



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Office of Audit Services
1100 Commerce, Room 632
Dallas, TX 75242

August 26, 2004

Report Number: A-06-04-00040

Mr. Reece Sherrill
Administrator
Choctaw Nation Health Care Center
One Choctaw Way
Talihina, OK 74751

Dear Mr. Sherrill:

The attached final report provides the results of our audit entitled "Credentialing and Privileging Practices at Choctaw Nation." The objective of our audit was to determine whether the Choctaw Nation Health Care Center (Choctaw Hospital) had completed the credentialing, privileging, and personnel suitability reviews for its medical practitioners (practitioners).

Choctaw Hospital completed credentialing and privileging reviews for all of the 42 practitioners in our review, as required by Joint Commission standards, but did not complete personnel suitability reviews for these individuals. Our review of 42 practitioners showed that none had received a background investigation, as required by the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408). Choctaw Hospital officials told us that they were unaware of the Act and its requirements for background investigations. As of the start of our fieldwork in February 2003, the hospital began to conduct background investigations of practitioners. Hospital officials told us they had completed satisfactory investigations on all practitioners who were still affiliated with Choctaw Hospital as of the end of February 2003.

We recommend that Choctaw Hospital continue its efforts to establish written procedures and controls to ensure that background investigations are performed on all medical staff in accordance with the Indian Child Protection and Family Violence Prevention Act.

If you have any questions or comments about this report, please do not hesitate to call me at (214) 767-8414 or have your staff call James Hargrove at (405) 605-6183, or email him at James.Hargrove@oig.hhs.gov. Please refer to report number A-06-04-00040 in all correspondence relating to this report.

Sincerely yours,

A handwritten signature in black ink that reads "Gordon L. Sato". The signature is written in a cursive style with a large initial "G".

Gordon L. Sato
Regional Inspector General
for Audit Services

Attachment

Enclosures - as stated

cc: Jeanelle Raybon
Director, Program Integrity & Ethics
Indian Health Services

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**CREDENTIALING AND PRIVILEGING
PRACTICES AT
CHOCTAW NATION**



Inspector General

AUGUST 2004

A-06-04-00040

EXECUTIVE SUMMARY

BACKGROUND

The Indian Health Service (IHS), an agency within the Department of Health and Human Services, is the principal Federal healthcare provider and health advocate for 1.6 million American Indians and Alaska Natives. This report addresses credentialing, privileging, and other personnel suitability issues at the Choctaw Nation Health Care Center (Choctaw Hospital), located in Talihina, Oklahoma. Choctaw Hospital, a tribally operated facility, is one of 8 hospitals we reviewed based on IHS' request following media reports in 2002 questioning medical staff appointments made by IHS-funded facilities.

Choctaw Hospital uses a process to screen and verify applicants for medical staff membership known in the medical community as credentialing and privileging. The Joint Commission on Accreditation of Healthcare Organizations (Joint Commission), which has accredited all IHS-operated hospitals, provides standards for and evaluates the adequacy of credentialing and privileging processes. Credentialing consists of verifying education, training and license documents, and contacting recent employers to determine an applicant's qualifications, competence, and skills. Privileging identifies the scope of a physician's expertise and what the individual will be authorized to do at a facility. Failure to meet the Joint Commission standards in these areas could jeopardize a hospital's accreditation.

The Indian Child Protection and Family Violence Prevention Act of 1990 requires federally funded Indian organizations to meet requirements which are intended to protect Indian children from abuse. The Act requires background investigations on all employees and contractors having contact with Indian children. Tribally operated entities, such as Choctaw Hospital, conduct their own investigations.

OBJECTIVE

The objective of our audit was to determine whether Choctaw Hospital had completed the credentialing, privileging, and personnel suitability reviews for its medical practitioners (practitioners).

RESULTS OF REVIEW

Choctaw Hospital completed credentialing and privileging reviews for all of the 42 practitioners in our review, as required by Joint Commission standards, but did not complete personnel suitability reviews for these individuals. Our review of 42 practitioners showed that none had received a background investigation, as required by the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408). Choctaw Hospital officials told us that they were unaware of the Act and its requirements for background investigations. As of the start of our fieldwork in February 2003, the hospital began to conduct background investigations of practitioners. Hospital

officials told us they had completed satisfactory investigations on all practitioners who were still affiliated with Choctaw Hospital as of the end of February 2003.

RECOMMENDATION

We recommend that Choctaw Hospital continue its efforts to establish written procedures and controls to ensure that background investigations are performed on all medical staff in accordance with the Indian Child Protection and Family Violence Prevention Act.

Choctaw Nation officials agreed with our recommendation and informed us that they had begun implementing our recommendation. Based on our discussion with these officials, we are issuing the report in final rather than in draft.

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INTRODUCTION

BACKGROUND

IHS Request for Office of Inspector General to Examine Credentialing and Privileging

Following negative media reports in 2002 about the quality of medical practitioners at Indian hospitals, IHS requested the Office of Inspector General to review the adequacy of credentialing and privileging practices at IHS-funded hospitals.

IHS Provision of HealthCare

Through its network of 49 hospitals and other smaller facilities, IHS funds healthcare for over 1.6 million Native Americans and Alaska Natives. These facilities are either managed and operated directly by IHS, or by tribes under self-governance agreements with IHS.

Choctaw Hospital is tribally operated by the Choctaw Nation through a Self-Governance compact with IHS. Located in Talihina, Oklahoma, the hospital is a 145,000-square-foot health facility with 37 beds for inpatient care and 52 exam rooms. The hospital provides a wide range of services, including family medicine, emergency care, internal medicine, general surgery, obstetrics and gynecology, and dental care.

The Credentialing and Privileging Process

In the healthcare field, credentialing and privileging are two components of a broader quality assurance and risk management process that all healthcare facilities undertake to ensure high-quality care. Credentialing consists of hospital management evaluating and verifying the training and experience of practitioners to determine their current competence and skills. Privileging consists of hospital management determining whether a practitioner is qualified to perform specific medical functions at a particular facility. A wide range of practitioners are typically subjected to this process, including physicians, physician assistants, nurses, and dentists.

Although tribally operated hospitals are not required to follow IHS policy, including its policy on credentialing and privileging, IHS officials told us that each tribal hospital has bylaws that define its credentialing and privileging policy. Choctaw Hospital's bylaws for credentialing and privileging require primary verification of education, training, current licensure, and current competence—a process consistent with IHS policy.

Joint Commission on Accreditation of Healthcare Organizations

All IHS-operated hospitals, and Choctaw Hospital, have earned Joint Commission accreditation. IHS Circular No. 97-01 requires all IHS-operated healthcare facilities to be accredited and considers the Joint Commission to be the most broadly recognized accrediting body in healthcare. To earn and maintain Joint Commission accreditation, an

organization must undergo an on-site survey every 3 years. During the on-site survey, the Joint Commission assesses compliance with standards it has developed for a wide range of healthcare operations, including those for credentialing and privileging. Failure to demonstrate satisfactory compliance with Joint Commission standards could result in accreditation denial, thereby potentially disqualifying a hospital from participating in and receiving payment from the Medicare and Medicaid programs. Choctaw Hospital received renewed Joint Commission accreditation in December 2002.

Background Investigations for Minimum Suitability Requirements

The Indian Child Protection and Family Violence Prevention Act requires all Indian tribes or tribal organizations receiving funds under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) to conduct a background investigation of each employee or contractor with regular contact or control over Indian children for any history of criminal acts against children. Congress established the Act, in part, after finding that (1) multiple incidents of crimes against children on Indian reservations have been perpetrated by persons employed or funded by the Federal Government, and (2) Federal Government background investigations of Federal employees who care for, or teach, Indian children were often deficient.

According to the Act, Indian tribes and tribal organizations may conduct their own background investigations, contract with private firms, or request a Federal or State agency to conduct the investigations. Choctaw Hospital has used the Oklahoma State Bureau of Investigations to perform background investigations on certain employees. These reviews examine arrest and conviction data for serious misdemeanors and felonies.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our audit was to determine whether Choctaw Hospital had completed the credentialing, privileging, and personnel suitability reviews for its medical practitioners.

Scope

We selected Choctaw Hospital for review based on their designation as a tribally operated hospital, and the number and type of malpractice lawsuits associated with its practitioners.

To accomplish our objective, we selected 42 practitioners for review to ensure a representative selection of health disciplines. We made our selections from practitioners employed or whom had lawsuits filed against them during the period January 2000 through December 2002. At the time of our review, Choctaw Hospital had 77 practitioners on its medical staff.

Methodology

To perform our audit, we:

- interviewed Choctaw Hospital management officials, and
- reviewed practitioner files to determine whether the Hospital:
 - verified credentials and granted privileges to practitioners in accordance with Joint Commission standards, and
 - performed background investigations of practitioners.

We conducted our audit in accordance with generally accepted government auditing standards, with one exception. We did not provide this report to the Choctaw Nation for their formal written response. Since the hospital had already begun to take action on our recommendation, Choctaw Nation officials agreed to forego written comments.

We performed our audit work at Choctaw Hospital in Talihina, Oklahoma.

FINDINGS AND RECOMMENDATIONS

CHOCTAW HOSPITAL COMPLETED REQUIRED CREDENTIALING AND PRIVILEGING REVIEWS, BUT DID NOT COMPLETE BACKGROUND INVESTIGATIONS ON ITS PRACTITIONERS

Choctaw Hospital completed credentialing and privileging reviews for all of the 42 practitioners in our review, as required by Joint Commission standards, but did not complete personnel suitability reviews for these individuals. Our review of 42 practitioners showed that none had received a background investigation, as required by the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408). Choctaw Hospital officials told us that they were unaware of the Act and its requirements for background investigations.

Requirements for Credentialing, Privilege Granting, and Background Investigations

Joint Commission standards require hospital management to follow a standardized process for reviewing credentials and granting clinical privileges. In addition, IHS-funded hospitals are required to obtain personnel suitability reviews through background investigations of its employees.

Credentialing and Privileging Reviews

Joint Commission standards require a hospital to verify a practitioner's credentialing information for appointment to the medical staff and for the granting of clinical privileges. The hospital must verify information about a practitioner's licensure, specific training, experience, and current competence.

Personnel Suitability Reviews through Background Investigations

The Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408), requires all Indian tribes or tribal organizations receiving funds under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) to conduct a background investigation of each employee or contractor with regular contact or control over Indian children for any history of criminal acts against children.

All 42 Practitioners Reviewed Were Appropriately Credentialed and Privileged, but did not Receive a Background Investigation

Choctaw Hospital had adequate credentialing and privileging controls in place to ensure its practitioners were medically qualified, competent, and providing patient care within the scope of their approved authority, as required by Joint Commission standards. However, none of the 42 staff and contract practitioners we reviewed had received a background investigation to determine their suitability to work with children.

Hospital Officials Were Unaware of The Indian Child Protection and Family Violence Prevention Act

Although Choctaw Hospital had been conducting background investigations on certain employees other than practitioners (including nurses, groundskeepers, etc.) since April 2001, officials did not have procedures in place to conduct background investigations on its practitioners. Choctaw Hospital officials told us that they were not aware of the Indian Child Protection and Family Violence Prevention Act, and its requirement that all individuals receive a satisfactory background investigation if they have regular or potential contact with Indian children.

As of the start of our audit fieldwork in February 2003, the hospital began to conduct background investigations of practitioners. Hospital officials told us they had completed satisfactory investigations on all practitioners who were still affiliated with Choctaw Hospital as of the end of February 2003.

RECOMMENDATION

We recommend that Choctaw Hospital continue its efforts to establish written procedures and controls to ensure that background investigations are performed on all medical staff in accordance with the Indian Child Protection and Family Violence Prevention Act.

Choctaw Nation officials agreed with our recommendation and informed us that they had begun implementing our recommendation. Based on our discussion with these officials, we are issuing the report in final rather than in draft.