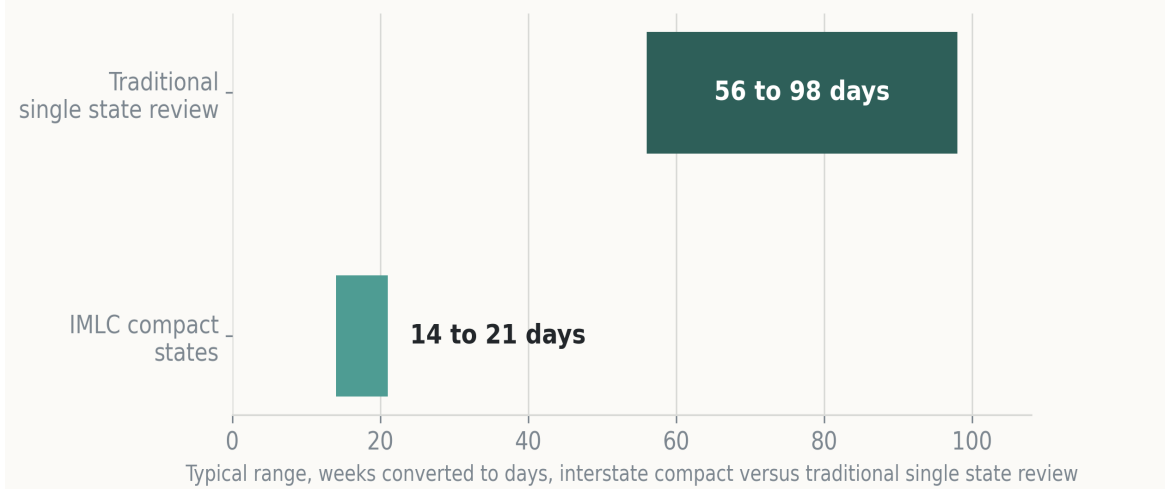
Illustrative allocation based on component ranges discussed in this report and in Koru Research Institute Reports No. 001 and No. 002. Not a measurement of any individual organization's timeline.

The Real Variance Nobody Is Selling You

If credentialing speed were primarily a function of software, timelines would cluster tightly regardless of state. They do not. Michigan can issue a medical license in as little as three weeks. Alaska can take up to thirty weeks for the same underlying process. That is not a software gap. It is a difference in state government capacity, staffing, and process design that exists entirely outside any technology vendor's product.

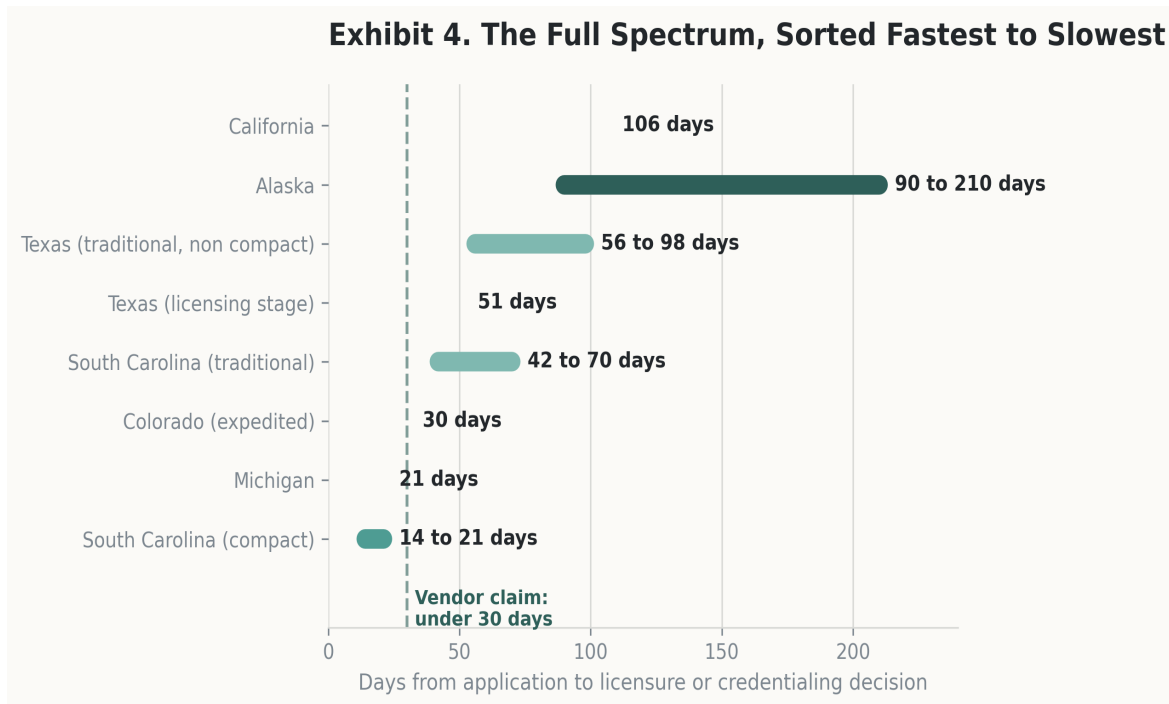
The one lever that reliably does compress timelines is not software at all. It is policy. States participating in the Interstate Medical Licensure Compact allow eligible physicians to obtain a license in roughly two to three weeks, compared to eight to fourteen weeks through traditional single state review in a non compact state. That difference, weeks instead of months, is the product of interstate agreement, not artificial intelligence.

Exhibit 3. The Real Speed Advantage Is a Policy, Not a Platform



Illustrative typical ranges based on Interstate Medical Licensure Compact data compiled by Locums One and CompHealth. Individual state and applicant circumstances vary.

This distinction matters because it points buyers toward the wrong question. The right question is not which platform processes an application fastest. It is which states a given workforce actually needs credentialed in, and whether those states participate in a compact, carry a documented backlog, or are simply slow by design. A platform cannot change the answer to any of those questions.



Illustrative comparison of published state ranges discussed in this report, sorted fastest to slowest. Only the fastest two of eight scenarios shown clear the thirty day vendor claim, and both involve a fast administering state or an interstate compact, not a technology choice. See References.

The pattern holds across the full spectrum, not just the extremes. Two of eight scenarios shown clear the thirty day line. Both are fast for structural reasons entirely outside a hiring organization's control, either a state that administers licensure quickly by design, or participation in an interstate compact. Every other scenario, including two of the largest states in the country by population, misses the claim by a wide margin, regardless of what credentialing software the hiring organization has purchased.

What This Means for Your Actual Timeline

A single national average obscures more than it reveals. The honest answer to how long credentialing will take a given organization depends almost entirely on which states its workforce is licensed in, a variable no software vendor controls and few buyers are asked to consider before signing a contract.

Organization's State Footprint	Realistic Blended Timeline	What Actually Drives It
Single state, compact member	Fourteen to twenty one days	Interstate compact processing
Mostly compact states	Three to five weeks	Mix weighted toward compact states
Mixed compact and traditional	Six to ten weeks	Roughly even split across state types
Mostly non compact states	Ten to fifteen weeks	Traditional single state review dominates
Includes a documented slow state	Twelve weeks or more	One outlier state sets the floor

This is not a precise formula, and it is not intended to be. It is a directional model built to make one point concrete: an organization expanding into a documented slow state gains almost nothing from faster application software, because that single state sets the floor for the entire cohort of providers licensed there. The most consequential decision in the entire process is which states to expand into, not which platform to buy.

Introducing the Koru Controllable Time Ratio

To help operators evaluate a vendor's speed claim honestly, Koru Research Institute is introducing the Koru Controllable Time Ratio, a framework for separating any credentialing timeline into the portion an organization can actually influence and the portion that is structurally external to it.

The ratio is calculated by dividing the estimated number of days attributable to internal application preparation by the total cycle time, including every external, third party controlled step. Applied to the industry estimated cycle time discussed throughout this report and in Koru Research Institute's first two reports, the controllable portion represents a minority of total elapsed time, with the substantial majority sitting inside processes automation was never built to reach.

The ratio is directional, not a precise measurement of any individual organization's experience. Its purpose is to give a buyer a single, honest question to ask a vendor: what percentage of my actual timeline does your product influence, and what percentage are you simply reporting to me faster.

What Automation Actually Is Good For

None of this is an argument against automation. It is an argument against mistaking automation's real value for something it was never designed to deliver.

Where automation genuinely earns its cost is in eliminating unforced errors: the missing signature, the outdated malpractice certificate, the mismatched license number. Errors like these trigger a resubmission and restart a clock that was already running on someone else's schedule. Every day spent on an avoidable resubmission is a day added to a total that automation could have prevented, even though it could never have shortened the underlying board review itself.

Automation is also genuinely valuable for visibility. A platform that shows an operator exactly where a file sits, whether it is waiting on the organization, the provider, or a third party, replaces guesswork with a real operational view. That is a legitimate, valuable capability. It is a different capability than the one being marketed, and buyers deserve to know the difference before they price a purchase decision around the wrong promise.

The industry does not need faster software. It needs an honest map of where the time actually goes.

Where Real Time Can Actually Be Saved

If the largest share of a credentialing timeline sits outside any single organization's control, the practical question becomes which of the remaining levers actually move the needle. Three do, consistently, and none of them require artificial intelligence.

Fingerprint method. Electronic Live Scan fingerprinting typically returns results within three to seven days once received by the processing agency. The manual hard card method, still required for many out of state applicants, typically takes eight to twelve weeks, and sometimes longer. This single procedural choice, not a software feature, can be the largest controllable variable in an entire application.

Application timing. Most medical boards experience measurable slowdowns during residency season, typically April through July, as a surge of new graduates files simultaneously. An application submitted outside that window moves through a materially less congested queue, at no cost and no dependency on any vendor.

Compact strategy. An organization that structures its hiring and expansion plans with Interstate Medical Licensure Compact eligibility in mind gains a real, repeatable speed advantage, the two to three week compact pathway discussed earlier in this report, available consistently to providers who qualify. This is a workforce planning decision, made before a single application is filed, not a technology purchase.

None of these three levers appears in a vendor's product demo. All three are available today, to any organization, at effectively no cost.

The Cost of Budgeting Against the Illusion

The financial risk in this story is not the marketing claim itself. It is what happens when an organization plans its staffing, revenue projections, and provider start dates around that claim, rather than around the timeline its actual state footprint will realistically produce.

Koru Research Institute's first report established that the average healthcare organization loses \$6,000 to \$10,000 per provider, per month, in unbillable revenue during a credentialing delay. An organization that budgets a thirty day onboarding window because a vendor advertised one, then experiences the eighty three day reality this report describes, is not simply inconvenienced. It is carrying an unbudgeted revenue gap of several months per provider, compounded across every provider hired under the same mistaken assumption.

This is the version of the speed illusion that actually reaches a board deck: not the vendor's claim itself, but the budget and staffing model quietly built on top of it.

The Blind Spots Nobody Is Watching

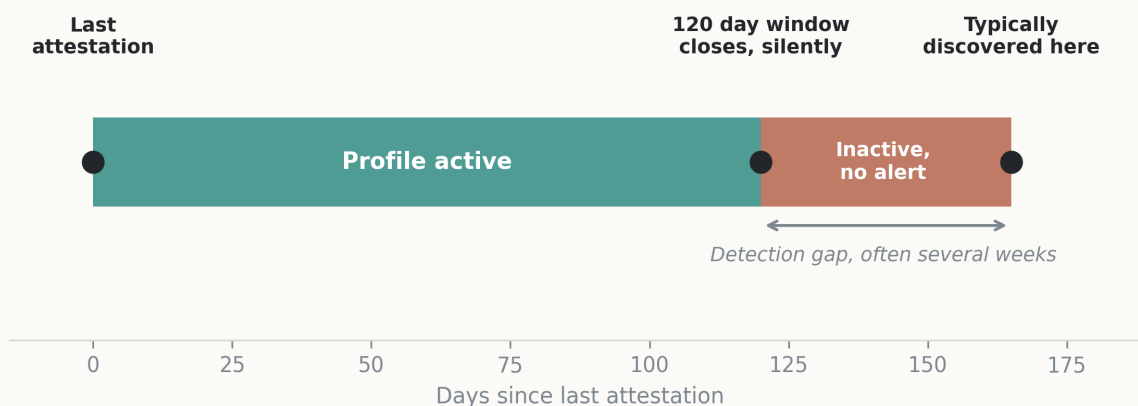
Every argument in this report so far concerns a process everyone can see: an application moving, or not moving, through a visible queue. There is a second category of risk that behaves differently, and it deserves to be named directly, because it depends entirely on something not happening, not on something going wrong.

The CAQH Cliff

Every commercial payer relies on a provider's CAQH profile staying current, and CAQH requires providers to re attest every 120 days, a simple confirmation that nothing has changed, required regardless of whether anything actually has. Illinois runs a 180 day cycle. Every other state follows the 120 day standard.

Miss that window, and the profile does not reject anything. It simply goes inactive. Claims already in flight often continue processing for a period before anyone notices a problem. CAQH sends reminder notices at 90, 60, and 30 days before the deadline, but these are automated system emails, and they are routinely filtered into spam or promotional folders by the same security systems meant to protect an organization's inbox. By the time the lapse surfaces, usually through a denied claim or a stalled re credentialing cycle rather than any direct warning, weeks have already passed, and every day of that gap is a day the organization did not know it had a problem.

Exhibit 5. The CAQH Detection Gap



Illustrative timeline based on the CAQH 120 day re attestation requirement and industry reporting on typical discovery patterns following a lapse. Individual payer response times vary. See References.

The PECOS Gap

A second blind spot sits in a different place entirely: the assumption that credentialed and enrolled mean the same thing. They do not. Medicare enrollment runs through PECOS, the Provider Enrollment, Chain, and Ownership System, a federal process entirely separate from commercial payer credentialing. A provider can be fully licensed and fully credentialed with every commercial payer in a market and still be unable to bill Medicare a single dollar until PECOS enrollment clears on its own separate timeline, typically 45 to 60 days for a clean application.

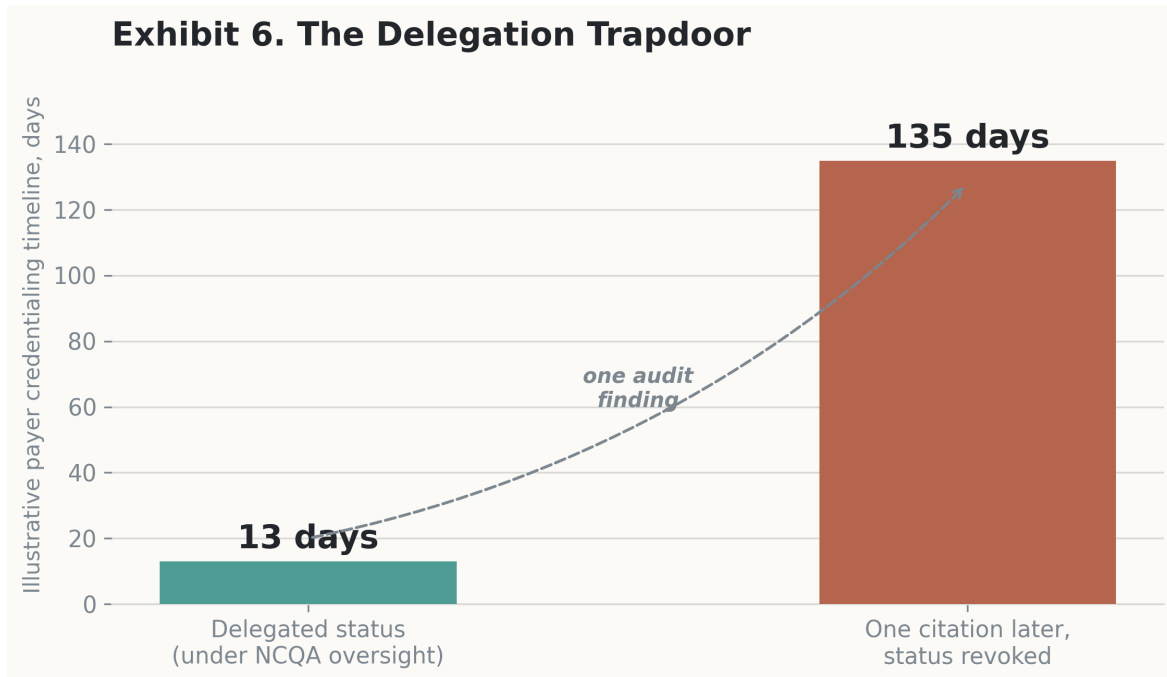
The gap rarely announces itself as a PECOS problem. It surfaces as a Medicare claim that simply will not pay, discovered after the fact, often by whichever staff member happens to notice the denial pattern first. The Centers for Medicare and Medicaid Services has itself acknowledged that incomplete or incorrect data submitted to PECOS is the leading cause of these delays, a bottleneck that has nothing to do with state licensing, nothing to do with a payer's internal review queue, and everything to do with a step most organizations do not track as its own line item.

The Delegation Trapdoor

The third blind spot is the largest, and the most dangerous, because it does not look like a risk at all. It looks like an achievement.

Delegated credentialing is the single largest speed advantage available anywhere in this report. Standard payer credentialing, submitted for individual manual review, averages three to six months. An organization that earns delegated status, formal authority from a payer to credential its own providers under NCQA aligned standards, can complete the same process in under two weeks. Nothing in this report, not the fastest compact pathway, not the best fingerprint method, comes close to that differential.

Delegated status is not permanent. It is conditional, audited, and revocable, and the conditions for losing it are ordinary operational failures: a documentation gap, an understaffed credentialing committee, a missed monitoring cycle. Industry guidance is explicit that a citation can trigger corrective action or outright loss of delegated status, and when that happens, every provider in the organization's pipeline falls back to the full manual review timeline, immediately, often before leadership has any warning the status was at risk.



Illustrative comparison of delegated versus non delegated payer credentialing timelines, based on industry reporting on typical delegated processing times and standard manual review timelines. Individual payer terms and audit findings vary. See References.

This is not a slow process getting slower. It is a fast process falling through the floor, instantly, the moment nobody was watching the one thing that was actually holding it up.

Most organizations experience delegated status as something they earned once and now simply have, the way a business treats a license on the wall rather than a rolling audit it must continue to pass. That is precisely the blind spot. A credential this valuable, worth months of timeline on every single provider moving through the pipeline, deserves the same active monitoring discipline as an uptime guarantee or a service level agreement. Almost nowhere in this industry does it receive that treatment.

Where Automation's Real Value Sits

All three blind spots described above share a structural feature that distinguishes them from everything else in this report. They are not slow. They are silent. Silence is exactly the kind of problem automation is genuinely built to solve, in a way it was never built to compress a state board's review queue.

A credentialing platform that tracks re attestation deadlines proactively, independent of whether an email reminder happened to survive a spam filter, converts a silent 120 day cliff into a scheduled task with real lead time. A platform that validates PECOS submission data against NPPES records before filing, catching a mismatched field or missing identifier before it becomes a rejection, addresses precisely the failure mode CMS has identified as the leading cause of its own delays. A platform that actively monitors an organization's own delegation audit readiness, documentation completeness, committee cadence, monitoring cycle status, treats a fast credential the way a serious operation treats any other fragile, high value asset, watched continuously, not assumed permanent.

The market is marketing AI to solve a problem it cannot touch, while ignoring three problems it actually could.

This is the argument this report has been building toward. Board level processing time is not a problem automation can solve, and no amount of engineering changes that. A silent CAQH lapse, a mishandled PECOS submission, and an unmonitored delegation status are problems automation can solve, well documented, genuinely addressable, and largely absent from the same marketing materials promising to fix the timeline that was never theirs to fix. The industry is fighting the wrong war while leaving three winnable ones unattended.

Questions to Ask Before You Buy the Speed Claim

Operators evaluating a credentialing platform do not need to take a vendor's timeline claim at face value. The following questions separate a genuine capability from a marketing average.

- Ask the vendor to name the specific states where their advertised timeline is actually achievable, not the blended national average across all states.
- Ask what percentage of total cycle time their platform genuinely controls, measured from document collection to first billable status, not simply from application start to application submission.
- Ask whether their fastest published case studies involve Interstate Medical Licensure Compact states specifically, and what the same case looks like in a state that is not a compact member.
- Ask what happens to their advertised timeline the moment a file requires manual board review, additional documentation, or a resubmission.
- Ask for license timeline data broken out by state, not blended into a single headline number.
- Ask whether the vendor's advertised timeline already assumes Live Scan fingerprinting and off peak application timing, and what the number looks like without those advantages.
- Ask whether the platform actively tracks CAQH re attestation deadlines and validates PECOS submissions before filing, two of the three silent failure points this report identifies as automation's genuine, underused value.

- Ask whether your own organization's delegated credentialing status is being actively monitored for audit readiness, or simply assumed to be secure, since losing it reverts every provider in the pipeline to a timeline measured in months, not days.

None of these questions require specialized expertise to ask. They require someone willing to separate a real capability from a number built to sound better than the process it describes.

A Note on Sources and Methodology

This report combines primary source data, published state medical board processing times, Interstate Medical Licensure Compact timelines, and healthcare credentialing software market sizing, with vendor marketing claims drawn from publicly available industry coverage and vendor materials, and original analysis developed specifically for this report. State board processing times cited reflect figures published directly by the relevant boards or documented in recent industry coverage as of 2026, and are subject to change as board staffing and application volume shift.

The Koru Controllable Time Ratio is an original analytical framework, not a peer reviewed measurement, and the internal versus external allocation presented in Exhibit 2 is illustrative and directional, intended to demonstrate a structural pattern rather than to serve as a precise measurement of any individual organization's timeline. Vendor claims cited in this report are attributed to their publicly available source and are presented for comparison against independently published government data, not as an assessment of any single vendor's overall product quality.

The blended timeline scenario model presented in this report is similarly illustrative. It is built from the component ranges cited throughout this report, not from a statistical sample of actual organizational timelines, and is intended to illustrate a directional relationship between state footprint and total cycle time, not to predict any specific organization's outcome. Readers with a known state footprint should treat the model as a starting estimate to be tested against their own experience, not a guarantee.

The CAQH re attestation requirement and its 120 day cycle, along with Illinois's 180 day exception, are drawn directly from CAQH's own published policy as documented in current industry guidance. The detection gap illustrated in Exhibit 5 reflects commonly reported discovery patterns following a lapse and is presented as an illustrative timeline, not a guaranteed interval, since actual detection time depends on claim volume, payer response speed, and internal monitoring practices. The PECOS enrollment timeline and CMS's own attribution of processing delays to incomplete submissions are drawn from CMS published guidance and current industry reporting as of 2026.

The delegated versus non delegated credentialing timelines illustrated in Exhibit 6 reflect ranges reported across current industry sources, standard payer credentialing at three to six months, delegated credentialing often under two weeks, and are presented as illustrative endpoints, not a guaranteed outcome for any specific organization or payer relationship. The mechanism by which a citation can trigger loss of delegated status is drawn from current industry guidance on NCQA delegation oversight, and the speed of reversion following a specific loss of status will vary by payer and by the nature of the finding.

Exhibit 3 illustrates the compact effect using two representative examples, and readers should understand what that comparison does and does not establish. A fuller fifty state analysis, finding a smaller average effect, roughly seventeen percent, than the extreme cases shown here, while confirming that real, substantial variance in processing time exists regardless of compact status, is forthcoming from Koru Research Institute.

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Koru Health works with medical groups, behavioral health organizations, urgent care networks, Federally Qualified Health Centers, and private equity portfolio companies to diagnose and rebuild the operational systems that determine whether healthcare organizations can scale.

Koru Research Institute is the research and publishing arm of Koru Health, based in New York, NY. Its mission is to bring rigorously sourced, transparently cited analysis to questions that healthcare executives are otherwise left to answer with vendor marketing or internal anecdote.