Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

NATIONAL PRACTITIONER DATA BANK REPORTS TO MANAGED CARE ORGANIZATIONS: THEIR USEFULNESS AND IMPACT

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EXECUTIVE SUMMARY

PURPOSE:

To assess the usefulness and impact of the information in the National Practitioner Data Bank to managed care organizations.

BACKGROUND

Since September 1, 1990, the National Practitioner Data Bank (hereafter referred to as the Data Bank) has received and maintained records of malpractice payments and adverse actions against licensed health care practitioners. It provides hospitals and other health care entities with information relating to the professional competence and conduct of health care practitioners. Hospitals are required to request information from the Data Bank about every physician and dentist who applies for appointment. In addition, hospitals must query at least once every 2 years on every practitioner who is on their medical staff or has privileges. Other health care entities, such as health maintenance organizations (HMOs), preferred provider organizations (PPOs), and group practices may query as long as they provide health care services and engage in professional review activities through a formal peer review process. As of February 25, 1994, HMOs, PPOs, and group practices had received, in response to queries, 31,377 reports of malpractice payments or adverse actions against physicians, dentists, and other health care practitioners.

In February 1993, we released a report that evaluated the usefulness and impact of reports to hospitals through March 1992. In December 1993, the Administrator of the Health Resources and Services Administration (HRSA) asked us to update the information in the February 1993 report using more recent data. We agreed to conduct that study and another study of the experiences of HMOs, PPOs, and group practices with using Data Bank information. For purposes of this study we are referring to these as managed care organizations. In this report we refer to some findings of the updated hospital report, particularly where we found major differences between managed care organizations and hospitals.

The data in this report are from a survey we conducted of managed care organizations that received reports of malpractice payments or adverse actions from the Data Bank. We sampled 400 matches--instances when a querying managed care organization received a report of a specific incident--from the universe of 30,016 HMO, PPO, and group practice matches from March 20, 1992 through February 25, 1994. We asked the managed care officials questions about how they used and what their assessments were of the reports; we received 203 useable responses. Appendix A gives details of our methodology.

FINDINGS

USEFULNESS: Managed care officials found nearly all Data Bank reports to be useful.

- Managed care officials found 96 percent of the Data Bank reports they received to be useful. This compares with 83 percent of hospital officials who found the Data Bank reports to be useful.

- Twenty-two percent of the Data Bank reports provided information previously unknown to managed care organizations.

- The managed care officials' most-often cited reason for usefulness was that the reports confirmed information about practitioners that organization officials already knew. Other common reasons cited include that the reports' help in making judgments about practitioners' professionalism and competency.

- The managed care officials reported that, upon additional inquiry, 3 percent (5 of 203) of the Data Bank reports appeared inaccurate. No hospital reported that, upon additional inquiry, the Data Bank reports appeared inaccurate.

- Overall, the Data Bank's median response time to a query from a managed care organization was 23 days. With electronic queries, the median dropped to 13 1/2 days; without electronic queries, it increased to 35.

IMPACT ON DECISIONS: The managed care officials seldom made different privileging decisions than they would have made without the Data Bank reports.

- According to managed care officials, 3 percent (5 of 183) of the Data Bank reports led them to make different decisions than they would have made without the reports. Among the officials who did not make different decisions, 65 percent reported that the reports made them feel more confident about their decisions.

- Eighty-one percent (148 of 183) of the Data Bank reports had little chance to have an impact on managed care organizations' privileging decisions. These reports either named practitioners who did not complete the privileging process, were not received prior to the decisions, or provided information already known.

- Sixteen percent (30 of 183) of the reports arrived before the managed care organizations made final privileging decisions and contained information that neither the physician nor any other source had provided, yet did not have an impact on the privileging decisions.

CONCLUSION

The information in this report contributes to an understanding of the usefulness and impact of the Data Bank in managed care organizations. Almost all--96 percent--managed care organizations receiving information from the Data Bank find it useful. In fact, this percent is considerably higher than the percent of hospitals finding the information useful (83 percent). At the same time, our data reveal that Data Bank reports seldom affect privileging decisions of managed care organizations.

During this and prior inspections on the Data Bank, we have become ever more aware of differing expectations of the Data Bank. Thus, any assessments of the Data Bank's usefulness and impact will depend heavily on how these expectations are expressed and on the relative emphasis given to them. In that context, we offer the following concluding observations concerning three important expectations about the Data Bank.

- ***Data Bank as a Reliable, Centralized Source of Information.*** In the sense that the Data Bank is expected to serve as such a source of information about adverse actions and medical malpractice payments, it seems to be working quite well. It is a timely, accurate source that is widely regarded as useful--mainly because it confirms information available from other (presumably less reliable) sources.

- ***Data Bank as a Unique Source of Information.*** In the sense that the Data Bank is expected to serve as a unique source of information--that is, one unavailable elsewhere--it clearly has some value. In our sample, 22 percent of the reports provided new information to managed care organizations. That 22 percent projects to 6,483 reports providing new information to managed care organizations over a period of almost 2 years.

- ***Data Bank as a Mechanism to Prevent Incompetent and/or Unprofessional Practitioners from Practicing in HMOs, PPOs, or Group Practices.*** Clearly this is the most ambitious and controversial of these expectations. It is also the one most difficult to assess without more information. In one sense, the fact that 3 percent of reports are having an impact on privileging decisions may seem inappropriately low. It may suggest that managed care organizations are overly reluctant to take adverse actions against incompetent and/or unprofessional practitioners.

  Yet, to the extent that only a small percent of practitioners are unfit to practice, one may argue that nothing is necessarily inappropriate about 3 percent of reports, which projects to 930 reports over a period of almost 2 years, having an impact on privileging decisions. These 930 reports involve hundreds of practitioners and affect thousands of patients they serve. Finally, it is important to recognize that the very existence of the Data Bank may deter some unfit practitioners from even applying to managed care organizations for practice privileges and may encourage other practitioners to be more forthcoming in the applications they submit for managed care organization privileges.

COMMENTS ON THE DRAFT REPORT

We solicited and received comments on the draft report from the Public Health Service (PHS), the Assistant Secretary for Planning and Evaluation (ASPE), the National Committee on Quality Assurance (NCQA), and the American Medical Association (AMA). We include the complete text of their comments in appendix C. Below we summarize comments of the respondents and, in italics, offer our responses.

PHS Comments

The PHS indicated that the report would be "helpful." It called for one minor change in the background section of the report where we explain the Data Bank law. *We appreciate the positive response from PHS. We made the change requested.*

ASPE Comments

The ASPE supported the purpose of our inquiry and noted that the methodology seemed to be "appropriate." It added, however, that the conclusion that the Data Bank is useful is questionable and that the data in the report might be used to support a contrary conclusion. *We did not conclude that the Data Bank is useful. We elaborated on how one's assessments of usefulness and impact will depend heavily on one's expectations of the Data Bank.*

NCQA Comments

The NCQA responded that it was "heartening" to learn that most respondents found the Data Bank reports to be useful, but "disturbing" to find that some queries to the Data Bank were made after the credentialing decisions had been made. It also offered some clarification concerning NCQA credentialing standards. *We made minor changes in our text in accord with NCQA's clarifications on its credentialing standards.*

AMA Comments

The AMA expressed its reservations about the cost-effectiveness of the Data Bank and stressed that our report offered "an incomplete and misleading picture" of the Data Bank's usefulness and impact. Among the major points it emphasized were that: (1) our report focuses on Data Bank matched reports rather than the larger universe of queries to the Data Bank, (2) some of the data we presented appeared to be inaccurate, and (3) the 49 percent of managed care organizations that failed to respond to our questionnaire may have a less positive view of the Data Bank than those who did respond.

We disagree with the AMA over the value of focusing on matches. We have done so in this and other reports because we determined that it would provide discrete, practical information about what the Data Bank actually produces for querying organizations. Such information can contribute to broader assessments of the Data Bank. On the other points raised, we (1) confirmed the accuracy of the data that was questioned and (2) have no basis for knowing if nonrespondents are more or less favorably disposed toward the Data Bank.

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INTRODUCTION

PURPOSE

To assess the usefulness and impact of information in the National Practitioner Data Bank to managed care organizations.

BACKGROUND

Since September 1, 1990, the National Practitioner Data Bank has received and maintained records of malpractice payments and adverse actions taken by hospitals, other health care entities, licensing boards, and professional societies against licensed health care practitioners. It provides hospitals and other health care entities with information relating to the professional competence and conduct of physicians, dentists, and other health care practitioners. The Data Bank was established by Title IV of the Health Care Quality Improvement Act of 1986 (P.L. 99-660), as amended, and is funded by user fees. It is operated by Unisys Corporation under contract to the Health Resources and Services Administration (HRSA) of the Public Health Service.

Hospitals are required to request information from the Data Bank about every physician and dentist who applies for appointment. Hospitals must also query about all medical and dental staff and other health care practitioners with clinical privileges at least once every 2 years. They have the option of querying about any practitioner with privileges (or who is seeking privileges) at any time. The Data Bank is intended to provide information to hospitals to help them make decisions about hiring, granting privileges to, and disciplining practitioners.

Other health care institutions, such as health maintenance organizations (HMOs), preferred provider organizations (PPOs), and group practices also query the Data Bank. In order to query, these other institutions must provide health care services and engage in professional review activity through a formal peer review process. Unlike hospitals, which are mandated to query, HMOs, PPOs, and group practices query voluntarily. However, in 1993 the National Committee for Quality Assurance issued credentialing standards that serve to encourage HMOs seeking accreditation to query the Data Bank for practitioners seeking credentials.[1]

As of February 25, 1994, the Data Bank issued 144,649 matched reports of malpractice payments or adverse actions against physicians, dentists, and other health care practitioners to querying health care entities. We summarized in detail the profiles of these "matches" in a report released in August 1994.[2] The HMOs, PPOs, and group practices received 31,377 (or 22 percent) of those 144,649 reports in response to their queries during this 3 1/2 year period. Queries and "matches" from these organizations have grown since the Data Bank was established.[3]

In February 1993, we released a report that evaluated the usefulness and impact of reports to hospitals through March 1992.[4] That report provided officials in the Department and other parties interested in the Data Bank with an early evaluation of the Data Bank's effectiveness and utility. In December 1993, the Administrator of HRSA asked us to update the information in the February 1993 report using more recent "matches." He cited significant changes in the operation of the Data Bank, a more sizable universe from which to draw experiences, and the usefulness of the report to officials in HRSA as reasons for his request. We agreed to conduct that study and issue another report.[5] In addition to that updated study, we conducted this study of the experiences of HMOs, PPOs, and group practices with using Data Bank information. For the purposes of this study we are referring to these as managed care organizations. In this report we refer to some findings of the updated hospital report, particularly where we found major differences between managed care organizations and hospitals.

METHODOLOGY

The data presented in this report are derived from a survey of HMOs, PPOs, and group practices that received reports of malpractice payments or adverse actions from the Data Bank. We drew a sample of 400 matches from the universe of 30,016 HMO, PPO, and group practice matches from March 20, 1992 through February 25, 1994 (our prior study was based on a sample from September 1, 1990 through March 19, 1992). A match occurs when a querying organization receives a report of a specific incident from the Data Bank. We received 203 useable responses, the majority (94 percent) from HMOs: 190 from HMOs, 6 from PPOs, and 7 from group practices. Our findings can be projected to the universe of 30,016 matches. Appendix A gives details of our methodology and provides information about the reports and practitioners included in the study.

We conducted this study in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

USEFULNESS: Managed care officials found nearly all Data Bank reports to be useful.

Whether a report from the Data Bank is useful to a managed care organization depends on several factors. Some factors can be determined objectively, such as whether the report provides new information or duplicates other reports, whether it is accurate, and whether the report arrives in time to be used in the privileging process. Other factors are more subjective, such as whether the report is relevant to the practitioner's competency and professionalism. Measured by both objective and subjective criteria, the Data Bank appears to provide useful information.

- Managed care officials found 96 percent of the Data Bank reports they received to be useful. This compares with 83 percent of hospital officials who found the Data Bank reports to be useful.

The above finding refers to instances when a query to the Data Bank produces a report having malpractice or adverse information on a practitioner. When making queries, managed care organizations are more likely to get responses indicating that the Data Bank has no malpractice or adverse information on a practitioner. We asked them how useful such responses are: extremely useful, very useful, moderately useful, somewhat useful, or not useful. Among the 96 percent who answered that the reports were useful, the majority designated the "extremely" or "very" useful categories. They cited documenting the privileging process, confirming other sources, and increasing confidence to explain why such responses were useful. Seventy-seven percent of the hospitals also found such responses to be extremely, very, or moderately useful.

We asked managed care officials, whether, considering all things, it was worthwhile to query the Data Bank. Ninety-five percent of them reported that it was worthwhile. They mentioned that querying was quick, easy, and helped them document their privileging process, especially in light of the National Committee for Quality Assurance accreditation standard calling for Data Bank queries.

We also asked managed care officials to rate the usefulness of the four types of Data Bank information: licensing board actions, hospital actions, malpractice payments, and professional society actions.[6] The majority rated all types as extremely useful: 79 percent rated licensing board actions as extremely useful; 75 percent, hospital actions; 68 percent, malpractice payments; and 60 percent, professional society actions. Hospitals, on the other hand, were less likely to rate adverse action reports (from hospitals or licensure boards) as useful.

- Twenty-two percent of the Data Bank reports provided information previously unknown to managed care organizations.

The managed care officials judged as useful all of the reports that provided new information and 94 percent of those that provided information they already knew.

For some managed care organizations, the Data Bank appears to fill gaps in information from other common sources, such as practitioners, malpractice insurers, and State licensure boards. For example, we found that 31 percent of the Data Bank reports provided information that practitioners did not provide themselves to the organizations. In hospitals, 42 percent of the reports provided information that the practitioners did not. Varying disclosure and privileging policies, awareness of the Data Bank, assumptions about other entities disclosing relevant information, and/or desire to withhold information could all influence the extent to which practitioners disclose details about their own backgrounds.

The Data Bank appears to be a particularly important source of information on adverse actions for some managed care organizations. The officials reported already knowing about malpractice payments more often than adverse actions. They were already aware of the information in 80 percent of the reports concerning malpractice and 58 percent of the reports concerning adverse actions.

- The managed care officials' most-often cited reason for usefulness was that the reports confirmed information about practitioners that organization officials already knew. Other common reasons cited include that the reports' help in making judgments about practitioners' professionalism and competency.

The Data Bank may in fact be filling a need for a reliable source of information. Of the Data Bank reports judged useful, 75 percent were considered useful because they confirmed information available elsewhere. Hospital officials cited that same reason for 65 percent of the reports judged useful. If the managed care officials found other sources of information to be very reliable or trustworthy, they might find Data Bank reports to be less useful because they were duplicative. Indeed, duplicative information was the reason cited by seven of the eight managed care officials who judged the reports not useful.

The second and third reasons cited more closely reflect the Data Bank's purpose to provide information on professional competence and conduct: 67 percent of the reports were considered useful because they helped organizations in judging practitioners' competency, 52 percent for judging professionalism. Hospital respondents cited those reasons less often: 32 percent for competency and 25 percent for professionalism.

The fourth reason managed care officials cited to explain usefulness was providing information unavailable elsewhere. Of the Data Bank reports judged useful, 19 percent were judged useful in part because they provided new information. For hospitals, 24 percent of the reports were considered useful for this reason.

Finally, for those pursuing accreditation from the National Committee for Quality Assurance, querying the Data Bank satisfies an accreditation standard. Several managed

care officials reported that the Data Bank reports provide important documentation for both their own privileging and the accreditation process.

- The managed care officials reported that, upon additional inquiry, 3 percent (5 of 203) of the Data Bank reports appeared inaccurate. No hospital reported that, upon additional inquiry, the Data Bank reports appeared inaccurate.

Managed care organizations have other sources for information about practitioners, which gives them the opportunity to compare information among sources. These comparisons may prompt some organizations to make further inquiries; other organizations make further inquiries as a matter of course.

In our sample, 3 percent (5) of the managed care officials reported that, upon additional inquiry, the Data Bank reports appeared inaccurate. In one case, for example, the official noted that the Data Bank wrongly characterized the type of payment and the number of practitioners involved in the payment. In another the official said the Data Bank had the wrong settlement amount. And another noted the report to be inaccurate because it included claims the malpractice insurer did not--making the Data Bank report appear to be more comprehensive than the insurer's report. These inaccuracies warrant additional scrutiny and have been called to the attention of the Public Health Service.

In our draft report, we had indicated that 5 percent (10) of the officials noted that the Data Bank reports supplied to them should have had additional information on the practitioner in question. They reported being aware of 13 sanctions (4 disciplinary actions and 9 malpractice payments) since September 1, 1990 that the Data Bank reports did not include.

Upon further inquiry since the issuance of our draft report, we found that 11 of the 13 missing actions or payments were explainable as respondent errors or as timing issues (wherein a managed care organization learned of a malpractice payment or disciplinary action from another source before it was sent to the Data Bank). In two cases, both involving malpractice payments, it appears that there may have been nonreporting to the Data Bank. We are still investigating this.

- Overall, the Data Bank's median response time to a query from a managed care organization was 23 days. With electronic queries, the median dropped to 13 1/2 days; without electronic queries, it increased to 35.

Managed care organizations can query the Data Bank two ways: electronically or through the mail. In our sample, managed care organizations obtained 53 percent of the reports electronically.

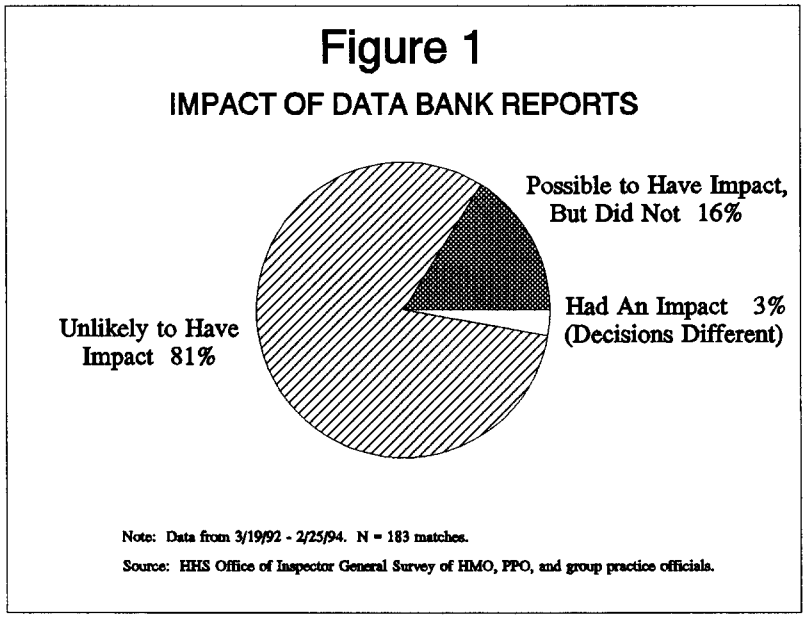
Receiving the reports in time for decisions can also be an important factor affecting usefulness. The majority of managed care organizations received their requested reports before they made their final privileging decisions (86 percent). In some cases, however,

they queried late in their decision-making process or after the decision had been made, making it impossible for the reports to arrive in a timely manner. Of the 9 percent (18) that received their reports after a decision was made, 61 percent (11), submitted their queries after they had made their decisions.

IMPACT ON DECISIONS: The managed care officials seldom made different privileging decisions than they would have made without the Data Bank reports.

The information from the Data Bank can affect managed care organizations in several ways. It may give their administrators confidence that they have complete information about their medical staffs. It may add information to practitioners' files that could be used in the future should questions arise. But Data Bank reports can have their most direct impact by affecting the outcome of decisions on practitioners who are undergoing the privileging process for the first time or for renewed credentials. For this reason, we asked managed care officials the following question: Would your decision regarding the practitioner have been different if you had not received the Data Bank report? Because our measurement of impact focused on the privileging decisions, we excluded most of the cases with pending decisions from our analysis.[7] We did include four cases with pending decisions because the managed care officials made it clear that even though the decisions were pending, they were indeed affected by the information in the Data Bank report.

Figure 1 depicts the proportion of reports that had impact, no potential for impact, and potential for impact.



- According to the managed care officials, 3 percent (5 of 183) of the Data Bank reports led them to make different decisions than they would have made without

the reports. Among the officials who did not make different decisions, 65 percent reported that the reports made them feel more confident about their decisions.

One managed care organization was involved in three of these decisions. The official there noted that the Data Bank information caused a delay in the privileging decisions that otherwise would have been made right away. In one case the Data Bank report described a $3,375 surgery-related malpractice payment and in another a $25,000 malpractice payment for a medication error.

Another managed care organization decided that, based on the information in the report, the practitioner had to undergo reprivileging every year rather than every other year as the organization policy requires. That report described a $200,000 malpractice payment related to failure to diagnose.

Finally, one managed care organization reported that, without the Data Bank report, it would have granted privileges as requested by the practitioner. Instead, it revoked the practitioner's participation in the organization. That report described a $12,500 malpractice payment related to inappropriate behavior of the practitioner and improper management of the medication regimen.

- Eighty-one percent (148 of 183) of the Data Bank reports had little chance to have an impact on managed care organizations' privileging decisions. These reports either named practitioners who did not complete the privileging process, were not received prior to the decisions, or provided information already known.

Of these 148 reports:

11 named practitioners who did not complete the privileging process. These practitioners either withdrew their applications, retired, terminated their relationship with the organization, or failed to submit a completed application.

17 were not received prior to the managed care organizations' decisions. For 10 of these reports, the organization did not query the Data Bank until after making their decisions.

120 provided information already known to the managed care organization.

We also asked managed care officials why the reports did not lead them to make different decisions. The top reason, cited by 63 percent of responding officials, was already knowing the information. The next reason, cited by 44 percent of responding officials, was that the information in the Data Bank report did not warrant restricting or denying privileges. Respondents cited other reasons less often: that the report failed to arrive in time (7 percent) and that they would have denied or restricted privileges anyway (1 percent).

- Sixteen percent (30 of 183) of the reports arrived before the managed care organizations made final privileging decisions and contained information that neither the physician nor any other source had provided, yet did not have an impact on organizations' privileging decisions.

We asked the organization officials who said their decisions would not have been different without the Data Bank report why that was so. Of the responding officials, 63 percent said that at least part of the reason the reports failed to have impact was that the reports did not indicate a problem warranting restricting or denying privileges. The organizations considered all of these reports useful even though they had no impact on privileging decisions.

CONCLUSION

The information in this report contributes to an understanding of the usefulness and impact of the Data Bank in managed care organizations. Almost all--96 percent--managed care organizations receiving information from the Data Bank find it useful. In fact, this percent is considerably higher than the percent of hospitals finding the information useful (83 percent). At the same time, our data reveal that Data Bank reports seldom affect privileging decisions of managed care organizations.

During this and prior inspections on the Data Bank, we have become ever more aware of differing expectations of the Data Bank. Thus, any assessments of the Data Bank's usefulness and impact will depend heavily on how these expectations are expressed and on the relative emphasis given to them. In that context, we offer the following concluding observations concerning three important expectations about the Data Bank.

- ***Data Bank as a Reliable, Centralized Source of Information.*** In the sense that the Data Bank is expected to serve as such a source of information about adverse actions and medical malpractice payments, it seems to be working quite well. It is a timely, accurate source that is widely regarded as useful--mainly because it confirms information available from other (presumably less reliable) sources.

- ***Data Bank as a Unique Source of Information.*** In the sense that the Data Bank is expected to serve as a unique source of information--that is, one unavailable elsewhere--it clearly has some value. In our sample, 22 percent of the reports provided new information to managed care organizations. That 22 percent projects to 6,483 reports providing new information to managed care organizations over a period of almost 2 years.[8]

- ***Data Bank as a Mechanism to Prevent Incompetent and/or Unprofessional Practitioners from Practicing in HMOs, PPOs, or Group Practices.*** Clearly this is the most ambitious and controversial of these expectations. It is also the one most difficult to assess without more information. In one sense, the fact that 3 percent of reports are having an impact on privileging decisions may seem inappropriately low. It may suggest that managed care organizations are overly reluctant to take adverse actions against incompetent and/or unprofessional practitioners.

  Yet, to the extent that only a small percent of practitioners are unfit to practice, one may argue that nothing is necessarily inappropriate about 3 percent of reports, which projects to 930 reports over a period of almost 2 years, having an impact on privileging decisions.[9] These 930 reports involve hundreds of practitioners and affect thousands of patients they serve. Finally, it is important to recognize that the very existence of the Data Bank may deter some unfit practitioners from even applying to managed care organizations for practice privileges and may encourage other practitioners to be more forthcoming in the applications they submit for managed care organization privileges.

COMMENTS ON THE DRAFT REPORT

We solicited and received comments on the draft report from the Public Health Service (PHS), the Assistant Secretary for Planning and Evaluation (ASPE), the National Committee on Quality Assurance (NCQA), and the American Medical Association (AMA). We include the complete text of their comments in appendix C. Below we summarize the comments of the respondents and, in italics, offer our response.

PHS COMMENTS

The PHS expressed its appreciation for our efforts and indicated that the report would be "helpful." It called for one minor change in the background section of the report where we explain the Data Bank law. *We appreciate the positive response from PHS. We made the change requested.*

ASPE COMMENTS

The ASPE commented that the purpose of our inquiry was "commendable" and that the survey methodology seemed "appropriate." It added, however, that the conclusions we drew "are a matter of interpretation and that the findings of the report could be used to support conclusions other than those supported by the OIG." It recommended that we discuss why we conclude that the Data Bank is useful when some evidence in the report might be used to reach a contrary conclusion.

We did not draw the conclusion, as ASPE stated, that the Data Bank is useful. In our concluding section, we pointed out that the data in the report contribute to an understanding of the usefulness and impact of the Data Bank. We indicated that assessments of usefulness and impact will depend heavily on one's expectations of the Data Bank and the relative emphasis given to them. We then offered some pertinent observations concerning each of three sets of expectations.

The ASPE also commented that our major finding that supports the usefulness of Data Bank reports is based on only 60 of 200 respondents, or 30 percent of the sample answering question 27. Therefore, ASPE suggested: "One could interpret this finding to indicate that only 30% of the sample could answer positively."

Our major finding that 96 percent of managed care officials found Data Bank reports to be useful was based on 177 positive responses (96 percent) from managed care officials answering question 30, not question 27. The 177 respondents answering positively to question 27 represent 87 percent of all those questioned.

NCQA COMMENTS

The NCQA indicated that it was "heartening" that most respondents found Data Bank reports to be useful, but "disturbing" that some queries to the Data Bank were made after the credentialing decisions had been made. It also offered some clarification concerning

NCQA credentialing standards. *We made minor changes in our text in accord with NCQA's clarifications on its credentialing standards.*

AMA COMMENTS

The AMA concluded that our report provided "an incomplete and misleading picture" of the Data Bank, which it increasingly believes "is neither a reliable nor a cost effective mechanism..." The AMA's overarching concern about the report is that it focuses on the universe of Data Bank matches rather than the much larger universe of queries made to the Data Bank. In this context, it urged that we incorporate more information about queries into the report and that we clarify in our background section that the reports we are addressing are "matched" reports.

The AMA questioned the accuracy of our statement that 42 percent of reports to hospitals provided information that practitioners themselves did not report to the hospitals. It based this concern on a reference made in our parallel report on hospitals that noted that 28 percent of the matched reports provided information previously unknown to hospital staffs. The AMA also questioned the accuracy of our finding that 3 percent of Data Bank reports to managed care organizations led these organizations to make different decisions than they would have made otherwise. However, it did not elaborate on why it felt that this percentage might be inaccurate.

Other observations that the AMA offered were (1) that the 49 percent of managed care organizations that failed to respond to our questionnaire may have a less positive reaction to the Data Bank than those that did respond, (2) that the reasons for querying the Data Bank may help explain respondent assessments of the Data Bank, and (3) that two of our findings warrant further investigation. These were the findings that 3 percent (5) Data Bank reports appeared to be inaccurate and that Data Bank response time to reports not made electronically had increased.

We disagree with the AMA over the value of focusing on Data Bank matches. We have done so because we concluded that it would provide discrete, practical information about what the Data Bank actually produces for querying organizations. Such information can contribute to broader assessments of the worth of the Data Bank.

We have not provided additional profile information about the Data Bank in the report. We provided a considerable amount of such information in a prior report entitled, "National Practitioner Data Bank: Profile of Matches Update (OEI-01-00031)." However, as the AMA suggested, we have clarified, in the background section of the report, that the Data Bank reports we are referring to are "matched" reports.

Our statement that 42 percent of reports to hospitals provided information that practitioners themselves did not report is, in fact, correct. The 28 percent that the AMA referred to does not apply to the same universe, but rather to the larger universe of reports coming from any non-Data Bank source, not just practitioners. Our finding that 3 percent of the respondents informed us that Data Bank reports led them to make different decisions than they would have made without the reports is accurate. It is not clear to us why the AMA questions the accuracy of this finding.

In regard to the AMA's final points, we (1) have no basis for knowing whether nonrespondents are more or less favorably disposed toward the Data Bank, (2) agree that knowing the reasons for querying the Data Bank could help explain respondent assessments (but we are unable to conduct such inquiry at this time), and (3) believe that the two findings noted by AMA warrant scrutiny and have called them to the attention of the Public Health Service.

APPENDIX A

METHODOLOGY

We collected the data presented in this report through a mail survey of health maintenance organizations (HMOs), preferred provider organizations (PPOs), and group practices conducted from May to July 1994. We drew our sample from the universe of all Data Bank matches involving HMOs, PPOs, and group practices between March 20, 1992 and February 25, 1994. A match is a pairing of a report and a query to the Data Bank that name the same practitioner. We requested and received from Unisys Corporation, the Data Bank contractor, a computer file containing records of all Data Bank queries and reports that identified the same practitioner. We restructured and analyzed the data using SAS® Release 6.08 on a mainframe computer and Version 6.04 of the SAS® System for Personal Computers.

We drew a simple random sample of 400 matches from the universe of 30,016 matches involving HMOs, PPOs, and group practices. In May 1994, we mailed a questionnaire about each report to the organization involved. There were 144 managed care organizations that received questionnaires:

- 69 organizations were each sent questionnaires on 1 practitioner;
- 26 were each sent questionnaires on 2 different practitioners (1 received 2 reports about 1 practitioner);
- 22 were each sent questionnaires on 3 different practitioners (1 received 2 reports about 1 practitioner);
- 14 were each sent questionnaires on 4 different practitioners (1 received 2 reports about 1 practitioner).
- 3 were each sent questionnaires on 5 different practitioners;
- 3 were each sent questionnaires on 6 different practitioners;
- 1 was sent questionnaires on 7 different practitioners;
- 1 was sent questionnaires on 8 different practitioners;
- 1 was sent questionnaires on 10 different practitioners;
- 2 were sent questionnaires on 11 different practitioners;
- 1 was sent questionnaires on 13 different practitioners; and,
- 1 was sent questionnaires on 61 different practitioners.

We followed with a second mailing to nonrespondents. All responses used in the analysis were received by July 20, 1994. Appendix B shows the questionnaire and simple frequencies.

Questionnaires were addressed to the person whose name appeared on the original query to the Data Bank. Most respondents held the position of medical staff coordinator or the equivalent.

Our response rate was 51 percent (203). Most of the responses (93 percent) concerned malpractice reports; 7 percent concerned adverse action reports. Overall, malpractice matches accounted for 89.5 percent of the universe of matches, so the distribution of report types in our response was similar.

Ninety-four percent of the respondents were HMOs; 3 percent PPOs; and 3 percent group practices.

Sixty-eight percent of the respondents queried the Data Bank on initial privileging or employment applications, 11 percent on the 2-year review requirements, and 21 percent queried for professional review purposes. Of the 14 responses based on adverse actions, half were State licensing board actions and half were hospital clinical privileges actions. Ninety-eight percent of the respondents queried about physicians (the other practitioners were dentists and podiatrists). The specialties of the physicians are listed in table A.

There were 88 organizations represented in the responses:

- Of the 69 organizations sent questionnaires on 1 practitioner, 42 responded;
- Of the 26 sent questionnaires on 2 practitioners, 18 responded (1 for 1 practitioner, 17 for 2);
- Of the 22 sent questionnaires on 3 practitioners, 14 responded (2 for 2 practitioners, 12 for 3);
- Of the 14 sent questionnaires on 4 practitioners, 7 responded;
- Of the 3 sent questionnaires on 5 practitioners, none responded;
- Of the 3 sent questionnaires on 6 practitioners, 3 responded;
- The 1 sent questionnaires on 7 practitioners did not respond;
- The 1 sent questionnaires on 8 practitioners responded;
- The 1 sent questionnaires on 10 practitioners did not respond;
- Of the 2 sent questionnaires on 11 practitioners, 2 responded (1 for 9 practitioners and 1 for 11)

- The 1 sent questionnaires on 13 practitioners responded; and,

- The 1 sent questionnaires on 61 practitioners did not respond.

Unless otherwise noted, survey results presented as percentages have a margin of error of approximately 5 percent at the 95 percent confidence level. For example, we are 95 percent confident that the true percentage of Data Bank reports judged useful is between 78 and 88 percent (83 percent plus or minus 5 percent). Confidence intervals for the statistics presented in this report are summarized in table B.

TABLE A
TYPES OF PRACTITIONERS

TYPE OF PRACTITIONER	NUMBER OF MATCHES	PERCENTAGE OF MATCHES
TOTAL	203	100.0%
PHYSICIANS	199	98.0
Obstetrics and Gynecology	34	16.7
General Surgery	25	12.3
Orthopedic Surgery	20	9.9
Family Medicine	16	7.9
Pediatrics	11	5.4
Missing or Miscoded	11	5.4
Neurological Surgery	10	4.9
Internal Medicine	8	3.9
Ophthalmology	8	3.9
General Medicine	7	3.4
Cardiology	6	3.0
Eye, Ear, Nose, and Throat	5	2.5
Urology	5	2.5
Anesthesiology	4	2.0
Thoracic Surgery	4	2.0
Plastic Surgery	4	2.0
Oncology	3	1.5
Pulmonary Medicine	3	1.5
Radiology	3	1.5
Osteopathic Gynecology	2	1.0
Psychiatry	2	1.0
Allergy	1	0.5
Cardiac Surgery	1	0.5
Gastroenterology	1	0.5
Hematology	1	0.5
Infectious Diseases	1	0.5
Neonatology	1	0.5
Pathology	1	0.5
Perinatology	1	0.5
DENTISTS and ORAL SURGEONS	2	1.0
PODIATRISTS	2	1.0

Source: OIG Survey of HMOs, PPOs, and Group Practices, May - July, 1994.

TABLE B CONFIDENCE INTERVALS FOR KEY STATISTICS			
Description	Page	Value (%)	95% Confidence Interval (+ or -)
Proportion of reports considered useful	3	95.7%	2.9%
Proportion of respondents who consider it worthwhile--"all things considered"--to query the Data Bank	3	95.0	3.4
Proportion of respondents rating reports without adverse information extremely or very useful	3	58.1	7.5
Proportion of respondents rating reports without adverse information moderately useful	3	23.9	6.5
Proportion of respondents rating licensing board actions extremely useful	3	78.6	6.2
Proportion of respondents rating hospital actions extremely useful	3	74.6	6.6
Proportion of respondents rating malpractice payments extremely useful	3	68.0	7.0
Proportion of respondents rating professional society actions extremely useful	3	59.6	7.5
Proportion of reports providing information previously unknown	3	21.6	5.9
Proportion of reports providing information previously unknown considered useful	3	100.0	0
Proportion of reports providing information that the practitioner did not self-report	4	30.5	6.6
Proportion of malpractice reports of which managed care organizations were aware	4	79.8	5.9
Proportion of malpractice reports of which managed care organizations were aware	4	58.3	27.9
Proportion of respondents who considered reports useful because they confirmed information available elsewhere	4	74.7	6.4
Proportion of respondents who considered reports useful because they helped judge competency	4	66.7	6.9
Proportion of respondents who considered reports useful because they helped judge professionalism	4	51.9	7.4
Proportion of respondents who considered reports useful because they provide information unavailable elsewhere	4	18.6	5.7
Proportion of respondents that, upon additional inquiry, found the reports to be inaccurate	5	2.9	2.3
Proportion of respondents that reported the Data Bank reports to be incomplete	5	4.9	3.0
Proportion of reports obtained electronically	5	52.7	7.1

Proportion of reports that arrived prior to final decisions	5	86.2	5.9
Proportion of reports that arrived after the decision	5	9.3	4.2
Proportion of reports that were not "on time" because of a late query	5	58.8	23.4
Proportion of reports with decisions pending	6	11.8	4.4
Proportion of reports that made a difference in a decision	6	3.1	2.7
Proportion of reports that made respondent feel more confident about a decision	7	65.2	8.0
Proportion of reports that had little chance of impact	7	80.8	5.7
Proportion of reports that named practitioners who did not complete the credentialing process	7	6.0	3.4
Proportion of reports providing information already known (though received "on time")	7	65.6	6.9
Proportion of reports where respondents said at least part of the reason for no impact was that reports gave them information of which they were already aware	7	62.7	7.7
Proportion of reports where respondents said at least part of the reason for no impact was that reports did not warrant restricting or denying privileges	7	43.7	7.9
Proportion of reports where respondents said at least part of the reason for no impact was that reports did not arrive in time	7	7.2	4.1
Proportion of reports where respondents said at least part of the reason for no impact was that they would have denied or restricted privileges anyway	7	2.0	2.2
Proportion of reports that could have had impact but did not	8	16.4	5.4
Proportion of reports that could have had impact and respondents indicated that the report did not warrant restricting or denying privileges	8	63.3	17.3
Proportion of reports that could have had impact but did not that were considered useful	8	100	0

APPENDIX B

SUMMARY OF MANAGED CARE ORGANIZATION RESPONSES TO OIG MAIL SURVEY

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

USE AND UTILITY OF THE NATIONAL PRACTITIONER DATA BANK

NOTE: The first 32 questions in this survey concern the case of Practitioner A, whose identity is given on the last page of this questionnaire. Unless otherwise specified, please confine your responses to your knowledge of the particular practitioner and event referred to on that page.

BASIC FACTS AND CHRONOLOGY

1	What is Practitioner A's specialty? *31 different specialties represented*		1
2	On what date did Practitioner A sign an application requesting privileges (either new or continued)?	*wide range of dates*	2
3	On what date did you request information about Practitioner A from the National Practitioner Data Bank?	*wide range of dates*	3
4	Did you request information about Practitioner A using electronic querying methods (QPRAC)?	*Yes: 99* *No: 89* *Missing: 15*	4
5	On what date did you receive a response from the Data Bank? *(Write "NR" if you have not yet received a response.)*	*wide range of dates* *5 had not received a response yet*	5
6	On what date did your organization make its initial decision regarding Practitioner A's privileges? *(Write "PENDING" if the organization's initial decision has not yet been made, then skip to 15.)*	*wide range of dates* *15 initial decisions were pending*	6
7	Was your organization's *initial* decision a temporary one pending further information?	*Yes: 38* *No: 128* *Missing: 37* (If no, skip to 9)	7
8	*(Skip if you answered NO to 7)* On what date did your organization make its final decision regarding Practitioner A's privileges? *(Write "PENDING" if organization's final decision has not yet been made, then answer 9 through 14 with respect to the organization's initial decision.)*	*wide range of dates* *9 final decisions pending*	8
9	Were privileges granted to Practitioner A as requested by Practitioner A?	*Yes: 158* *No: 5* *Missing: 40* (If yes, skip to 15)	9
10	*(Skip if you answered YES to 9)* Were Practitioner A's privileges denied (for initial application) or revoked (for renewal application)?	*Yes: 2* *No: 2* *Missing: 1* (If yes, skip to 15)	10

11	*(Skip if you answered YES to 9 or 10)* Were Practitioner A's privileges restricted or amended in any way?	*Yes: 1* *No: 1* *Missing: 3* (If no, skip to 15)	11
12	*(Skip if you answered YES to 9 or 10 or NO to 11)* In what way were Practitioner A's privileges restricted or amended?		12
a	All privileges suspended (IF YES, FOR HOW LONG?_____)	*Yes: 0*	a
b	May not perform certain procedures	*Yes: 0*	b
c	May perform certain procedures only with another practitioner	*Yes: 0*	c
d	May co-admit patients only	*Yes: 0*	d
e	Mandatory consultation for certain conditions	*Yes: 0*	e
f	Mandatory review before patient admission or discharge	*Yes: 0*	f
g	Proctor assigned to review Practitioner A's work	*Yes: 0*	g
h	Other (IF YES, SPECIFY:_____ _____)	*Yes: 1*	h
13	*(Skip if you answered YES to 9 or 10 or NO to 11)* Were these restrictions on Practitioner A's privileges in place prior to the application?	*Yes: 0* *No: 1* *Missing: 4*	13
14	*(Skip if you answered YES to 9 or 10 or NO to 11)* Which of the following best describes the restrictions applied to Practitioner A's privileges?	*(Check one)*	14
a	Routine (*e.g.*, procedure(s) not approved in this organization, restriction applied to all new hires, etc.)	*0*	a
b	Specific to Practitioner A (*e.g.*, applied because of particular event(s) in Practitioner A's history)	*1*	b
15	Were any other actions taken with regard to Practitioner A's employment, privileges, or credentials (*e.g.*, education requirements, drug testing, etc.)? (IF YES, EXPLAIN: _____ _____ _____)	*Yes: 0* *No: 1* *Missing: 4*	15

AVAILABILITY AND ACCURACY OF INFORMATION

16	Were you aware, from sources other than the Data Bank, of the adverse action or malpractice payment mentioned on the last page of this form?	*Yes: 149* *No: 41* *Missing: 13* (If no, skip to 19)	16
17	*(Skip if you answered NO to 16)* From which of the following sources were you aware of the adverse action or malpractice payment?		17
a	Practitioner A (self-report)	*Yes: 132* *No: 16* *Missing: 14* *N/A: 41*	a
b	Licensing board in your state	*Yes: 10* *No: 137* *Missing: 15* *N/A: 41*	b
c	Licensing board in another state	*Yes: 1* *No: 146* *Missing: 15* *N/A: 41*	c
d	Malpractice insurer in your state	*Yes: 53* *No: 94* *Missing: 15* *N/A: 41*	d
e	Malpractice insurer in another state	*Yes: 4* *No: 143* *Missing: 15* *N/A: 41*	e
f	Hospital in your state	*Yes: 12* *No: 135* *Missing: 15* *N/A: 41*	f
g	Hospital in another state	*Yes: 1* *No: 146* *Missing: 15* *N/A: 41*	g
h	Professional society in your state	*Yes: 2* *No: 145* *Missing: 15* *N/A: 41*	h
i	Professional society in another state	*Yes: 0* *No: 147* *Missing: 15* *N/A: 41*	i

j	Other source in your state (IF YES, SPECIFY: _____)	*Yes: 11* *No: 136* *Missing: 15* *N/A: 41*	j
k	Other source in another state (IF YES, SPECIFY: _____)	*Yes: 1* *No: 146* *Missing: 15* *N/A: 41*	k
18	*(Skip if you answered NO to 16)* Was the information you received in the Data Bank response inconsistent in any way with the information reported by any of the above sources? (IF YES, WHICH SOURCES? _____ _____ _____)	*Yes: 27* *No: 111* *Missing: 65*	18
19	Did you make additional inquiries (for example, to a malpractice insurer or a hospital) to confirm the accuracy of the Data Bank response or to obtain more detailed information on its content?	*Yes: 49* *No: 139* *Missing: 15* (If no, skip to 21)	19
20	*(Skip if you answered NO to 19)* Did your additional inquiries show the Data Bank response to be accurate? (IF NO, EXPLAIN: _____ _____ _____)	*Yes: 39* *No: 5* *Missing: 158*	20

NOTE: Questions 21-24 refer to the entire Data Bank response, not just to the report attached to this questionnaire. Therefore, if you received more than one report from the Data Bank on Practitioner A, please consider them all in answering Questions 21-24.

21	Were you aware of any disciplinary actions, or malpractice payments involving Practitioner A that were <u>not</u> contained in the response from the Data Bank?	*Yes: 39* *No: 149* *Missing: 15* (If no, skip to 25)	21
22	*(Skip if you answered NO to 21)* How many disciplinary actions and malpractice payments were you aware of that were <u>not</u> contained in the response from the Data Bank?		22
a	Number of disciplinary actions	*4 resp. aware of 1* *2 aware of 2* *1 aware of 4*	a
b	Number of malpractice payments	*20 resp. aware of 1* *10 aware of 2* *2 aware of 3* *1 aware of 4* *1 aware of 7*	b

23	*(Skip if you answered NO to 21)* How many of these disciplinary actions and malpractice payments occurred <u>after</u> September 1, 1990?		23
a	Number of disciplinary actions	*2 resp. aware of 1* *1 aware of 2*	a
b	Number of malpractice payments	*7 resp. aware of 1* *1 aware of 2*	b
24	*(Skip if you answered NO to 21)* Which of the following sources provided information about disciplinary actions or malpractice payments that were <u>not</u> contained in the response from the Data Bank?		24
a	Practitioner A (self-report)	*Yes: 32*	a
b	Licensing board in your state	*Yes: 1*	b
c	Licensing board in another state	*Yes: 0*	c
d	Malpractice insurer in your state	*Yes: 17*	d
e	Malpractice insurer in another state	*Yes: 1*	e
f	Hospital in your state	*Yes: 3*	f
g	Hospital in another state	*Yes: 0*	g
h	Professional society in your state	*Yes: 0*	h
i	Professional society in another state	*Yes: 0*	i
j	Other source in your state (IF YES, SPECIFY: _____)	*Yes: 1*	j
k	Other source in another state (IF YES, SPECIFY: _____)	*Yes: 0*	k

CONSIDERATION OF INFORMATION

25	Based on the notes in Practitioner A's file and your personal knowledge of Practitioner A's application, which of the following people or groups had access to and used the response from the Data Bank in making a decision regarding Practitioner A's application?		25
a	Department chair	*Yes: 32* *No: 23* *Missing or N/A: 148*	a
b	Chief of medical staff	*Yes: 52* *No: 19* *Missing or N/A: 132*	b
c	HMO/PPO/Group Practice administration (CEO, Vice President, etc.)	*Yes: 99* *No: 27* *Missing or N/A: 77*	c
d	Credentials committee	*Yes: 176* *No: 5* *Missing or N/A: 22*	d
e	Medical staff executive committee	*Yes: 26* *No: 24* *Missing or N/A: 153*	e
f	HMO/PPO/Group Practice board subcommittee	*Yes: 35* *No: 39* *Missing or N/A: 129*	f
g	Full HMO/PPO/Group Practice board	*Yes: 17* *No: 43* *Missing or N/A: 143*	g

UTILITY OF INFORMATION

26	Including the report on the last page, how many Data Bank reports on Practitioner A did you receive in total from this request?	*131 resp. rec'd 1* *48 rec'd 2* *10 rec'd 3* *2 rec'd 4* *1 rec'd 5* (If 1, skip to 30)	26
27	*(Skip if you answered "1" to 26)* Overall, was the information contained in the complete Data Bank response (*i.e.*, all reports combined) useful to you?	*Yes: 59* *No: 1* *Missing or N/A: 143*	27
	IF YES, WHY?	*(Check all that apply)*	
a	Information was unavailable elsewhere	*Yes: 16*	a
b	Information confirmed other reports that were available elsewhere	*Yes: 45*	b
c	Information helped us to judge practitioner's competency	*Yes: 42*	c
d	Information helped us to judge practitioner's professionalism	*Yes: 26*	d
e	Other (EXPLAIN: _____)	*Yes: 2*	e
	IF NO, WHY NOT?	*(Check all that apply)*	
f	Information was available elsewhere	*Yes: 0*	f
g	Information was inaccurate	*Yes: 0*	g
h	Information did not help us to judge practitioner's competency or professionalism	*Yes: 1*	h
i	Information was not provided in a timely manner	*Yes: 0*	i
j	Other (EXPLAIN: _____)	*Yes: 1*	j
28	*(Skip if you answered "1" to 26)* Would your decision regarding Practitioner A have been different if you had <u>not</u> received the reports from the Data Bank?	*Yes: 1* *No: 41* *Missing or N/A: 161*	28
	IF YES, HOW *(then skip to 31)*?	*(Check one)*	
a	Would have granted requested privileges	*Yes: 1*	a
b	Would not have granted requested privileges	*Yes: 0*	b

c	Would have restricted privileges	*Yes: 0*	c
d	Would not have restricted privileges	*Yes: 0*	d
e	Other (EXPLAIN: _____)	*Yes: 0*	e
	IF NO, WHY NOT?	*(Check all that apply)*	
f	Would have restricted or denied privileges anyway	*Yes: 0*	f
g	Already knew, from other sources, about information reported in Data Bank responses	*Yes: 25*	g
h	Data Bank responses did not indicate a problem that warranted restricting or denying privileges	*Yes: 18*	h
i	Did not receive Data Bank responses in time to affect decision	*Yes: 2*	i
j	Other (EXPLAIN: _____)	*Yes: 0*	j

29	*(Skip if you answered "YES" to 28)* Did the reports you received make you feel more confident, less confident, or no different about the decision you made regarding Practitioner A?	*(Check one)* *Missing or N/A: 165*	29
a	More confident	*27*	a
b	Less confident	*1*	b
c	No different	*10*	c

30	Overall, was the information contained in the Data Bank report on the last page useful to you?	*Yes: 177* *No: 8* *Missing: 18*	30
	IF YES, WHY?	*(Check all that apply)*	
a	Information was unavailable elsewhere	*Yes: 33*	a
b	Information confirmed other reports that were available elsewhere	*Yes: 133*	b
c	Information helped us to judge practitioner's competency	*Yes: 118*	c
d	Information helped us to judge practitioner's professionalism	*Yes: 92*	d
e	Other (EXPLAIN: _____)	*Yes: 17*	e
	IF NO, WHY NOT?	*(Check all that apply)*	
f	Information was available elsewhere	*Yes: 7*	f

g	Information was inaccurate	*Yes: 0*	g
h	Information did not help us to judge practitioner's competency or professionalism	*Yes: 2*	h
i	Information was not provided in a timely manner	*Yes: 0*	i
j	Other (EXPLAIN: _____)	*Yes: 2*	j
31	Would your decision regarding Practitioner A's privileges have been different if you had not received the report on the last page from the Data Bank?	*Yes: 5* *No: 156* *Missing: 42*	31
	IF YES, HOW?	*(If YES, check one.)*	
a	Would have granted requested privileges	*Yes: 1*	a
b	Would not have granted requested privileges	*Yes: 0*	b
c	Would have restricted privileges	*Yes: 0*	c
d	Would not have restricted privileges	*Yes: 0*	d
e	Other (EXPLAIN: _____)	*Yes: 4*	d
	IF NO, WHY NOT?	*(Check all that apply)*	
f	Would have restricted or denied privileges anyway	*Yes: 3*	f
g	Already knew, from other sources, about information reported in Data Bank response	*Yes: 96*	g
h	Data Bank response did not indicate a problem that warranted restricting or denying privileges	*Yes: 67*	h
i	Did not receive Data Bank response in time to affect decision	*Yes: 11*	i
j	Other (EXPLAIN: _____)	*Yes: 2*	j
32	*(Skip if you answered "YES" to 31)* Did the report you received make you feel more confident, less confident, or no different about the decision you made regarding Practitioner A?	*(Check one)* *Missing: 58*	32
a	More confident	*90*	a
b	Less confident	*2*	b
c	No different	*46*	c

NOTE: The remaining questions do not concern the specific case of Practitioner A, but rather your general experience with and attitudes about the Data Bank.

GENERAL QUESTIONS ON THE NATIONAL PRACTITIONER DATA BANK

33 How, if at all, have the other parts of your credentialing procedures been affected by the availability of the Data Bank? 33

72 respondents discussed how the Data Bank helps confirm other sources of information, identifies problems, and provides extra detail, 19 discussed how the Data Bank is required for credentialing, 19 discussed how the Data Bank has aided streamlining in the credentialing process by eliminating the need for other sources, and 9 discussed how the Data bank has added costs and delays to the credentialing process. A host of other issues were also mentioned.

Please rate the following four types of information maintained in the Data Bank in terms of their usefulness to you--in practice or in theory--in the practitioner credentialing process. (Let 1 = extremely useful and 4 = not at all useful.) 34

a	Hospital disciplinary actions/privilege restrictions	RATING: *Mean: 1.43* *S.D.: 0.89*	a
b	Licensing board actions	RATING: *Mean: 1.43* *S.D.: 0.93*	b
c	Malpractice payments	RATING: *Mean: 1.53* *S.D.: 0.86*	c
d	Professional society disciplinary actions	RATING: *Mean: 1.90* *S.D.: 1.22*	d

How useful to you are responses from the Data Bank that do not list any adverse information? *(Check one)* 35

Missing: 29

a	Extremely useful	*49*	a
b	Very useful	*48*	b

c	Moderately useful *40*		c
d	Somewhat useful *15*		d
e	Not useful *15*		e
	Please explain: *68 explained it was useful because it provides documentation for the credentialing process, it confirmed other sources, or increased confidence; 14 mentioned concerns about the timeliness, adequacy, and completeness of data available in the data Bank, and; 3 mentioned it was not useful because it repeats information in the query.*		
34	All things considered, do you feel it is worthwhile to query the Data Bank?	*Yes: 153* *No: 8* *Missing: 42*	36
	Please explain: *93 mentioned that the Data Bank confirms other sources, documents the Data credentialing process, or is quick and easy; 5 mentioned it is not worth the time nor cost when information is readily available elsewhere, and; 3 mentioned that the Data Bank lacks historical information or may be incomplete due to hospitals not filing.*		
35	What kind of information <u>not</u> currently maintained by the Data Bank would be useful to you?		37
36	Please list any additional comments and suggestions you have about the operation of the National Practitioner Data Bank.		38

This is the end of the survey. Thank you for taking the time to complete it. Please return your completed survey in the business-reply envelope to:

Office of Evaluation and Inspections
Office of Inspector General
U.S. Department of Health and Human Services
Room 2475, J.F.K. Federal Building
Boston, MA 02203

If you have questions, please call David Veroff or Barry McCoy at 617-565-1050.

APPENDIX C

COMPLETE COMMENTS ON THE DRAFT REPORT

DEPARTMENT OF HEALTH & HUMAN SERVICES — Public Health Service

Memorandum

Date: FEB 21 1995

From: Assistant Secretary for Health

Subject: Office of Inspector General (OIG) Draft Reports on the **Usefulness and Impact of National Practitioner Data Bank Reports to Hospitals and Managed Care Organizations,** OEI-01-94-00030 and OEI-01-94-00032

To: Inspector General, OS

Attached are the Public Health Service comments on the subject OIG draft reports. We appreciate the efforts of OIG staff in developing these reports. We offer only a few general comments and a suggested editorial change.

Philip R. Lee, M.D.

Attachment

PUBLIC HEALTH SERVICE (PHS) COMMENTS ON THE OFFICE OF INSPECTOR GENERAL (OIG) DRAFT REPORTS ON THE USEFULNESS AND IMPACT OF THE NATIONAL PRACTITIONER DATA BANK TO HOSPITALS AND MANAGED CARE ORGANIZATIONS, OEI 01-94-00030 AND OEI-01-94-00032, DECEMBER 1994

The OIG inspections were performed at the request of the Health Resources and Services Administration (HRSA). The HRSA asked OIG to update the February 1993 inspection report on the usefulness and impact of National Practitioner Data Bank reports to hospitals, and to consider the Data Bank's relevance to managed care organizations.

We appreciate the efforts of the OIG staff and their cooperation with program officials in HRSA in developing these reports. These reports reflect many of the changes that we suggested to OIG staff during the exit conference and on subsequent occasions. We believe that these reports will be helpful in administering the program.

Nevertheless, we believe that a wording change is needed to provide greater clarity in the "Background" section of the Executive Summary of both reports. The first paragraph in these sections states that "[H]ospitals are required to request information from the Data Bank about every physician and dentist who applies for appointment (they must query at least every two years)." The requirement might be better understood by readers if the parenthetical phrase was deleted and replaced with the following sentence: "In addition, hospitals must query at least once every two years on every practitioner who is on their medical staff or who has privileges."

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

FEB 27 1995

To: June Gibbs Brown
Inspector General

From: Assistant Secretary for
Planning and Evaluation

Subject: OIG Draft Reports on the Usefulness and Impact of the National Practitioner Data Bank

I have reviewed two draft inspection reports entitled, "National Practitioner Data Bank Reports to Hospitals: Their Impact and Usefulness" and "National Practitioner Data Bank Reports to Managed Care Organizations: Their Impact and Usefulness." The purpose of the surveys, as indicated in the titles, is to determine if the users consider the data bank to be useful in making decisions about granting privileges to physicians. The purpose of OIG's inquiry is commendable and the survey methodology seems appropriate.

I think, however, that the conclusions drawn by OIG are a matter of interpretation and that the findings of the report could be used to support conclusions other than those drawn by OIG. For example, the findings from the survey of managed care entities suggest that the data bank is, contrary to OIG's contention, duplicative as indicated by the following responses.

> Officials said they seldom or rarely relied on a report from the data bank in deciding to deny privileges. In fact, only 8% (questionnaire item 27, page 8) of the information was reported unavailable elsewhere. This implies that 92% found the information available elsewhere.

> The major finding that supports the OIG's conclusion of data bank usefulness is the answer to the question, "Overall, was the information contained in the complete Data Bank response (i.e., all reports combined) useful to you?" (questionnaire item 27, page 8). Of those who answered, 96% said yes; however, only 60 of 200 respondents or 30% of the sample answered the question. One could interpret this finding to indicate that only 30% of the sample could answer positively.

I recommend that OIG discuss why its conclusion that the data bank is useful is a better reading of the evidence than the conclusion reached above.

David T. Ellwood

Prepared by: Mary Byrnes 690-7388

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NCQA

January 23, 1995

Ms. June Gibbs Brown
Inspector General
Office of the Inspector General
Department of Health and Human Services
330 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Ms. Brown:

I read with interest the draft inspection report, "National Practitioner Data Bank Reports to Managed Care Organizations: Their Usefulness and Impact," OEI-01-94-00032. It was heartening to learn that managed care organizations find the majority of reports they receive from the National Practitioner Data Bank (NPDB) to be useful. Conversely, it was disturbing to note that some queries to the NPDB occur after a privileging decision has already been made.

I would like to offer one point of clarification relative to the report's references to National Committee for Quality Assurance (NCQA) credentialing standards (contained on pages 3 and 4). NCQA standards state that the managed care organization should request information from the NPDB. We have clarified this statement as applicable to those organizations that are required to participate in the NPDB. Organizations which do not participate in the NPDB may meet the standard by requesting a malpractice history of the applicant, and requesting five years of malpractice history from the malpractice carrier, and requesting information on the application regarding actions taken by hospitals and managed care organizations that limited, suspended or abolished the practitioner's privileges, and querying the Federation of State Medical Boards. I hope that this clarification is useful to you as you prepare the final report.

Thank you for the opportunity to review this report prior to its release.

Sincerely,

Margaret E. O'Kane
President

American Medical Association
Physicians dedicated to the health of America

James S. Todd, MD
Executive Vice President

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February 1, 1995

The Honorable June Gibbs Brown
Inspector General
Office of Inspector General
Department of Health & Human Services
330 Independence Avenue, Sw - Room 5246
Cohen Building
Washington, D.C. 20201

RE: Draft Inspection Report, *National Practitioner Data Bank Reports to Managed Care Organizations: Their Usefulness and Impact*

Dear Inspector General Brown:

The American Medical Association (AMA) is pleased to respond to your request for comments on the Office of Inspector General's (OIG) draft inspection report, *National Practitioner Data Bank Reports to Managed Care Organizations: Their Usefulness and Impact*, December 1994. The stated purpose of this study was to assess the usefulness and impact of information in the National Practitioner Data Bank (NPDB) to managed care organizations.

After reviewing the December draft report, the AMA concludes that the report provides an incomplete and misleading picture of the usefulness and impact of the NPDB. Further, we seriously question the OIG's concluding observations in the report. Evidence increasingly leads us to believe that the Data Bank is neither a reliable nor a cost-effective mechanism for preventing the public from incompetent or unprofessional hospital-based practitioners. The AMA is very disappointed to see the serious flaws we identified in the February, 1993 OIG report repeated in this report, with no apparent attempt to correct faulty or misleading information. The AMA offers the following comments on the OIG's current draft report.

The draft report again fails to disclose the total universe of queries or any operational information that might create an accurate context for the data presented. Since the AMA cited this as a most serious deficiency in the February, 1993 OIG report on the usefulness and impact of reports to hospitals, we question why the OIG is not presenting a more comprehensive and accurate assessment of the usefulness and impact of the NPDB. The AMA believes that some of the critical information from the August, 1994 OIG report, *National Practitioner Data Bank: Profile of Matches Update*, must be included in this

current report. For example, the following information should be included in the background section of the draft report:

> **As of April, 1994, the Data Bank had received 3,462,297 requests for information and 82,623 reports of adverse actions or malpractice payments. As a result of the queries made by April of 1994, 152,941 matches had occurred (144,649 matches as of February of 1994).**

This information provides a match rate of 4.4 percent. Approximately 96 percent of the queries resulted in no adverse action or malpractice information. Yet the background section of the draft report presents a very different picture. The draft report states, "as of February 25, 1994, HMOs, PPOs, and group practices had received, in response to queries, 31,377 reports of malpractice payments or adverse actions against physicians, dentists, and other health care practitioners." The statement is wrong, and the AMA believes that the word "matched" must be inserted between the words "31,377" and "reports" to properly reinforce the fact that this report is only looking at approximately 4 percent of the universe of queries. The AMA notes that only 51 percent of the managed care organizations returned the questionnaire. The organizations that failed to return the questionnaire may not feel as strongly that the NPDB is useful.

The reason managed care officials found a higher percent of the matched reports useful may be related to the reason they queried the NPDB. Sixty-eight percent of the managed care organization queries were for initial privileging and 21 percent were for professional review purposes. Only 11 percent of the queries were for the two-year review requirements compared to hospitals which had 69 percent of their queries for the two-year review. In addition, managed care organizations have been rigorously credentialing practitioners for a much shorter period of time.

On page 4 of the draft report, the OIG compares the Data Bank reports that provided information that practitioners did not provide themselves to the organization and compares that to hospitals. The 42 percent for hospitals may be incorrect since the OIG December, 1994 draft report on the usefulness of the NPDB to hospitals states that 28 percent of the matched reports in period B provided information previously unknown to hospital staffs.

Two findings in this draft report that should be investigated include the 3 percent of reports that appeared to be inaccurate and the increase in paper query response time. Previous studies of the NPDB have found its data to be reliable. This new finding raises some questions regarding the accuracy of the NPDB. The NPDB had also made significant improvement to reduce the response time; the increase to 35 days is

disturbing because some reports were received too late to have an impact on the credentialing decision.

The most important indicator of usefulness is whether the matched reports had an impact on credentialing decisions. According to the returned questionnaires, only 3 percent of the matched reports made a difference in a privileging decision. This number may even be lower if all of the managed care organizations would have returned the survey. With a match rate of 4.4 percent and 3 percent of matched reports having an impact on privileging, the overall impact is 0.13 percent or about one out of every 750 queries.

After review of the draft report, the AMA seriously questions the OIG's concluding observations. The identification of 3 percent of the matched reports appears inaccurate and raises questions about the NPDB being a reliable source of information. In addition, the data bank is not a cost-effective nor a useful mechanism to protect the public by preventing incompetent and/or unprofessional practitioners from practicing in managed care organizations. Very rarely did a NPDB query affect privileging decisions of managed care organizations. Only 0.13 percent of the queries affect a credentialing decision.

In conclusion, based upon the above discussion, we believe that it is difficult to justify the direct and indirect costs of operating the NPDB. We urge you to carefully consider our comments in order to adequately assess the utility and impact of the NPDB to hospitals.

Sincerely,

James S. Todd, MD

APPENDIX D

NOTES

1. National Committee for Quality Assurance (NCQA), *Accreditation Standards*, Credentialing Standards 7.1 and 11.1 (1993) 28, 30. In commenting on our draft report, NCQA noted that applicants may meet the credentialing standard "by requesting a malpractice history of the applicant, and requesting five years of malpractice history from the malpractice carrier, and requesting information on the application regarding actions taken by hospitals and managed care organizations that limited, suspended, or abolished the practitioner's privileges, and querying the Federation of State Medical Boards.

2. Office of Inspector General, *National Practitioner Data Bank: Profile of Matches Update*, August 1994, OEI-01-94-00031.

3. Health maintenance organizations and group practices accounted for 6.5 percent of matches (i.e., a querier requests information on a certain practitioner from the Data Bank, and that practitioner has been reported to the Data Bank--a request-report pair) in the period from September 1, 1990 through March 19, 1992. They accounted for 24.2 percent of matches for the period March 20, 1992 through February 25, 1994.

4. Office of Inspector General, *National Practitioner Data Bank: Usefulness and Impact of Reports to Hospitals*, February 1993, OEI-01-90-00520.

5. Office of Inspector General, *National Practitioner Data Bank Reports to Hospitals: Their Usefulness and Impact*, Date, OEI-01-94-00030.

6. The question read "Please rate the following four types of information maintained in the Data Bank in terms of their usefulness to you--in theory or in practice--in the practitioner credentialing process."

7. In our sample, 10 percent (24) of the Data Bank reports involved practitioners for whom the initial or final decisions were pending.

8. We are 95 percent confident that the proportion of reports that provide new information to managed care organizations is between 4,727 and 8,239.

9. We are 95 percent confident that the proportion of reports that affect managed care organizations' credentialing decisions is between 215 and 1,646.