

GAO

Report to the Chairman, Committee on  
Veterans' Affairs, House of  
Representatives

May 2006

## VA HEALTH CARE

# Selected Credentialing Requirements at Seven Medical Facilities Met, but an Aspect of Privileging Process Needs Improvement





Highlights of [GAO-06-648](#), a report to the Chairman, Committee on Veterans' Affairs, House of Representatives

## Why GAO Did This Study

The Department of Veterans Affairs (VA) is responsible for determining that over 36,000 physicians working in its facilities have the appropriate professional credentials and qualifications to deliver health care to veterans. To do this, VA credentials and privileges physicians providing care at its medical facilities. In this report, GAO determined the extent to which selected VA facilities complied with (1) four VA credentialing requirements and five VA privileging requirements and (2) a requirement to submit information on paid malpractice claims. GAO also determined (3) whether VA has internal controls to help ensure the accuracy of information used to renew clinical privileges. GAO reviewed VA's policies, interviewed VA officials, and randomly sampled 17 physician files at each of seven VA medical facilities.

## What GAO Recommends

GAO recommends that VA provide guidance to its medical facilities on how to collect physician performance information in accordance with VA's policy that can be used to renew clinical privileges, enforce the timely submission of VA medical malpractice information, and instruct facilities to establish internal controls for privileging information. VA concurred with the findings and recommendations and provided an action plan to implement the three recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-648](http://www.gao.gov/cgi-bin/getrpt?GAO-06-648).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Laurie E. Ekstrand at (202) 512- 7101 or [ekstrandl@gao.gov](mailto:ekstrandl@gao.gov).

## VA HEALTH CARE

# Selected Credentialing Requirements at Seven Medical Facilities Met, but an Aspect of Privileging Process Needs Improvement

## What GAO Found

GAO found that the files reviewed at seven VA medical facilities complied with four of VA's credentialing requirements selected for review, and all but one of five privileging requirements. Credentialing is the process of verifying that a physician's professional credentials, such as state medical licenses, are valid and meet VA's requirements for employment. Privileging is the process for determining which health care services a physician is allowed to provide to veterans. For the files GAO reviewed, compliance with the fifth privileging requirement was problematic at six facilities because officials used performance information when renewing clinical privileges but collected all or most of this information through their facility's quality assurance program. This is prohibited under VA policy. In general, VA quality assurance information is confidential, according to federal law and VA policy. According to VA officials, if quality assurance information is used outside of a facility's quality assurance program, it could be used for other purposes, including litigation. The information is protected to encourage physicians to participate in quality assurance programs by reporting and discussing adverse events to help prevent such events from occurring in the future. VA has not provided guidance to help medical facilities find ways to efficiently collect performance information outside of a facility's quality assurance program. At the seventh medical facility, officials did not use performance information to renew clinical privileges, as required.

Three of the seven medical facilities did not meet VA's requirement to submit, within 60 days after being notified that the claim was paid, any information on paid VA medical malpractice claims involving facility practitioners, including physicians, to VA's Office of Medical-Legal Affairs. This office reviews the information and determines whether practitioners involved in the claims delivered substandard care, displayed professional incompetence, or engaged in professional misconduct. The office informs facilities of its determinations. When facilities do not submit all relevant VA malpractice information in a timely manner, VA medical facility officials lack complete information that would allow them to make informed decisions about the clinical privileges that their physicians should be granted.

VA has not required its medical facilities to establish internal controls to help ensure that privileging information managed by medical staff specialists—who are responsible for obtaining and verifying the information used in the credentialing and privileging processes—is accurate. One facility GAO visited did not identify 106 physicians whose privileging process had not been completed by facility officials for at least 2 years because of inaccurate information provided by the facility's medical staff specialist. As a result, these physicians were practicing at the facility without current clinical privileges. Without accurate information on the privileges that have been granted to physicians and the dates for renewing those privileges, VA medical facility officials will not know if they have failed to renew clinical privileges for any of their physicians in accordance with VA policy.

---

# Contents

---

<b>Letter</b>		1
	Results in Brief	5
	Background	7
	Selected Physician Files at Medical Facilities Demonstrated Compliance with Four VA Credentialing and Four Privileging Requirements; a Fifth Privileging Requirement Was Problematic	15
	Not All Medical Facilities Submitted Paid Malpractice Claim Information in a Timely Manner	18
	VA Has Not Established Internal Controls to Help Ensure the Accuracy of Medical Facilities' Privileging Information	21
	Conclusions	22
	Recommendations for Executive Action	23
	Agency Comments and Our Evaluation	23
<b>Appendix I</b>	<b>Scope and Methodology</b>	25
<b>Appendix II</b>	<b>Comments from the Department of Veterans Affairs</b>	29
<b>Appendix III</b>	<b>GAO Contact and Staff Acknowledgments</b>	33
<b>Related GAO Products</b>		34
<b>Table</b>		
	Table 1: Average Number of Months Taken by Three VA Medical Facilities to Submit VA Medical Malpractice Claim Information to VA's Office of Medical-Legal Affairs (as of December 2005)	20
<b>Figures</b>		
	Figure 1: Steps Taken in VA's Physician Credentialing Process	10
	Figure 2: Steps Taken in VA's Physician Privileging Process	13

---

Figure 3: Medical Malpractice Claim Information Not Submitted by  
Three VA Medical Facilities to the Office of Medical-Legal  
Affairs within 60 Days

19

---

**Abbreviations**

FSMB	Federation of State Medical Boards
NPDB	National Practitioner Data Bank
VA	Department of Veterans Affairs

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office  
Washington, DC 20548

May 25, 2006

The Honorable Steve Buyer  
Chairman  
Committee on Veterans' Affairs  
House of Representatives

Dear Mr. Chairman:

The Department of Veterans Affairs (VA) has over 36,000 physicians working at more than 1,300 facilities in its health care system. To help ensure the quality of the health care these physicians deliver and the safety of veterans, VA is responsible for determining that its physicians have the appropriate professional credentials and clinical experience to provide health care to VA's patients.<sup>1</sup> To do this, VA credentials and privileges physicians providing care at VA medical facilities. Credentialing is the process of verifying that a physician's professional credentials, such as licensure, education, and training, are valid and meet VA's requirements for employment. Privileging is the process for determining—based in part on a physician's credentials—which health care services a physician should be allowed to provide to VA patients without supervision.<sup>2</sup> These health care services are known as a physician's clinical privileges. Physicians are granted initial clinical privileges when they begin their employment at a VA medical facility. Physicians' professional credentials and clinical privileges must be reviewed and renewed at least every 2 years.<sup>3</sup> VA's credentialing and privileging policy describes the information that VA medical facility officials are required to review and verify in order to credential and grant clinical privileges to VA physicians. In addition to the requirements outlined in VA's credentialing and privileging policy, medical facility officials are required to submit information to VA headquarters on any VA physicians who are involved in

---

<sup>1</sup>We have performed other work related to this subject. See *Related GAO Products* listed at the end of this report.

<sup>2</sup>Health care services could include, for example, surgical procedures and administering anesthesia.

<sup>3</sup>Physicians' clinical privileges are also reviewed whenever a physician requests that a health care service be added or removed from the list of approved clinical privileges. This may occur before the 2-year renewal period.

---

paid VA medical malpractice claims. This malpractice information is used by VA headquarters to make decisions about the appropriateness of the care delivered to veterans and should be used by medical facility officials when making decisions about the clinical privileges to grant physicians.

You expressed interest in the credentialing and privileging of VA physicians and how this helps VA ensure the delivery of safe care to veterans. In response to your request, we (1) determined the extent to which selected VA medical facilities complied with four of VA's credentialing requirements and five of VA's privileging requirements in relation to individual physicians, and (2) determined the extent to which selected VA medical facilities complied with the requirement to submit information to VA headquarters on paid VA medical malpractice claims involving VA physicians. Also, during the course of our work, we learned about a medical facility where inaccuracies in privileging information resulted in 106 physicians providing care to veterans in the facility without the required clinical privileges. According to VA officials, the individual responsible for privileging data inappropriately changed the privileging dates for some of these physicians to a later date in order to delay work needed to complete the credentialing and privileging requirements on these physicians. This led us to add to our review a reporting objective related to internal controls. Specifically, in this report we also (3) determined whether VA has internal controls to help ensure the accuracy of information medical facilities use to renew physicians' clinical privileges.

To determine the extent to which selected VA medical facilities complied with four of VA's credentialing requirements and five of VA's privileging requirements in relation to individual physicians, we reviewed VA's policies to identify the requirements that VA medical facility officials must follow when credentialing and granting clinical privileges to physicians. We selected four of VA's credentialing requirements for review because they are requirements that—unlike others—address information about physicians that can change or be updated with new information periodically. As a result, VA requires that this information be verified by medical facility officials when a physician initially applies for employment at VA and at least every 2 years thereafter. Other VA credentialing requirements are not subject to change or updating and are required by VA

---

to be verified when the physician initially applies for employment.<sup>4</sup> Under the four requirements we reviewed, VA medical facility officials must

1. verify that all state medical licenses held by physicians are valid;
2. query the Federation of State Medical Boards (FSMB) database to determine whether physicians had disciplinary action taken against any of their licenses, including expired licenses;
3. verify information provided by physicians on their involvement in medical malpractice claims at a VA or non-VA facility; and
4. query the National Practitioner Data Bank (NPDB) to determine whether a physician was reported to this data bank because of involvement in VA or non-VA paid medical malpractice claims, display of professional incompetence, or engagement in professional misconduct.

Of the privileging requirements in VA's credentialing and privileging policy, we selected four requirements that VA identifies as general privileging requirements. In addition, we selected another privileging requirement about the use of individual performance information because of its importance in the renewal of clinical privileges. The five VA privileging requirements we selected are

1. verify that all state medical licenses held by physicians are valid;
2. verify physicians' training and experience;
3. assess physicians' clinical competence and health status;
4. consider any information provided by a physician related to medical malpractice allegations or paid claims, loss of medical staff membership, loss or reduction of clinical privileges at a VA or non-VA facility, or any challenges to a physician's state medical license; and

---

<sup>4</sup>Physicians may also possess credentials that VA does not require to work in a VA facility, such as a Drug Enforcement Administration certificate, which allows a physician practicing outside of a VA facility to prescribe controlled substances. If a physician does have these other credentials, then VA requires medical facility officials to verify these credentials since they may change or be updated periodically.

- 
5. use information on a physician's performance when making decisions about whether to renew the physician's clinical privileges.

Two of the five privileging requirements—verify all state medical licenses and consider medical malpractice information—are also VA credentialing requirements we reviewed.

To determine the extent to which selected VA medical facilities complied with four of VA's credentialing requirements and five of VA's privileging requirements, we conducted site visits to seven VA medical facilities that were chosen based on the diversity of their size and geographic location. The medical facilities are located in Boise, Idaho; Kansas City, Missouri; Las Vegas, Nevada; Lexington, Kentucky; Martinsburg, West Virginia; Miami, Florida; and San Antonio, Texas. For each of the seven medical facilities, VA officials provided a list of medical facility physicians grouped by their clinical specialty. Using this list, at each medical facility we randomly selected 17 physicians and obtained files with their credentialing and privileging information. Our sample included physicians working in VA medical facilities full-time and part-time, through a contract,<sup>5</sup> or without direct compensation from VA. In some cases, these physicians also worked at non-VA medical facilities. Eight of the 17 physician files at each medical facility represent eight clinical specialties that are offered at most VA medical facilities: anesthesiology, gastroenterology, neurology, oncology, ophthalmology, orthopedics, radiology, and urology. Four of the 17 represent general surgery and internal medicine and 5 of the 17 had no specialty identified on the list provided by VA. To determine whether the files we reviewed demonstrated compliance with the four VA credentialing requirements and VA's privileging requirements at each of the seven VA medical facilities, we reviewed paper copy credentialing and privileging files for our sample of physicians to determine whether these files included documentation demonstrating that medical facility officials had complied with the credentialing and privileging requirements. We also reviewed credentialing information on these physicians stored in VetPro, a Web-based credentialing system VA implemented in March 2001. Based on the sample of physician files we reviewed at each of the seven medical facilities, we can discuss a medical facility's compliance for the physician files we reviewed; we cannot draw conclusions about the remaining physician files at the medical facilities we visited or about the compliance

---

<sup>5</sup>VA medical facilities can contract with local or national companies in order to obtain physician services.



---

of other VA medical facilities. In collecting information on the credentialing and privileging requirements from physician files at each facility, we employed standard data collection techniques to ensure the accuracy and reliability of the data used in this report.

Finally, we included in our review a requirement that is related to the privileging process. Under this requirement, medical facility officials must submit to VA's Office of Medical-Legal Affairs any information on VA practitioners, including physicians, who were involved in a paid VA medical malpractice claim. The Office of Medical-Legal Affairs determines whether the physicians involved in these claims delivered substandard care to veterans.<sup>6</sup> We collected information about the extent to which each of the seven medical facilities in our review submitted malpractice information to the Office of Medical-Legal Affairs.

To determine whether VA has internal controls to help ensure the accuracy of information medical facilities use to renew physicians' clinical privileges, we interviewed the director of VA's credentialing and privileging program, as well as other VA headquarters and medical facility officials. We identified the internal controls VA has in place for its privileging process and, using GAO's standards for internal controls in the federal government, determined whether these controls are adequate.<sup>7</sup> For a complete description of our scope and methodology, see appendix I. We conducted our work from July 2005 to May 2006 in accordance with generally accepted government auditing standards.

---

## Results in Brief

The physician files we reviewed at the seven VA medical facilities demonstrated compliance with the four credentialing requirements we reviewed and four of the five privileging requirements. The files we reviewed showed that compliance with the fifth privileging requirement—to use information on a physician's performance in making privileging decisions—was problematic at six of the seven VA medical facilities we visited. At these six medical facilities, officials obtained this information from their facility's quality assurance program. In general, information that is collected as part of VA's quality assurance program is confidential

---

<sup>6</sup>In this report, determinations of substandard care may also include determinations of professional incompetence or professional misconduct.

<sup>7</sup>GAO, *Internal Control Management and Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: August 2001).

---

according to federal law, and VA by policy prohibits the use of such information in connection with privileging. This information is protected, in large part, to encourage physicians to participate in quality assurance programs by reporting and discussing openly the causes of adverse patient events to help prevent such events from occurring in the future. According to VA officials, if quality assurance information is used outside of a facility's quality assurance program, it could be available for other purposes, including litigation. VA has not provided guidance to help medical facilities find alternative ways to efficiently collect performance information, outside of a facility's quality assurance program, that could be used in the renewal of clinical privileges. At the seventh medical facility, officials did not use performance information to renew clinical privileges, as required.

Three of the seven medical facilities we visited did not meet the requirement to submit, within 60 days, information on paid VA medical malpractice claims involving their practitioners, including physicians, to VA's Office of Medical-Legal Affairs. This office reviews the claims information and makes a determination of whether practitioners, including physicians, involved in the claims delivered substandard care to veterans. If it is determined that the physician delivered substandard care to veterans, the medical facility must report the physician to NPDB. When VA medical facilities do not submit all relevant information to the Office of Medical-Legal Affairs in a timely manner, facility officials make privileging decisions without the advantage of determinations on whether VA physicians delivered substandard care. In addition, substandard care determinations that are required to be reported to the NPDB go unreported or reporting is delayed when VA medical facilities do not send information in a timely manner to the Office of Medical-Legal Affairs. This delay or lack of reporting to NPDB prevents other VA and non-VA facilities where the physician may also practice from having complete information on the physician's medical malpractice history.

VA has not required its medical facilities to establish internal controls to help ensure that privileging information managed by medical staff specialists—employees responsible for obtaining and verifying the information used in the credentialing and privileging processes—is accurate. One facility we visited did not identify 106 physicians whose privileging process had not been completed by facility officials for at least 2 years because of inaccurate information provided by the facility's medical staff specialist. As a result, these physicians were practicing at the facility without current clinical privileges. Subsequent to our visit, this facility implemented internal controls to reduce the risk of a similar

---

situation occurring in the future. During our site visits, we did not identify any medical facilities that had established such internal controls. Without accurate information on the privileges that have been granted to physicians and the dates for renewing those privileges, VA medical facility officials will not know if they have failed to renew clinical privileges for any of their physicians in accordance with VA policy.

To better ensure that VA physicians are qualified to deliver care safely to veterans, we recommend that VA provide guidance to medical facilities on how to collect individual physician performance information in accordance with VA's credentialing and privileging policy to use in the renewal of physicians' clinical privileges, and that VA enforce the requirement that medical facilities submit information on paid VA medical malpractice claims to VA's Office of Medical-Legal Affairs within 60 days after being notified that the claim is paid. Additionally, we recommend that VA instruct its medical facilities to establish internal controls to ensure the accuracy of their privileging information. In commenting on a draft of this report, VA agreed with our findings and conclusions and concurred with our recommendations. VA also provided an action plan to address the three recommendations.

---

## Background

Physicians who work at VA medical facilities are required to hold at least one current and unrestricted state medical license. Current and unrestricted licenses are those in good standing in the states that issued them, and licensed physicians may hold licenses from more than one state. State medical licenses are issued by state licensing boards, which generally establish state licensing requirements governing their licensed practitioners.<sup>8</sup> To keep a license current, physicians must renew their licenses before they expire and meet renewal requirements established by state licensing boards, such as continuing education. Renewal procedures and requirements vary by state. When state licensing boards discover violations of licensing practices—such as the abuse of prescription drugs or the provision of substandard care—that result in adverse health effects, they may place restrictions on licenses or revoke them. Restrictions issued by a state licensing board can limit or prohibit a physician from practicing in that particular state. Generally, state licensing boards maintain a

---

<sup>8</sup>State licenses are issued by offices in states, territories, or the District of Columbia, collectively referred to as state licensing boards.

---

database that contains information on any restrictions or revocations of physicians' licenses.

VA requires its medical facility officials to credential and privilege facility physicians periodically in order to work at VA. VA physicians must be credentialed and privileged prior to their initial appointment to a facility's medical staff and then again at least every 2 years when they must reapply for a position on the facility's medical staff. The latter is known as the process of reappointment.

---

## VA's Credentialing Process

Prior to working at VA, physicians initiate the credentialing process for their initial appointment by completing VA's application process, which includes entering into VetPro information used by VA medical facility officials in the credentialing process. Among the credentialing information that VA requires physicians enter into VetPro, for their initial appointment, is information on all the medical licenses they have ever held and the states where they have obtained these licenses, including any licenses they have held that have expired. For their reappointments, physicians must update this credentialing information in VetPro.

Once physicians enter their credentialing information into VetPro, a facility's medical staff specialist—an employee who is responsible for obtaining and verifying the information used in the credentialing and privileging processes—performs a data check on the information to be sure that all required information has been entered. In general, the medical staff specialist at each VA medical facility manages the accuracy of VetPro's credentialing data. The medical staff specialist verifies, with the original source of the information, the accuracy of the credentialing information entered by the physicians. This type of check is known as primary source verification. For example, the medical staff specialist contacts state licensing boards in order to verify that physicians' state medical licenses are valid and unrestricted.

Medical staff specialists are required, at initial appointment and at reappointment, to verify the status of the state medical licenses physicians disclose to VA by listing them in VetPro. The medical staff specialists can obtain information on the status of physicians' state medical licenses by accessing the information on state licensing boards' Web sites or by contacting the boards directly.

At initial appointment only, VA requires medical staff specialists to query FSMB, which contains information from state licensing boards. This query

---

enables officials to determine all the state medical licenses a physician has ever held, including those not disclosed by a physician to VA, and whether a physician has had any disciplinary actions taken against these licenses. VA does not require this query at reappointment because VA headquarters regularly receives reports from FSMB on any VA physician whose name appears on FSMB's list, indicating that disciplinary action has been taken against the physician's state medical license. When VA headquarters receives a report from FSMB, it notifies the appropriate VA medical facility.

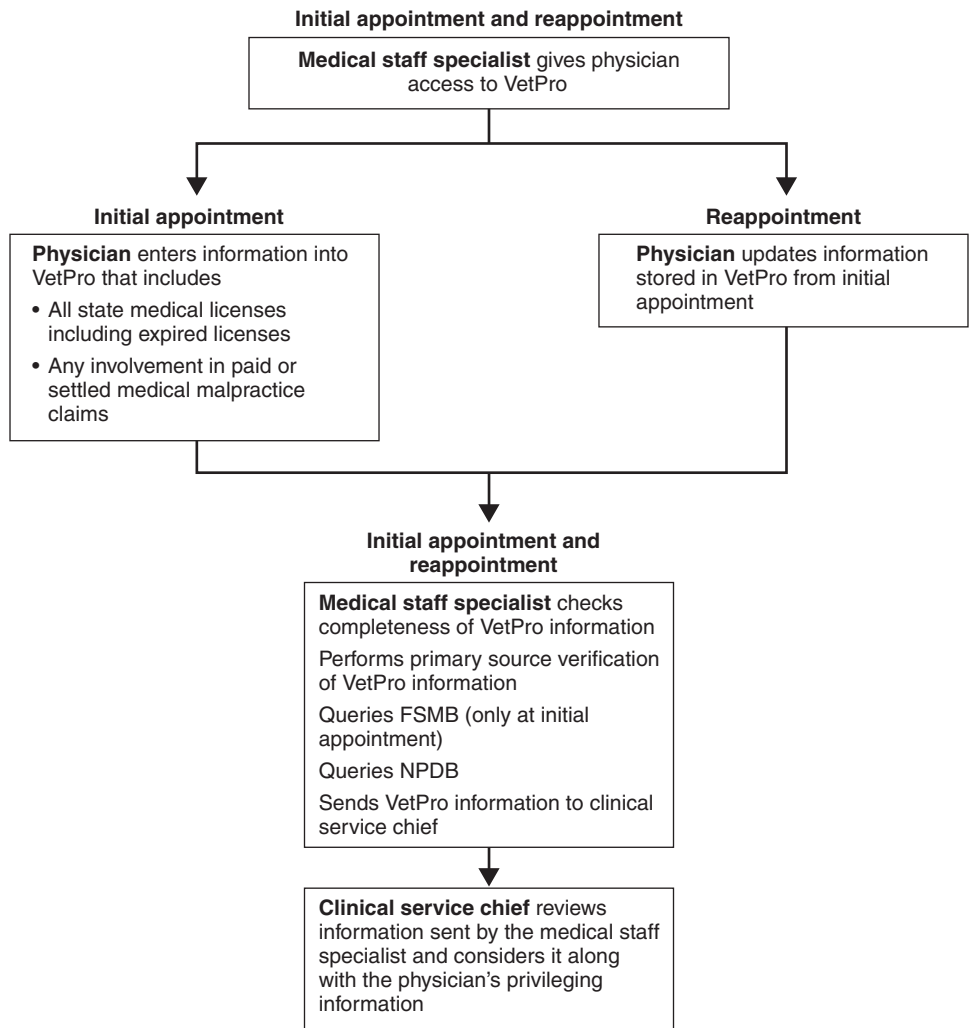
VA's credentialing process requires VA medical staff specialists to verify medical malpractice claims at initial appointment and at reappointment. These claims may be verified by contacting a court of jurisdiction or the insurance company involved in the medical malpractice claim, or by obtaining a statement of claims status from the attorney representing the physician in the medical malpractice claim. In addition, VA requires medical staff specialists to query NPDB, which contains reports by state licensing boards, hospitals, and other health care entities on unprofessional behavior on the part of physicians or adverse actions taken against them. This query enables officials to determine whether physicians fully disclosed to VA any involvement they might have had in paid medical malpractice claims.<sup>9</sup> Once a physician's credentialing information has been verified, the medical staff specialist sends the information to the physician's supervisor, who is known as a clinical service chief.<sup>10</sup> The clinical service chief reviews this information along with the physician's privileging information. Figure 1 illustrates VA's credentialing process.

---

<sup>9</sup>NPDB includes information on medical malpractice claims that are paid, but does not include information on ongoing claims.

<sup>10</sup>Clinical services may include surgery, medicine, and radiology.

**Figure 1: Steps Taken in VA's Physician Credentialing Process**



Source: GAO analysis of VA credentialing policy.

Note: This credentialing process takes place at VA medical facilities.

## Privileging Process

At the same time physicians enter credentialing information into VetPro, they complete a written request for clinical privileges. The facility medical staff specialist provides the physician's clinical service chief with the requested clinical privileges and information that indicates that the credentialing information entered by the physician into VetPro has been verified with the appropriate primary sources. The medical staff specialist also provides the physician's clinical service chief with information on the

---

physician's ability to perform the clinical privileges requested, including whether the physician has had a physical examination performed for initial appointment. For reappointment, documentation is required by another physician stating that the physician is able to perform both physically and mentally the clinical privileges requested. In addition, the medical staff specialist provides the clinical service chief with information on medical malpractice allegations or paid claims, loss of medical staff membership, loss or reduction of clinical privileges, or any challenges to the physician's state medical licenses.

The requested clinical privileges are reviewed by a clinical service chief, who recommends whether a physician should be appointed or reappointed to the facility's medical staff and which clinical privileges should be granted. When deciding to recommend clinical privileges, a clinical service chief considers whether the physician has the appropriate professional credentials, training, and work experience to perform the privileges requested. For reappointment only, a clinical service chief is to consider observations of the physician's delivery of health care to veterans, and VA's policy requires that information on a physician's performance, such as a physician's surgical complication rate, be used when deciding whether to renew a physician's clinical privileges. Based on the clinical service chief's observations and the physician's performance information, the clinical service chief recommends that clinical privileges previously granted by the facility remain the same, be reduced, or revoked, and whether newly requested privileges should be added.<sup>11</sup>

Clinical service chiefs forward their recommendations and the reasons for the recommendations to the next level of a medical facility's privileging review process, which may be a professional standards board or a medical executive committee.<sup>12</sup> A medical facility professional standards board or the medical executive committee reviews the recommendations of the clinical service chief and recommends to the facility director whether the

---

<sup>11</sup>Reduction of privileges may include restricting or prohibiting a physician from performing certain procedures or prescribing certain medicines. Revocation of privileges refers to the permanent loss of all clinical privileges at that facility.

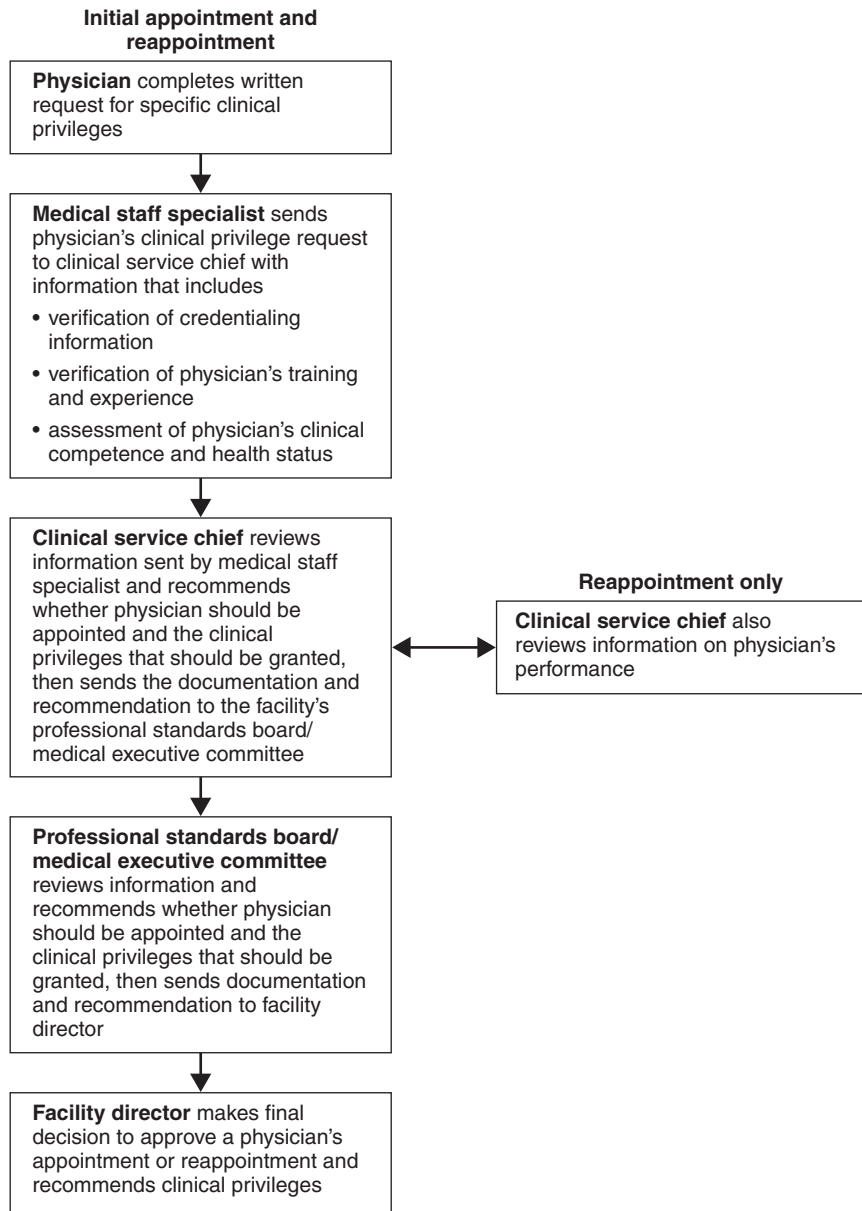
<sup>12</sup>At some VA medical facilities, the professional standards board and the medical executive committee represent the medical staff, have the same members, and perform the same functions so are considered to be one committee. If the committees are separate, the professional standards board is generally comprised of three to five physician peers and the medical executive committee is generally comprised of all facility clinical service chiefs.

---

physician should be appointed to the facility's medical staff and which clinical privileges should be granted to the physician. The 2-year time period for renewal of clinical privileges and reappointment to the medical staff begins on the date that the privileges are approved by the medical facility's director. The list of approved clinical privileges with the date of approval is maintained in paper copy files at VA medical facilities and the initial appointment or reappointment date is entered into VetPro. Figure 2 illustrates VA's privileging process.



**Figure 2: Steps Taken in VA's Physician Privileging Process**



Source: GAO analysis of VA privileging policy.

Note: This privileging process takes place at VA medical facilities.

---

According to VA's policy and a VA memorandum, information concerning individual physician performance that is used as part of the privileging process to either reduce, revoke, or support<sup>13</sup> granting clinical privileges must be collected separately from a medical facility's quality assurance program.<sup>14</sup> VA's policy is based on a federal law that restricts the disclosure of documents produced in the course of VA's quality assurance program.<sup>15</sup> In general, documents created in connection with such a program are confidential and may not be disclosed except in limited circumstances.<sup>16</sup> Individuals who willfully disclose documents that they know are protected quality assurance documents are subject to fines up to \$20,000. Although the law states that it is not intended to limit the use of documents within VA, VA's policy expressly prohibits the use of such documents in connection with the privileging process. VA's use of separate information sources for quality assurance and privileging decisions is intended to maintain the confidential status of documents produced in connection with quality assurance programs. According to VA, the confidentiality of individual performance information helps ensure provider participation, including physicians, in a medical facility's quality assurance program by encouraging providers to openly discuss opportunities for improvement in provider practice without fear of punitive action.

VA has another requirement that is related to the renewal of physicians' clinical privileges. Medical facility officials are required to submit to VA's Office of Medical-Legal Affairs information on malpractice claims. This information must be submitted within 60 days after being notified about a paid malpractice claim. The Office of Medical-Legal Affairs is responsible for convening a panel of clinicians to determine whether a VA facility physician involved in the claim delivered substandard care. The Office of

---

<sup>13</sup>Support granting clinical privileges means that the clinical privileges previously held by the physician will be maintained as well as adding newly requested clinical privileges.

<sup>14</sup>VA requires its medical facilities to have a quality assurance program. In general, the VA quality assurance program consists of specified systematic health care reviews carried out by or for VA for the purpose of improving the quality of medical care or the utilization of health care resources in VA facilities. See 38 C.F.R. § 17.500 (2005). These programs collect data on various clinical process and outcome measures involving physicians and other types of practitioners. The measures may include a surgeon's complication rate or a physician's prescribing of medications. Medical facility officials use these measures to look for undesirable patterns and trends in performance.

<sup>15</sup>38 U.S.C. § 5705 (2000).

<sup>16</sup>See Department of Veterans Affairs, *VHA Handbook* 1100.19 (Mar. 6, 2001).

---

Medical-Legal Affairs notifies the medical facility director of the results of its review. If it is determined that the physician delivered substandard care to veterans, the medical facility must report the physician to NPDB within 30 days of being notified of the decision. VA medical facility officials also would use this determination to decide whether to grant clinical privileges to the physician involved in the VA medical malpractice claim.

---

## Selected Physician Files at Medical Facilities Demonstrated Compliance with Four VA Credentialing and Four Privileging Requirements; a Fifth Privileging Requirement Was Problematic

The physician files we reviewed at the seven VA medical facilities demonstrated compliance with the four credentialing requirements we selected for review and four of five VA privileging requirements. The files we reviewed showed that six of the seven medical facilities had problems complying with a fifth privileging requirement—to use information on a physician’s performance when renewing clinical privileges. Compliance with that requirement was problematic largely because in their privileging decisions facility officials used performance information obtained from their facility quality assurance program. Information contained in documents created in the course of a VA quality assurance program is protected by VA policy that expressly prohibits the agency from using that documentation in the privileging process. VA has not provided guidance to help facilities find alternative ways to efficiently collect performance information, outside of a facility’s quality assurance program, that could be used in privileging decisions. At the seventh medical facility, officials did not use performance information to renew clinical privileges, as required.

Physician files at all seven medical facilities demonstrated compliance with the four credentialing requirements we selected for review. In all cases, the VA facility medical staff specialists contacted state licensing boards—a form of primary source verification—to ascertain the status of the state medical licenses held and disclosed by their physicians.<sup>17</sup> Based on the physician files we reviewed, medical staff specialists also queried the FSMB database as required to obtain additional information on the status of physicians’ medical licenses, including those that may not have been disclosed by physicians. Medical staff specialists complied with the requirement to contact primary sources, such as courts of jurisdiction, to verify information on involvement in medical malpractice claims, including ongoing claims, disclosed by physicians. Additionally, in all cases medical staff specialists queried NPDB to identify those physicians

---

<sup>17</sup>VA medical facility officials may also perform primary source verification of physicians’ licenses by querying a state licensing board’s Web site for information on the licenses.

---

who have been involved in paid medical malpractice claims, including any physicians who failed to disclose involvement in such claims.

The physician files at the seven medical facilities also demonstrated compliance with four of the five VA privileging requirements we reviewed. We found that medical staff specialists contacted state licensing boards to verify the status of all state medical licenses held by their physicians and to determine whether any of these licenses had any action taken against them. Medical staff specialists also used primary sources to verify that physicians had the necessary training and experience to deliver health care and perform the clinical privileges they requested. We found that after medical staff specialists performed their verification, clinical service chiefs reviewed this information as required, along with information on physicians' health status and information disclosed by the physicians about their involvement in medical malpractice allegations or cases in which claims were paid.

While we found evidence demonstrating compliance with four of the five privileging requirements, the files we reviewed also showed that there were problems complying with the fifth privileging requirement—to use information on a physician's performance in making privileging decisions. VA requires that during the renewal of a physician's clinical privileges, VA clinical service chiefs use information on a physician's performance to support, reduce, or revoke the clinical privileges the physician has requested. However, the performance information cannot be collected as part of a medical facility's quality assurance program. Although medical facility clinical service chiefs must use performance information in making decisions about renewal of clinical privileges, VA has not provided guidance on how facility officials can obtain such information in accordance with VA policy—that is, outside of a quality assurance program.

VA's credentialing and privileging policy states that facilities cannot use information collected as part of a facility's quality assurance program to reduce or revoke the clinical privileges requested by physicians, but the initial policy guidance was silent about the use of this information to support granting the clinical privileges requested by physicians. Officials at six medical facilities told us that they used quality assurance information to support the granting of clinical privileges requested by their physicians, but collected all or most of this information through facility quality assurance programs. In contrast, facility officials at one medical facility did not use individual physician performance information to renew physicians' clinical privileges.

---

VA issued a directive in September 2004 and a memorandum in October 2004 which VA headquarters officials told us were intended to clarify for medical facility officials the circumstances under which physician performance information could not be used in the credentialing and privileging process. The September 2004 directive explained the specific types of information that are protected, such as information that identifies an individual physician, and the October 2004 memorandum explained that information on a physician's performance that is collected as part of a medical facility's quality assurance program could not be used to support, reduce, or revoke a physician's clinical privileges. The directive and the memorandum did not identify the ways in which medical facility officials could efficiently collect physician performance information outside of a facility's quality assurance program that would provide information for renewing physicians' clinical privileges. According to facility officials, collecting the same information twice—once for quality assurance and once for privileging—is resource-intensive and limits the time they have to address other issues.

Without guidance from VA, officials from four facilities told us that they do not know how to collect this information in accordance with VA's policy. Facility officials from two other medical facilities said they believed that they were complying with VA's requirement because they stored performance information in such a way that the identity of individual physicians could not be easily retrieved. Quality assurance staff at these two medical facilities assigned a code to each physician and filed the performance information by assigned code rather than under an individual physician's name. These staff could then retrieve an individual physician's performance information using the code. At one facility, quality assurance staff said their regional legal counsel told them that the confidentiality of the information would be maintained with this type of coding system and would allow them to use the information to renew physicians' clinical privileges. However, according to both VA headquarters legal counsel and the director of VA's credentialing and privileging program, coding quality assurance information in this manner and using it to renew clinical privileges could make this information available for other purposes, including litigation, and therefore does not comply with VA policy. A VA headquarters official told us that the medical facilities need further education on how to collect individual physician performance information that can be used in the renewal of physicians' clinical privileges.

---

## Not All Medical Facilities Submitted Paid Malpractice Claim Information in a Timely Manner

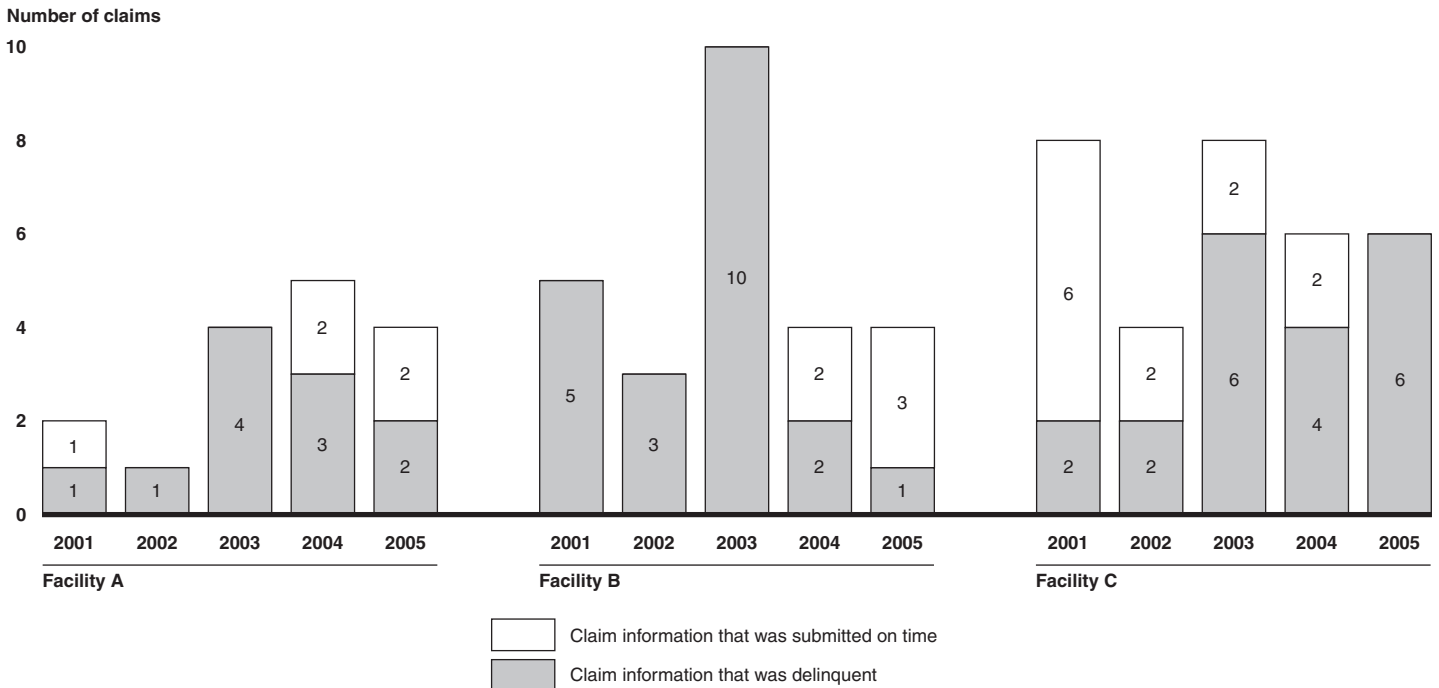
We found that three of the seven VA medical facilities we visited did not comply with the requirement to submit paid VA medical malpractice claim information in a timely manner.<sup>18</sup> These facilities had not submitted information on 52 paid medical malpractice claims that may have involved their physicians to VA's Office of Medical-Legal Affairs within the 60-day required time frame for information requested as of December 2005.<sup>19</sup> See figure 3 for the number of paid VA medical malpractice claims for which information was not submitted in a timely manner by the three facilities from 2001 through 2005.

---

<sup>18</sup>At the time of our review, the remaining four VA facilities did not have any medical malpractice claim information that had not been submitted within VA's 60-day time frame.

<sup>19</sup>VA medical malpractice claims may involve physicians or another type of licensed health care practitioner, such as a nurse.

**Figure 3: Medical Malpractice Claim Information Not Submitted by Three VA Medical Facilities to the Office of Medical-Legal Affairs within 60 Days**



Source: GAO analysis of VA data.

Note: We considered claim information submitted 14 days after the 60-day time frame to be on time, while information submitted 15 or more days after the 60-day time frame, we considered to be delinquent.

The Office of Medical-Legal Affairs is responsible for reviewing information on paid VA medical malpractice claims submitted by VA medical facilities by forming panels of clinicians to determine whether VA practitioners, including physicians, delivered substandard care to veterans in these claims.<sup>20</sup> When VA medical facilities do not submit all relevant claim information to the Office of Medical-Legal Affairs, facility clinical service chiefs may make privileging decisions without the knowledge of physician peer determinations on whether VA physicians delivered substandard care to veterans. In addition, substandard care determinations that are required to be reported by facility officials to the NPDB go unreported or reporting is delayed when VA medical facilities do

<sup>20</sup>The panel must include at least one reviewer who is a member of the profession of the practitioner under review.

not send claim information in a timely manner to the Office of Medical-Legal Affairs. This delay or lack of reporting to NPDB prevents other VA and non-VA facilities where the physician may also practice from having complete information on the physician's malpractice history. For example, at one facility we visited, we found that from 2001 through 2005, information on 21 of the facility's 26 paid medical malpractice claims had not been submitted within the 60-day time frame to VA's Office of Medical-Legal Affairs.<sup>21</sup> Moreover, on average this medical facility took 30 months to submit information to VA's Office of Medical-Legal Affairs, whereas the other two facilities averaged about 5 months to submit information. See table 1 for the average number of months it took for these VA medical facilities to submit paid VA medical malpractice claim information to VA's Office of Medical-Legal Affairs.

**Table 1: Average Number of Months Taken by Three VA Medical Facilities to Submit VA Medical Malpractice Claim Information to VA's Office of Medical-Legal Affairs (as of December 2005)**

Calendar year	Average number of months to submit information on VA medical malpractice claims		
	Facility A	Facility B	Facility C
2001	4	57	3
2002	3	47	6
2003	9	34	7
2004	6	3	4
2005	3	3	6

Source: GAO analysis of VA data.

<sup>21</sup>As of March 31, 2006, this medical facility had sent all delinquent medical malpractice claims to VA's Office of Medical-Legal Affairs.



---

## VA Has Not Established Internal Controls to Help Ensure the Accuracy of Medical Facilities' Privileging Information

VA has not required its medical facilities to establish internal controls to help ensure that privileging information managed by medical staff specialists is accurate. One facility we visited did not identify 106 physicians whose privileging process had not been completed by facility officials for at least 2 years because of inaccurate information provided by the facility's medical staff specialist. As a result, these physicians were practicing at the facility without current clinical privileges. Subsequent to our visit, this facility implemented internal controls to reduce the risk of a similar situation occurring in the future. During our site visits, we did not identify any medical facilities that had established such internal controls. Without accurate information on the privileges that have been granted to physicians and the dates for renewing those privileges, VA medical facility officials will not know if they have failed to renew clinical privileges for any of their physicians in accordance with VA policy.

For at least 2 years, one VA medical facility did not identify 106 physicians whose privileging process had not been completed by facility officials because of inaccurate information provided by the facility's medical staff specialist. According to facility officials, the medical staff specialist changed the reappointment dates on some of these physicians to a later date in order to delay work she needed to perform to complete the credentialing and privileging requirements on these physicians. For other physicians, the medical staff specialist removed the physicians' names from the VetPro database so that the physicians would not show up on VetPro lists as needing to be reappointed to the facility's medical staff. Facility officials further told us that the medical staff specialist changed appointment dates and removed names from VetPro in order to conceal the fact that these physicians no longer had current privileges. As a result, these physicians were practicing at the facility without current clinical privileges. The clinical service chiefs, members of the professional standards board and the medical executive committee, and the facility director were unaware that these physicians were working without current clinical privileges, and learned of the problem only after it was brought to their attention by an individual newly hired to help the facility's medical staff specialist. Medical facility officials told us that after becoming aware of the problem, they confronted the medical staff specialist responsible for the data inaccuracies, who then resigned. Medical facility officials then began to check the clinical privileges of all of their physicians and identified inaccuracies in the privileging information for 106 physicians. After reviewing the 106 physician files, facility officials told us they did not find any problems that would have warranted the

---

physicians' removal from the facility's medical staff or that placed veterans at risk.

Although this medical facility did not identify any problems with the 106 physicians' clinical privileges or with their clinical competence to deliver care to veterans, the potential exists for problems to occur at other VA medical facilities. During our site visits, we did not identify any facilities that had established internal controls that would help ensure the accuracy of the information used to renew clinical privileges. A VA headquarters official told us that there is no requirement for VA medical facilities to have such internal controls in place. While VA does not require facilities to establish these internal controls, the facility that identified inaccuracies in its privileging information subsequently implemented internal controls to reduce the risk of a similar situation occurring in the future. Facility officials have taken steps to help ensure that a similar situation does not recur. For example, the facility now provides each facility clinical service chief with a list of physicians on a quarterly basis and asks the clinical service chiefs to verify that the listed physicians are currently working at the medical facility and to identify those physicians working at the facility who are not on the list. This allows medical facility officials to know if physicians have been inappropriately deleted from VetPro and are working at the facility without current clinical privileges. Without internal controls such as this for their privileging information, VA's medical facilities may not know whether they have allowed some of their physicians to practice with expired privileges.

---

## Conclusions

VA is responsible for ensuring that its physicians are qualified to deliver health care to veterans at VA medical facilities and has requirements in place that medical facility officials are to use to help ensure that physicians meet these qualifications. VA medical facilities we visited complied with the four VA credentialing requirements we reviewed and all but one of five privileging requirements—to use information on a physician's performance when renewing clinical privileges. While officials at six of the seven facilities we visited made an attempt to comply with VA's requirement to use performance information, these officials deviated from VA's policy by collecting all or most of the performance information through their facilities' quality assurance programs. This occurred, in part, because VA has not provided guidance on how to collect this information in accordance with VA's policy. In addition, VA medical facility officials did not have all the information they needed on physicians involved in paid VA medical malpractice claims, because the facilities had not submitted such information to VA's Office of Medical-Legal Affairs in a

---

timely manner. This could have placed veterans at risk of receiving care from physicians who did not have adequate clinical skills. Finally, VA has not required its medical facilities to establish internal controls to help ensure the accuracy of their privileging information. Until VA requires its medical facilities to establish internal controls to ensure the accuracy of privileging information, facilities are at risk for allowing physicians to practice with expired clinical privileges.

---

## Recommendations for Executive Action

To better ensure that VA physicians are qualified to deliver care safely to veterans, we recommend that the Secretary of Veterans Affairs direct the Under Secretary for Health to take the following three actions:

- provide guidance to medical facilities on how to collect individual physician performance information in accordance with VA's credentialing and privileging policy to use in medical facilities' privileging processes,
- enforce the requirement that medical facilities submit information on paid VA medical malpractice claims to VA's Office of Medical-Legal Affairs within 60 days after being notified that the claim is paid, and
- instruct medical facilities to establish internal controls to ensure the accuracy of their privileging information.

---

## Agency Comments and Our Evaluation

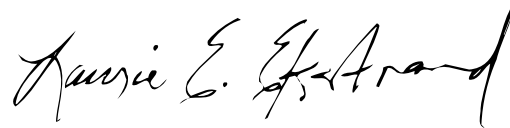
In commenting on a draft of this report, VA agreed with our findings and conclusions and concurred with our recommendations. VA also provided an action plan to address the three recommendations. VA acknowledged that we identify a challenge faced not only by VA facilities, but by all health care facilities, to incorporate physician-specific performance information into the credentialing and privileging processes. In addition, VA recognized the need to improve facility compliance with submitting information on paid VA medical malpractice claims to the Office of Medical-Legal Affairs in a timely manner. Further, VA agreed that internal controls are needed to ensure the accuracy of information used to renew physicians' clinical privileges and has begun the work necessary to establish these internal controls at all VA facilities. VA also provided details of actions it plans to take to implement the three recommendations in the draft report. VA's written comments are reprinted in appendix II.

---

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its date. We will then send copies of this report to the Secretary of Veterans Affairs and other interested parties. We also will make copies available to others upon request. In addition, the report will be available at no charge at the GAO Web Site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7101 or [ekstrandl@gao.gov](mailto:ekstrandl@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made major contributions to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Laurie E. Ekstrand". The signature is written in a cursive style with a large, stylized initial "L".

Laurie E. Ekstrand  
Director, Health Care

---

# Appendix I: Scope and Methodology

---

To determine the extent to which selected Department of Veterans Affairs' (VA) medical facilities complied with VA's credentialing and privileging requirements, we reviewed policies, procedures, and guidance on VA's credentialing and privileging processes. We also interviewed the director of VA's credentialing and privileging program, as well as officials responsible for credentialing and privileging at the VA medical facilities we visited. We selected four credentialing requirements for review because they are requirements that—unlike others—address information about physicians that can change or be updated with new information periodically. As a result, VA requires that this information be verified by facility officials at least every 2 years. Other credentialing requirements, such as where a physician attended medical school or previous employment history, are not subject to change or updating and are required by VA to be verified when the physician initially applies for employment. The four credentialing requirements are

1. verify that all state medical licenses held by physicians are valid;
2. query the Federation of State Medical Boards (FSMB) database to determine whether physicians had disciplinary action taken against any of their licenses, including expired licenses;
3. verify information provided by physicians on their involvement in medical malpractice claims at a VA or non-VA medical facility; and
4. query the National Practitioner Data Bank (NPDB) to determine whether a physician was reported to this data bank because of involvement in VA or non-VA paid medical malpractice claims, display of professional incompetence, or engagement in professional misconduct.

Of the privileging requirements in VA's credentialing and privileging policy, we selected four requirements that VA identifies as general privileging requirements. In addition, we selected another privileging requirement about the use of individual performance information because of its importance in the renewal of clinical privileges. The five VA privileging requirements we selected are

1. verify that all state medical licenses held by physicians are valid;
2. verify physicians' training and experience;
3. assess physicians' clinical competence and health status;

4. consider any information provided by a physician related to medical malpractice allegations or paid claims, loss of medical staff membership, loss or reduction of clinical privileges at a VA or non-VA facility, or any challenges to a physician's state medical license; and
5. use information on a physician's performance when making decisions about whether to renew the physician's clinical privileges.

Two of the five privileging requirements—verify all state medical licenses and consider medical malpractice information—are also VA credentialing requirements.

We conducted site visits to seven VA medical facilities that were chosen based on size and geographic location. The medical facilities selected for review were located in Boise, Idaho; Kansas City, Missouri; Las Vegas, Nevada; Lexington, Kentucky; Martinsburg, West Virginia; Miami, Florida; and San Antonio, Texas. For each medical facility visited, we obtained from VA a list of physicians and their specialties. Using this list, at each facility we randomly selected 17 physicians and obtained files with their credentialing and privileging information. Our sample included physicians working in VA facilities full-time and part-time, through a contract, or without direct compensation from VA. In some cases, these physicians also worked at non-VA medical facilities. At each facility we visited, we selected one file from the following clinical specialties that are offered at most VA medical facilities: anesthesiology, gastroenterology, neurology, oncology, ophthalmology orthopedics, radiology, and urology. We also selected two physician files from general surgery and internal medicine, and five files from physician names that had no specialty identified on the list provided by VA. At some facilities, we found that the physician specialty indicated on the list provided by VA was incorrect. We replaced these files by random selection with physician files in the specialty needed.

To determine whether the files we reviewed demonstrated compliance with the selected VA credentialing requirements and privileging requirements, we compared the documentation found in our sample files against the credentialing and privileging requirements. During our site visits, we reviewed the documentation in VetPro and in a physician's paper copy credentialing file to determine whether the facility complied with each of the four VA credentialing requirements that we reviewed. If documentation was present either in VetPro or the paper copy file, we determined that the medical facility complied with VA's requirement. For each physician, we reviewed the three most recent appointment cycles—

the period from one appointment process to the next appointment process, which occurs every 2 years. Some of the physicians in our sample had not been through three appointment cycles. For those physicians, we reviewed only the number of cycles that had been completed. We documented our findings from these reviews on a data collection instrument.

At each medical facility, we reviewed a physician's paper copy privileging file to determine whether the physician's file contained documentation that the medical facility met the five VA privileging requirements we examined. For the fifth requirement—use of information on a physician's performance when making decisions about whether to renew physicians' clinical privileges—we also interviewed facility officials, including the facility quality assurance manager, to determine whether the facility collected this physician performance information outside of the facility's quality assurance program. For some physician files we reviewed, the physician had only been through initial appointment and therefore did not have individual physician performance information in the privileging file.

Based on the sample of physician files we reviewed at each of the seven medical facilities, we can discuss a medical facility's compliance for the physician files we reviewed; we cannot draw conclusions about the remaining physician files at the medical facilities we visited or about the compliance of other VA medical facilities. In collecting information on the credentialing and privileging requirements from physician files at each facility, we employed standard data collection techniques to ensure the accuracy and reliability of the data used in this report, such as interviewing medical facility officials about the accuracy and timeliness of the information contained in the physician files we reviewed and taking steps to have a consistent interpretation of VA's credentialing and privileging requirements for the physician files we reviewed at each medical facility.

To determine the extent to which the selected VA medical facilities complied with a requirement to submit information on paid VA medical malpractice claims, we obtained data from VA's Office of Medical-Legal Affairs in Buffalo, New York to identify the VA medical facilities that were delinquent—more than 60 days had passed since the facility was notified that a claim had been paid—in submitting medical malpractice claim

information to this office.<sup>1</sup> The data included the name of the VA medical facility, the veteran who was named in the claim, the date the Office of Medical-Legal Affairs was notified that a claim had been paid, and the date the Office of Medical-Legal Affairs notified the facility that a VA medical malpractice claim had been paid. VA's Office of Medical-Legal Affairs determines whether a physician who was involved in a VA medical malpractice claim delivered substandard care to veterans, and if so, was reported to NPDB. We interviewed officials at this office to obtain information about VA's process and requirements for determining if substandard care was delivered.

To determine whether VA has internal controls to help ensure the accuracy of medical facility information that is used to renew physicians' clinical privileges, we interviewed the director of VA's credentialing and privileging program, as well as other VA officials. We identified the internal controls VA has in place for its privileging process and used GAO's standards for internal controls in the federal government to determine whether these controls were adequate. During our site visits, we determined if any of the seven medical facilities had internal controls in place to help ensure the accuracy of the information used to support the renewal of clinical privileges. We conducted our work from July 2005 to May 2006 in accordance with generally accepted government auditing standards.

---

<sup>1</sup>We considered claim information submitted 14 days after the 60-day time frame to be on time, while information submitted 15 or more days after the 60-day time frame, we considered to be delinquent. At the time of our review, four of the seven facilities did not have any medical malpractice claim information that had not been submitted within VA's 60-day time frame.



# Appendix II: Comments from the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

May 12, 2006



Commemorating 75 Years of Service

Ms. Laurie Ekstrand  
Director  
Health Care Team  
U. S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Ekstrand:

The Department of Veterans Affairs (VA) has reviewed your draft report, **VA HEALTH CARE: Selected Credentialing Requirements at Seven Medical Facilities Met, but an Aspect of Privileging Process Needs Improvement** (GAO-06-648) and agrees with your findings and conclusions. VA also concurs with your recommendations.

The Government Accountability Office's (GAO) report identifies a challenge faced not only by VA facilities but by all health care facilities: incorporating provider specific performance information into the credentialing and privileging process. Since privileging is performed at the facility level, a major focus of VA's approach to ensuring compliance with our policies on this process has been and continues to be providing education and information to medical facility staff. VA also recognizes the need to improve compliance with VA policy that requires medical facilities to submit any information on paid VA medical malpractice claims to the Office of Medical-Legal Affairs (OMLA) in a timely manner. OMLA will educate, monitor, and followup with networks on the reporting process requirements. Additionally, OMLA is implementing a new initiative to notify network directors of any reporting delinquencies by facilities under their jurisdiction. Finally, facilities will be required to establish internal controls to ensure the accuracy of their privileging information. Network directors will monitor compliance and report back to the Deputy Under Secretary for Health for Operations and Management.

The enclosure details actions planned and taken to implement GAO's recommendations. VA appreciates the opportunity to comment on your draft report.

Sincerely yours,

R. James Nicholson

Enclosure

Enclosure

DEPARTMENT OF VETERANS AFFAIRS (VA)  
COMMENTS TO  
GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT  
***VA HEALTH CARE: Selected Credentialing Requirements at Seven Medical  
Facilities Met, but an Aspect of Privileging Process Needs Improvement***  
(GAO-06-648)

**To better ensure that VA physicians are qualified to deliver care safely to veterans, GAO recommends that the Secretary of Veterans Affairs direct the Under Secretary for Health to take the following three actions:**

- **provide guidance to medical facilities on how to collect individual physician performance information in accordance with VA's credentialing and privileging policy to use in medical facilities' privileging process;**

Concur - VA has developed and continues to refine methods to provide education and information to medical facility staff to address this recommendation. Presentations were made on provider-specific data at the Office of Quality and Performance (OQP) and Employee Education System (EES) co-sponsored VHA credentialing conference in July 2004 as well as on a VHA national credentialing conference call sponsored by the OQP in November 2004. Primarily, medical staff support specialists attended both these conferences. Recognizing that this is an on-going issue, the OQP is preparing a series of educational presentations to be done via conference call with the medical facilities, and completed this fiscal year. One module titled, "*Provider Profiling and Competency*," gives a detailed description of the type of provider specific information that is and is not acceptable for use in the renewal of clinical privileges of medical staff. Attendance at these educational conference calls will be taken and medical staff support specialists will be encouraged to invite facility quality managers, service chiefs, and other involved in the privileging process.

Additionally, the OQP is developing a request for proposal (RFP) for a web-based training program for medical staff processes directed towards the medical staff support specialists. One of the web-based training modules defined in the RFP will be directed to all staff involved in the reappraisal and privileging process incorporating provider profiling, the use of provider specific performance information. This RFP will be awarded this fiscal year with training modules developed and delivered by April 1, 2007.

Enclosure

DEPARTMENT OF VETERANS AFFAIRS (VA)  
COMMENTS TO  
GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT  
***VA HEALTH CARE: Selected Credentialing Requirements at Seven Medical  
Facilities Met, but an Aspect of Privileging Process Needs Improvement***  
(GAO-06-648)  
(Continued)

- **enforce the requirement that medical facilities submit information on paid VA medical malpractice claims to VA's Office of Medical-Legal Affairs within 60 days after being notified that the claim is paid; and**

Concur - To improve compliance with the above requirement, the Office of Medical-Legal Affairs (OMLA) has instituted the plan below. This plan will be communicated to the networks and medical facilities through participation by the Director, OMLA in the network director and chief medical officer (CMO) conference calls as well as by electronically informing all VA medical center risk managers through OMLA's "VA Med-Legal RM Contacts" listserve prior to June 1, 2006.

- For information not received within 60 days, the Director, OMLA will notify the network director of the delinquency, and copy the facility director on the notification.
- After 90 days, the Director, OMLA will notify the network director of the delinquency, and copy the facility director and the Associate Chief Patient Care Services (PCS) Officer on the notification.
- On a quarterly basis, beginning July 1, 2006, the OMLA will send to the Associate Chief PCS Officer, a list of paid tort claims for which the OMLA has not received the requested records and the date the information was requested. Copies of pertinent correspondence will also be included.

In addition, by June 1, 2006, the Deputy Under Secretary for Health for Operations and Management (DUSHOM), will issue a memorandum to the network directors outlining the new initiative of the OMLA and reinforce that each medical center must comply with VA policy regarding submitting information to the OMLA in a timely manner. The Director, OMLA will also provide briefings to the chief medical officers and to the medical center directors on their weekly call.

Enclosure

DEPARTMENT OF VETERANS AFFAIRS (VA)  
COMMENTS TO  
GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT  
**VA HEALTH CARE: Selected Credentialing Requirements at Seven Medical  
Facilities Met, but an Aspect of Privileging Process Needs Improvement**  
(GAO-06-648)  
(Continued)

- **instruct medical facilities to establish internal controls to ensure the accuracy of their privileging information.**

Concur - Internal controls at VA medical facilities have been discussed several times on the OQP VHA credentialers' national conference call, most recently during the April 4, 2006 call. Following that conference call OQP sent an e-mail to the VHA credentialers' mail group describing initiatives identified by various facility credentialing and privileging staff to better ensure the accuracy of the provider appointment paperwork and to track those on the medical staff who have active privileges. In addition, the Chief OQP will issue a memorandum by June 1, 2006, through the DUSHOM, to the network directors indicating that each medical facility in the network must establish internal controls and report back to the network that such controls have been established. Examples of current internal controls used by facilities will be provided so each facility can assess what internal controls address the facility's needs. Network leadership will be responsible for the continued monitoring of the use of internal controls.

To further strengthen internal controls in the privileging process, modifications to VetPro, delivered June 28, 2005, display the medical staff appointment on the "Search" screen either as "Appointed" or "Expired." This allows for a quick reference of the status of a practitioner's appointment. Staff at the medical facilities continues to be trained in using this as a tool that may assist the monitoring of provider appointments and possibly be incorporated into the facility's internal control process. Additionally, the VetPro design does not allow appointments to exceed the 2 years VA policy allows. The need for internal controls to ensure the accuracy and timeliness of the privileging process will continue to be emphasized to VA staff and leadership.

---

# Appendix III: GAO Contact and Staff Acknowledgments

---

## GAO Contact

Laurie E. Ekstrand at (202) 512-7101 or [ekstrandl@gao.gov](mailto:ekstrandl@gao.gov)

---

## Acknowledgments

In addition to the contact named above Marcia A. Mann, Assistant Director; Kelly Barar; Mary Ann Curran; Martha A. Fisher; and Krister Friday made key contributions to this report.

---

# Related GAO Products

---

*VA Health Care: Steps Taken to Improve Practitioner Screening, but Facility Compliance with Screening Requirements Is Poor.* [GAO-06-544](#). Washington, D.C.: May 25, 2006.

*VA Health Care: Improved Screening of Practitioners Would Reduce Risk to Veterans.* [GAO-04-566](#). Washington, D.C.: March 31, 2004.

*VA Health Care: Veterans at Risk from Inconsistent Screening of Practitioners.* [GAO-04-625T](#). Washington, D.C.: March 31, 2004.

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site ([www.gao.gov](http://www.gao.gov)). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to [www.gao.gov](http://www.gao.gov) and select "Subscribe to Updates."

---

## Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000  
TDD: (202) 512-2537  
Fax: (202) 512-6061

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Gloria Jarmon, Managing Director, [JarmonG@gao.gov](mailto:JarmonG@gao.gov) (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, D.C. 20548

---

## Public Affairs

Paul Anderson, Managing Director, [AndersonP1@gao.gov](mailto:AndersonP1@gao.gov) (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548