DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

AUG 16 2004

TO: Charles W. Grim, D.D.S., M.H.S.A.
Director
Indian Health Service

FROM: Joseph E. Vengrin
Deputy Inspector General for Audit Services

SUBJECT: Credentialing and Privileging Practices at Northern Navajo Medical Center (Report Number A-06-04-00023)

The attached final report provides the results of our audit entitled "Credentialing and Privileging Practices at Northern Navajo Medical Center." At the request of the Indian Health Service (IHS), we reviewed the credentialing and privileging practices at eight IHS-funded hospitals. In February 2004, the Inspector General alerted you to problems with credentialing and privileging at several of these hospitals, including the Northern Navajo Medical Center, located in Shiprock, New Mexico (Shiprock Hospital).

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

Shiprock Hospital did not routinely complete required credentialing, privileging, or personnel suitability reviews for its practitioners. The credentialing and privileging reviews are generally required by industry-wide standards and specifically by IHS Circular 95-16; and the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires background investigations.

For the 84 practitioners we reviewed, Shiprock Hospital did not:

- verify the credentials for 32, or 38 percent, before the practitioners provided patient care;

- ensure that 67, or 80 percent, had current privileges, with lapsed periods ranging from 3 days to over 3 years; or

- request the Office of Personnel Management to perform a background investigation of 41, or 49 percent.

Shiprock Hospital's management had not ensured that the credentialing, privileging, and personnel suitability review processes received the necessary level of priority in terms of management attention and availability of resources such as a computerized credentialing system.

As a result, the hospital's management could not assert full assurance that its practitioners had the appropriate qualifications, authorizations, and personnel history to provide patient care.

We recommend that IHS ensure that Shiprock Hospital:

1. has a sufficient number of staff assigned to adequately perform the credentialing and privileging processes before the practitioners provide patient care,

2. has fully implement credentialing and privileging computer software to track and monitor the status of its practitioners,

3. reports privileging problems and associated corrective actions to the Joint Commission, as appropriate, and

4. initiates the required OPM background investigations on or before a practitioner's first day of duty.

In written comments, IHS indicated that it had taken the recommended corrective actions. The IHS comments are included as an appendix to this report.

Please send us your final management decision, including any action plan, as appropriate, within 60 days. If you have any questions or comments about this report, please do not hesitate to call me or have your staff call Peter Koenig, Acting Assistant Inspector General for Grants and Internal Activities, at (202) 619-3191, or e-mail him at Peter.Koenig@oig.hhs.gov. Please refer to report number A-06-04-00023 in all correspondence relating to this report.

Attachment

cc: Jeanelle Raybon
Director, Program Integrity and Ethics
Indian Health Service

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

CREDENTIALING AND PRIVILEGING PRACTICES AT NORTHERN NAVAJO MEDICAL CENTER

AUGUST 2004
A-06-04-00023

Office of Inspector General

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OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.

EXECUTIVE SUMMARY

BACKGROUND

The Indian Health Service (IHS), an agency within the Department of Health and Human Services, is the principal Federal health care 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 Northern Navajo Medical Center (Shiprock Hospital), located in Shiprock, NM. Shiprock Hospital is one of eight hospitals we reviewed at IHS' request following media reports in 2002 questioning medical staff appointments made by IHS-funded facilities.

Shiprock 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 practitioner'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.

Over and above meeting general Federal employee suitability requirements, all IHS employees and contractors who have contact with children are required by the Indian Child Protection and Family Violence Prevention Act to have a background investigation conducted by the Federal Government's Office of Personnel Management (OPM).

OBJECTIVE

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

RESULTS OF REVIEW

Shiprock Hospital did not routinely complete required credentialing, privileging, or personnel suitability reviews for its practitioners. The credentialing and privileging reviews are generally required by industry-wide standards and specifically by IHS Circular 95-16; and the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires background investigations.

For the 84 practitioners we reviewed, the hospital did not:

- verify the credentials for 32, or 38 percent, before the practitioners provided patient care;

- ensure that 67, or 80 percent, had current privileges, with lapsed periods ranging from 3 days to over 3 years; or

- request OPM to perform a background investigation of 41, or 49 percent.

Shiprock Hospital's management had not ensured that the credentialing, privileging, and personnel suitability review processes received the necessary level of priority in terms of management attention, adequate staffing, and availability of resources such as credentialing software. As a result, the hospital's management could not assert full assurance that its practitioners had the appropriate qualifications, authorizations, and personnel history to provide patient care. This is a particularly troubling situation given that Shiprock Hospital, in response to the Joint Commission's 2001 onsite survey, committed at the time to strengthen its credentialing and privileging processes.

RECOMMENDATIONS

We recommend that IHS ensure that Shiprock Hospital:

1. has a sufficient number of staff assigned to adequately perform the credentialing and privileging processes before the practitioners provide patient care;

2. has fully implemented credentialing and privileging computer software to track and monitor the status of its practitioners;

3. reports privileging problems and associated corrective actions to the Joint Commission, as appropriate; and

4. initiates the required OPM background investigations on or before a practitioner's first day of duty.

AUDITEE COMMENTS

In a written response to our draft report, IHS indicated that Shiprock Hospital has already taken all recommended corrective actions. The complete text of IHS' response is included in the appendix.

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INTRODUCTION

BACKGROUND

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

Following negative media reports in 2002 raising questions 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 Health Care

Through its network of 49 hospitals and other smaller facilities, IHS funds health care 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.

Shiprock Hospital, which IHS directly operates, is located in Shiprock, NM. It is the largest geographic service unit within IHS' Navajo Area, serving approximately 45,500 Native Americans. The hospital provides a wide range of services, including family medicine, urgent and emergency care, general surgery, obstetrics and gynecology, and dental care.

The Credentialing and Privileging Process

In the health care field, credentialing and privileging are two components of a broader quality assurance and risk management process that all health care 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. One source of credentialing information is the National Practitioner Data Bank, which contains a practitioner's malpractice history, if any. Privileging consists of hospital management determining whether a practitioner is qualified to perform specific medical functions at a particular facility. IHS subjects a wide range of practitioners to these processes, including physicians, physician assistants, nurses, and dentists.

Joint Commission on Accreditation of Healthcare Organizations

All IHS hospitals, including Shiprock Hospital, have earned Joint Commission accreditation. IHS Circular No. 97-01 requires all IHS health care facilities to be accredited and considers the Joint Commission to be the most broadly recognized accrediting body in health care. 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 health care 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.

During its May 2001 on-site survey at Shiprock Hospital, the Joint Commission identified instances of noncompliance with credentialing and privileging standards. However, after the hospital committed to improving its credentialing and privileging programs, the Joint Commission concluded that the hospital was in substantial compliance with the standards.

Background Investigations for Minimum Suitability Requirements

The Indian Child Protection and Family Violence Prevention Act requires all IHS employees and contractors with potential direct or unobserved contact with children be checked 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.

All Federal employees are required to meet minimum suitability requirements to be eligible for Federal employment. Eligibility is dependent upon the results of a background investigation conducted by OPM through an interagency agreement, which includes a search of the FBI fingerprint files and, for IHS employees, any history of criminal acts against children.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

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

Scope

We selected Shiprock Hospital for review based on the number of malpractice lawsuits at that hospital in comparison to other Navajo Area IHS hospitals and the results of its most recent Joint Commission survey.

To accomplish our objective, we selected 84 practitioners for review to ensure a representative selection of health disciplines. We made our selections from practitioners employed or had lawsuits filed against them during the period January 2000 through December 2002. At the time of our review, Shiprock Hospital had 139 practitioners on its medical staff.

Methodology

To perform our audit, we:

- interviewed Shiprock Hospital management officials and practitioners; and
- reviewed practitioner files to determine whether the hospital:
    - verified credentials and granted privileges to practitioners in accordance with Joint Commission standards and IHS requirements, and
    - initiated the process for practitioners to have their backgrounds investigated by OPM.

We conducted our audit in accordance with generally accepted government auditing standards. We performed our audit work at Shiprock Hospital in Shiprock, NM.

FINDINGS AND RECOMMENDATIONS

SHIPROCK HOSPITAL DID NOT ROUTINELY COMPLETE REQUIRED CREDENTIALING, PRIVILEGING, OR PERSONNEL SUITABILITY REVIEWS FOR PRACTITIONERS

Shiprock Hospital did not routinely complete required credentialing, privileging, or personnel suitability reviews for its practitioners. The credentialing and privileging reviews are generally required by industry-wide standards and specifically by IHS Circular 95-16; and the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires background investigations.

For the 84 practitioners we reviewed, the hospital did not:

- verify the credentials for 32, or 38 percent, before the practitioners provided patient care;
- ensure that 67, or 80 percent, had current privileges with lapsed periods ranging from 3 days to over 3 years; or
- request OPM to perform a background investigation of 41, or 49 percent.

Shiprock Hospital's management had not ensured that the credentialing, privileging, and personnel suitability review processes received the necessary level of priority in terms of management attention, adequate staffing, and availability of resources such as credentialing software. As a result, the hospital's management could not assert full assurance that its practitioners had the appropriate qualifications, authorizations, and personnel history to provide patient care. This is a particularly troubling situation given

that Shiprock Hospital, in response to the Joint Commission's 2001 onsite survey, committed at the time to strengthen its credentialing and privileging processes.

Requirements for Credentialing and Privilege Granting, and Personnel Suitability Reviews

Consistent with Joint Commission standards, IHS Circular 95-16 requires hospital management to follow a standardized process for a credentials review, and the granting of clinical privileges. In addition, IHS is required by Federal law and regulations to obtain personnel suitability reviews through background investigations of its employees.

Credentialing and Privileging

IHS Circular Appendix 95-16-A requires agency-operated hospitals, such as Shiprock Hospital, to have a credentialing and privileging process that is separate and distinct from the employment process and to complete the process before medical staff members provide patient care.

For credentialing, IHS Circular 95-16, Section 4 requires:

> *". . . all individuals, who are eligible for membership on the medical staff, must have a documented, current review of their medical staff credentials. This includes individuals who provide direct, independent, and unsupervised patient care services in IHS facilities . . . ."*

During the course of a credentials review, IHS must verify an applicant's information through the use of correspondence, phone calls, or State licensing board computer printouts. For example:

- Professional Education and Training – All applicants must possess a diploma as a graduate of a professional school and any internships or residencies must be specified. IHS staff are required to verify with the primary source the applicant's level of training through contacts with schools, internships, or residency programs. [IHS Circular 95-16, (5)(A) and Joint Commission standards at MS.5.4.3]

- Licensure – All applicants must hold an active and unrestricted State license. The term "unrestricted" means that there are no special considerations, periods of monitoring, or probation associated with the license that restricts or inhibits the ability of the practitioner from providing patient care. IHS staff are required to verify the status of licensure with the appropriate State bodies. [IHS Circular 95-16, (5)(A) and Joint Commission standards at MS.5.4.3]

- References – All applicants must provide a minimum of two letters of reference from persons who can attest to the applicants' professional judgment, competence, and character. A hospital official must speak with the

practitioner's references to verify clinical competence. [IHS Circular 95-16, (5)(A) and Joint Commission standards at MS.5.4.3]

- National Practitioner Data Bank Results – IHS staff must query the National Practitioner Data Bank at initial appointment of each practitioner and at least every 2 years thereafter. The query will identify whether the practitioner has a history of medical malpractice payments and other adverse actions. [IHS Circular 95-16, (2)(C) and Joint Commission standards at MS.5.4.3.2]

For privileging, IHS Circular 95-16, Section 5(D) requires:

"Clinical privileges are granted after careful review and consideration of an applicant's credentials . . .[and]…must reflect the training, experience, and qualifications of the applicant as they relate to the staffing, facilities, and capabilities of the [medical facility]."

IHS' credentialing and privileging process, as outlined in IHS Circular Appendix 95-16-A, consists of the following steps:

Step 1. A practitioner completes an application for medical staff membership and clinical privileges. (The practitioner must sign and date both applications.)

Step 2. After the applications are returned to the medical facility, an appropriate person, such as the credentialing coordinator, reviews them for completeness and verifies the credentialing information.

Step 3. The clinical director at the medical facility reviews both applications for completeness and determines whether the applicant has requested privileges the facility can support or requires.

Step 4. The clinical director reviews the applications and any additional information with the medical staff executive committee. This committee recommends the applications for medical staff membership to be accepted or rejected and determines which of the requested clinical privileges should be granted. (Acceptance by the medical staff executive committee at Shiprock Hospital is signified by the signature and date of the department chair, chief of staff, and clinical director.)

Step 5. The service unit director at the medical facility reviews the appropriateness of the recommendations from the medical staff executive committee and sends the recommendations to the governing body of the service unit.

Step 6. The governing body reviews the applications and grants or denies the staff membership and/or privileges in writing. (Acceptance at Shiprock Hospital is signified by the signature and date of the governing body representative.

Personnel Suitability Reviews through Background Investigations

A number of Federal laws and regulations require a review of an applicant's suitability for employment, and IHS must also ensure that its employees and contractors meet the requirements of a law protecting Indian children from abuse. The Indian Health Manual (health manual) contains the agency's policies and instructions for obtaining background investigations.

The Federal employment regulation for the suitability of administrative personnel (5 CFR, part 731) requires that all Federal employees meet minimum suitability requirements to be eligible for Federal employment. Eligibility is dependent upon the results of a background investigation that includes searches of the FBI identification fingerprint files and records covering specific areas of a person's background covering a 5-year period.

In addition, the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630 § 408) requires that all IHS employees and contractors with potential direct or unobserved contact with children be investigated for any history of criminal acts against children.

Sections 5-22.4H and 5-22.4I of the health manual discuss the processes IHS uses to obtain minimum suitability reviews through background investigations. These investigations, required by Executive Order 10577, are to be conducted by OPM; and, according to IHS officials, could take 5 months or longer to complete. Recognizing the length of time involved with the background investigations, the health manual advises that practitioners may be hired on a provisional basis prior to the completion of their background investigations. To ensure that OPM reviews begin as soon as possible, the health manual instructs the hospital to provide the required OPM forms to the applicant with the requirement that the forms be completed and ready to submit to the hospital's personnel office, either before or on the practitioner's first day of duty. The health manual further advises the hospital to ensure the required investigations are initiated by providing the forms to OPM within 14 days of a practitioner's appointment.

Shiprock Hospital did not Routinely Complete Required Credentialing, Privileging, or Personnel Suitability Reviews for Practitioners

Shiprock Hospital did not routinely complete required credentialing, privileging, or personnel suitability reviews for its practitioners. For the 84 practitioners we reviewed, we found at least one lapse in credentialing, privileging, or suitability reviews for 81, or 96 percent. Many of the 81 practitioners had problems in all three of the areas reviewed. Of the 84 practitioners, Shiprock Hospital did not:

- verify the credentials for 32, or 38 percent, before the practitioners provided patient care;

- ensure that 67, or 80 percent, had current privileges, with lapsed periods ranging from 3 days to over 3 years; or

- request OPM to perform a background investigation of 41, or 49 percent.

Credentialing

Of the 84 practitioners reviewed, Shiprock Hospital did not verify the credentials for 32, or 38 percent, before the practitioners provided patient care, as follows:

- 19 practitioners did not have their National Practitioner Data Bank records checked to determine their suitability,

- 6 practitioners did not have at least two references contacted to establish their current competence,

- 4 practitioners did not have their education, training, or State licensure verified to confirm their qualifications, and

- 3 practitioners had more than one credentialing item not verified.

Privileging

Of the 84 practitioners reviewed, 67, or 80 percent, had provided patient care without privileges for periods ranging from 3 days to over 3 years. The hospital's privileging lapses appeared in some cases to be a long-standing situation, with 17 of the 67 providing patient care without privileges for over 1 year and 2 for more than 2 years.

We noted that Shiprock Hospital's credentialing coordinator, who is also responsible for the privileging process, had predated the approval area of privilege applications. We specifically identified 11 practitioner files with unsigned privilege applications that had been predated up to 2 years. The coordinator told us that he predated the forms prior to obtaining the management official's signature to ensure that privileges were reviewed and conferred in a timely manner. In our opinion, however, such predating of authorization forms calls into question the validity of all the privileges issued at the Shiprock facility.

Recognizing that this problem could adversely affect Shiprock Hospital's accreditation, on January 11, 2004, IHS disclosed its privileging lapses at the hospital to the Joint Commission. The agency also agreed to complete any necessary corrective actions to ensure that Shiprock Hospital has up-to-date credential and privileging reviews on its practitioners so that accreditation is maintained.

Personnel Suitability

Shiprock Hospital did not have information indicating that it initiated a background investigation for 41, or 49 percent, of the 84 practitioners reviewed. Consequently, some practitioners were working for extended periods of time up to over 3 years without a background investigation initiated. Because OPM conducts the background investigations, Shiprock Hospital is only responsible for ensuring that the practitioners complete the appropriate forms on or before their first day of duty so that the background check is initiated. Our review, however, found that 17 of the 41 practitioners provided patient care from 6 months to over 3 years without having a background investigation initiated. The remaining 43 of 84 practitioners reviewed received successful background investigations or had an investigation in process as of the end of our fieldwork. However, 4 of these 43 practitioners provided patient care for at least 28 months before their investigations were initiated.

Shiprock Hospital did not have Controls To Ensure That Practitioners were Credentialed, Privileged, and Checked for Suitability Before Providing Patient Care

Shiprock Hospital management had not established the necessary controls to ensure that (1) practitioners' credentialing and privileging reviews were completed and (2) practitioners were checked for suitability. Even after assuring the Joint Commission in May 2001 that it was committed to improving its credentialing and privileging programs, the hospital still had significant lapses in its reviews to ensure the quality of practitioners. It appeared that the hospital had not provided the necessary attention, staffing, or other resources necessary to ensure a high-quality credentialing, privileging, and suitability review program. Even though hospital management officials were aware of needed improvements, they did not take all actions necessary to establish a comprehensive program for credentialing, privileging, and background investigations. Specifically:

- The hospital hired a credentialing consultant in the fall of 2000 who recommended hiring a credentialing coordinator and implementing software specifically developed for the credentialing and privileging processes. However, the hospital did not implement these recommendations promptly. It hired a credentialing coordinator in March 2001, but did not provide adequate staffing until May 2003 to allow the coordinator to focus exclusively on credentialing and privileging. Further, the hospital had not implemented the credentialing and privileging software until September 2003.

- The hospital did not assign a sufficient number of staff to the credentialing and privileging processes. According to the credentialing coordinator, a department secretary performs all of the credentials verification work, but is also responsible for other primary duties besides credentialing. The coordinator also states that the number of staff assigned to perform

verification work is not sufficient, and directly contributed to the numerous lapses identified.

- The hospital did not have a process to ensure that credentialing applications were routinely reviewed and approved by the medical staff executive committee and then forwarded through the remaining steps of the privilege-granting process (outlined earlier in the report).

- The hospital did not have a process to ensure its practitioners promptly submitted the required background investigation forms to the hospital's personnel office for further processing and referral to OPM.

Shiprock Hospital's Management Could Not Assert Full Assurance that its Practitioners Had the Appropriate Qualifications, Authorizations, or Personnel History to Provide Patient Care

By not completing its assessments of the practitioners' qualifications, competency, or suitability to provide patient care, there were periods—years in some cases—management was not fully assured that many practitioners were suitable to provide patient care. While we did not identify evidence to suggest that any of the hospital's practitioners were not qualified or suitable for Federal employment, we are concerned that an IHS-funded hospital with weak controls for credentialing, privileging, and background investigations may not be able to sufficiently contribute to the IHS mission of elevating the health status of American Indians and Alaska Natives.

RECOMMENDATIONS

We recommend that IHS ensure that Shiprock Hospital:

1. has a sufficient number of staff assigned to adequately perform the credentialing and privileging processes before the practitioners provide patient care;

2. has fully implemented credentialing and privileging computer software to track and monitor the status of its practitioners;

3. reports privileging problems and associated corrective actions to the Joint Commission, as appropriate; and

4. initiates the required OPM background investigations on or before a practitioner's first day of duty.

Auditee Comments

In a written response to our draft report, IHS indicated that Shiprock Hospital has already taken the following corrective actions:

1. increased staffing, from 1 to 2.5 full time equivalents, devoted to the credentialing and privileging processes;

2. installed credentialing software to facilitate timely data entry. All provider data, including privileges, are now in place;

3. prepared a self-assessment report and submitted it to the Joint Commission on January 12, 2004. Also, in March 2004 the hospital submitted a root cause analysis of its credentialing and privileging processes to the Joint Commission. The Joint Commission's review of the root cause analysis identified two areas for improvement, which the hospital indicated it has addressed; and

4. initiated OPM background investigations on or before a practitioner's first day of duty, pursuant to IHS guidelines.

The complete text of IHS' response is included in the appendix.

APPENDIX

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Indian Health Service
Rockville MD 20852

JUL 0 9 2004

TO: Inspector General

FROM: Director

SUBJECT: Response to Draft Office of Inspector General Report [No. A-06-04-00023], "Credentialing and Privileging Practices at Northern Navajo Medical Center" Issued June 1, 2004

The Indian Health Service (IHS) has reviewed the draft audit report "Credentialing and Privileging Practices at Northern Navajo Medical Center" and has determined that all recommended corrective actions have been taken. Prior to the Office of Inspector General (OIG) report (in response to a 2001 survey by the Joint Commission on Accreditation on Healthcare Organizations (JCAHO) at the Shiprock Service Unit (SSU) and recommendations from a credentialing consultant) the SSU had established a credentialing subcommittee of the Governing Body and had taken steps to increase the number of credentialing staff. The remaining deficiencies were addressed in response to the OIG Early Alert Notice that was issued to the IHS on February 11, 2004. The following are specific responses to each recommendation, including corrective actions that have been implemented and/or completed.

OIG Recommendation: "Ensure that Shiprock Hospital has a sufficient number of staff assigned to adequately perform the credentialing and privileging processes before the practitioners provide patient care."

IHS Response: The number of Full-Time Equivalent (FTE) staff was increased from 1 to 2.5 in May 2003 to adequately provide for credentialing and privileging processes. A credentials coordinator, an office manager, and a half-time secretary are currently on board who also serve as verifying officials. As of June 2004, the SSU is 100 percent current with processing and approving medical staff credentials and privileges.

OIG Recommendation: "Ensure that Shiprock Hospital has fully implemented credentialing computer software to track and monitor the credentialing status of its practitioners."

IHS Response: Credentialing software has been installed, and data are entered on a continuing basis. All provider data, including privileges, are now in place, and verification of the data is an ongoing responsibility of the credentialing staff.

OIG Recommendation: "Ensure that Shiprock Hospital reports privileging problems and associated corrective actions to the Joint Commission, as appropriate."

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IHS Response: A self-assessment report was prepared by the Northern Navajo Medical Center and submitted to JCAHO on January 12, 2004. A root-cause analysis of credentialing and privileging processes was undertaken in March 2004 by the SSU using a JCAHO-approved methodology. This analysis was reviewed in May 2004 during a 3-day, on-site survey of SSU programs by JCAHO staff. The survey identified two requirements for improvement, which have been addressed. The IHS has determined that further reporting to the Joint Commission will not be necessary.

OIG Recommendation: "Ensure that Shiprock Hospital initiates the required Office of Personnel Management background investigations on or before a practitioner's first day of duty."

IHS Response: All OPM background investigations are now initiated on or before the first day of duty, pursuant to IHS guidelines. All credentialing requirements including National Practitioner Data Bank queries, all medical license verifications, all personal reference checks, and verification of all professional education and training are now completed prior to the granting of provider privileges. Providers are not allowed to provide care without approved privileges.

If you have any questions concerning this response, please contact Mr. Les Thomas, Management Analyst, IHS Management Policy Support Staff, at (301) 443-2650.

Charles W. Grim, DDS
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Assistant Surgeon General