



**Department of Veterans Affairs
Office of Inspector General**

Healthcare Inspection

**Credentialing and Privileging Issues
VA Medical Center
Fayetteville, North Carolina**

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Executive Summary

The VA Office of Inspector General (OIG), Office of Healthcare Inspections conducted an evaluation in response to allegations that repeated lapses in the re-privileging of staff have put patients and the facility at risk at the VA Medical Center (the medical center) in Fayetteville, North Carolina. The complainant further alleged that the medical center Director did not take sufficient disciplinary action in this case.

We substantiated that there have been repeated lapses in the re-privileging of staff which could have put patients and the facility at risk. We did not however, find any evidence that patients were harmed as a result of the lapses in re-privileging.

We did not substantiate the allegation that the medical center Director did not take sufficient disciplinary action. The medical center Director, in consultation with Human Resources, took appropriate action.

We recommended that the medical center establish a team to promptly review and update all active credentialing and privileging files to ensure compliance with Veterans Health Administration requirements. The Veterans Integrated Service Network and medical center Directors agreed with the findings and recommendation and submitted an appropriate action plan. We will follow up on proposed actions until they are complete.



DEPARTMENT OF VETERANS AFFAIRS
Office of Inspector General
Washington, DC 20420

TO: Director, VA Mid-Atlantic Health Care Network (10N6)

SUBJECT: Healthcare Inspection – Credentialing and Privileging Issues, VA Medical Center, Fayetteville, North Carolina

Purpose

The VA Office of Inspector General (OIG), Office of Healthcare Inspections (OHI) conducted an evaluation in response to an anonymous complaint regarding lapses in the credentialing and privileging (C&P) process at the VA Medical Center (the medical center) in Fayetteville, North Carolina. The purpose of the review was to determine whether the allegations had merit.

Background

The medical center provides general medical, surgical, and mental health services. It operates 90 hospital beds and 69 nursing home beds at its primary site in Fayetteville, North Carolina, and also provides care at two community based outpatient clinics located in Jacksonville and Wilmington, North Carolina. The medical center has affiliation agreements with several educational institutions covering 24 different areas of study. The medical center is part of Veterans Integrated Service Network (VISN) 6.

On March 19, 2008, an anonymous complainant contacted the OIG Hotline and made an allegation about lapses in the medical center's C&P program. The C&P program is used by medical centers to ensure that clinical providers have the appropriate professional licenses and other qualifications to practice in a health care setting, and that they practice within the scopes of their licenses and competencies. The complainant specifically alleged that:

- There have been repeated lapses in the re-privileging¹ of staff which have put patients and the medical center at risk.

¹ The complainant actually alleged lapses in re-credentialing; however, based on our review of the evidence, we believe that the complainant was referring to the re-privileging process.

- The complainant also believed the medical center Director (MCD) did not take sufficient disciplinary action in this case.

In addition, the complainant made multiple allegations related to inappropriate management practices. We referred these issues elsewhere for review and do not discuss them further in this report.

The MCD assumed his position in July 2006. In September, he sent a memorandum to clinical service chiefs requesting that they ensure that providers in their respective departments possess current licenses, certifications, and/or scopes of practice.

During the fall of 2006, a VISN review team conducted an evaluation of Surgery Service, which included the C&P program. The VISN team noted numerous procedural deficiencies in the C&P program.

In early 2007, the Medical Staff Coordinator (MSC) did not follow Veterans Health Administration (VHA) policy to issue a 60-90 day preliminary notification to three providers that their privileges were due to expire in the coming months. As a result, three psychologists' privileges lapsed in April 2007. Actions were promptly taken to re-privilege the affected staff. In May, the MSC requested program support assistance to ensure that C&P requirements were completed in a timely manner. No apparent action was taken on this request until early 2008, when a part-time program assistant was hired.

In November 2007, the MCD sent an e-mail to all clinical service chiefs requiring they certify on a monthly basis to the Chief of Staff (COS) that the privileges, licenses, and/or scopes of practice of applicable staff were current.

At the request of medical center managers, a VISN 7 MSC evaluated the medical center's C&P program in March 2008. This report detailed multiple deficiencies and specifically noted examples when the effective privilege dates were not consistent with the MCD's signed approval dates as mandated by VHA.

Scope and Methodology

We conducted a site visit on April 21–22, 2008. Prior to our visit, we reviewed VHA Handbook 1100.19, *Credentialing and Privileging*, issued October 2, 2007, and the Handbook it replaced, dated March 6, 2001. We reviewed the medical center's C&P policy, *Credentialing and Privileging of Health Professionals*, dated October 18, 2005, relevant Professional Standards Board (PSB) meeting minutes, and the Medical Staff Bylaws. During our visit, we also assessed a random sample of C&P files for physicians, nurse practitioners, physicians' assistants (PAs), dentists, and psychologists who were either newly privileged or re-privileged in the past 2 years. We interviewed clinical and administrative staff with knowledge of the C&P process and the issues being addressed.

This review was performed in accordance with *Quality Standards for Inspections* published by the President's Council on Integrity and Efficiency.

Inspection Results

Issue 1: Lapses in Re-Privileging

We substantiated the allegation that there have been repeated lapses in the re-privileging of staff, which could have put patients and the medical center at risk. The anonymous complainant did not provide specific details about what constituted the lapses, nor did the complainant give examples of how patients and the medical center were put at risk. Therefore, we conducted an overall review to assess whether the medical center's C&P process complied with VHA Handbook 1100.19. The Handbook outlines requirements that providers reapply for clinical privileges every 2 years and provide appropriate supporting documentation. Privilege applications are then reviewed by the PSB, with final approval granted through the clinical service chief, COS, and MCD. Clinical privileges are effective for 2 years from the date they are signed by the MCD.

We found deficiencies in 7 of 14 randomly selected C&P files. For example:

- One physician was privileged 6 weeks before the MCD signed, dated, and approved the action.
- One physician was privileged to perform bronchoscopies 3 months before the MSC received documentation of his experience and competency.
- Two physicians were privileged to perform conscious sedation even though the Anesthesiology Section Chief had not signed the approval forms.

We also found that the Acting COS inappropriately signed, dated, and approved the March 2007 PSB minutes for the COS and for the MCD to renew the privileges of the COS.² The remainder of the PSB minutes appropriately reflected a two-level review by the COS or designee's signature and the MCD or designee's signature.

Without an effective privileging process, medical center managers could not be assured that clinical providers practiced within the realm of their licenses and competencies.

We reviewed whether there were any adverse patient events as a result of improperly privileged providers in the seven identified cases. We noted that the one physician had not performed any bronchoscopies. We did not find any evidence to support that patients were harmed as a result of the lapses in re-privileging.

² The COS occasionally saw clinic patients.

Issue 2: Appropriateness of Disciplinary Action

We did not substantiate the allegation that the MCD did not take sufficient disciplinary action. The MCD, in consultation with Human Resources, took appropriate action.

Conclusions

We substantiated that there have been repeated lapses in re-privileging staff which could have put patients and the medical center at risk. Several deficiencies noted during the OIG site visit were also identified by a VISN 7 MSC review conducted in March 2008. We did not find any specific evidence that patients were harmed as a result of the lapses in re-privileging. We also found that the MCD took appropriate action.

Recommendations

Recommendation 1. We recommended that the VISN Director require that the MCD establish a team to promptly review and update all active C&P files to ensure compliance with VHA privileging requirements.

Comments

The VISN Director and MCD agreed with the findings and recommendation and provided an appropriate action plan. Actions have been implemented to ensure that the identified medical center team reviews and updates 100 percent of active credentialing and privileging files. The VISN will conduct a second level review. We will follow up on proposed actions until they are complete.

(original signed by:)

JOHN D. DAIGH, JR., M.D.
Assistant Inspector General for
Healthcare Inspections

VISN Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: June 26, 2008

From: Director, VA Mid-Atlantic Health Care Network, VISN 6
(10N6)

Subject: **Healthcare Inspection – Credentialing and Privileging Issues,
VA Medical Center, Fayetteville, North Carolina**

To: Director, Atlanta Office of Healthcare Inspections

Thru: Director, Management Review Service (10B5)

1. Thank you for the opportunity to respond. VISN 6 concurs with the report. The recommended team has been established to ensure all C&P files are compliant with VHA privileging requirements.
2. If further information is required, please contact Bruce Triplett, Director, Fayetteville VA Medical Center, at (910) 822-7059.

(original signed by:)

DANIEL F. HOFFMANN, FACHE

Medical Center Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: June 24, 2008

From: Director, VA Medical Center, Fayetteville, NC (565/00)

Subject: **Healthcare Inspection – Credentialing and Privileging Issues,
VA Medical Center, Fayetteville, North Carolina**

To: Director, Veterans Integrated Service Network 6 (10N6)

1. I have reviewed the draft report, and I concur with the recommendation. The findings outlined in the OIG inspection team review reflect an objective and thorough evaluation.

2. We have implemented changes within the Credentialing and Privileging process to ensure that the shortcomings identified by the OIG team are corrected.

(original signed by:)

BRUCE C. TRIPLETT

Director

Medical Center Director's Comments to Office of Inspector General's Report

The following Medical Center Director's comments are submitted in response to the recommendation in the Office of Inspector General's report:

OIG Recommendations

Recommendation 1. We recommended that the VISN Director require that the Medical Center Director establish a team to promptly review and update all active C&P files to ensure compliance with VHA privileging requirements.

Concur **Target Completion Date:** 7/30/2008

Facility level review team is in place and will begin review of all records on June 30, 2008. Team membership consists of the Chief of Performance Improvement (Chair), Interim Chief of Medicine, Compliance Officer, Privacy Officer and Secretary to the Chief of Staff. Coordination was made with VISN Medical Officer and Quality Medical Officer to provide a second level review for compliance. We will schedule this second level review after the team completes the 100% review of all records.

OIG Contact and Staff Acknowledgments

OIG Contact	Victoria H. Coates Director, Atlanta Office of Healthcare Inspections (404) 929-5962
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Acknowledgments	Audrey Collins-Mack Susan Zarter
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