



## POSITION PAPER

# PHYSICIAN CREDENTIALING

### SUMMARY OF THE ISSUE

The discourse around physician credentialing has increased in recent years, partly due to increased litigation resulting from lapses in the credentialing process. As evidenced by HIROC claims and related Canadian inquests, physician credentialing, privileging and performance management processes are not simply an administrative duty of the healthcare organizations. Rather, such processes are closely linked to the provision of safe and high quality patient care. Consequently, inconsistent and questionable credentialing and privileging practices directly impact patient safety.

Physician credentialing is a two-pronged issue. The first prong concerns a confirmation of the physician's educational background, including graduation from medical school and satisfactory completion of internship, residency and/or fellowship programs. This includes a requirement that the physician applying/re-applying for privileges supply satisfactory references from appropriately informed individuals. The second concerns the physician's request for privileges to perform particular procedures at a healthcare organization.

The credentialing process, in summary, is the attestation of the physician's technical and clinical competence, in accordance with applicable professional standards. Moreover, it defines the physician's scope of practice and ensures that any privileges granted fall within this scope.

To remain fair and balanced, credentialing should include a qualified peer review which typically is carried out by the credentialing committee and medical advisory committee. It is imperative the peer review adheres to formal criteria. The criteria must directly relate to the quality of patient care and have been established either by law or by professional and administrative practices. These criteria should be transparent and be freely available. Peer review decisions must be fair, not capricious or arbitrary, equally applied to all without bias and be well documented.

Unfortunately, there is a discrepancy among healthcare organizations in regards to credentialing, privileging and performance management practices. For example, some organizations require applicants to disclose all new or pending malpractice claims and

settlements, while other organizations only ask for disclosure of legal judgments. Neither question is ideal. The first may be overly inclusive as it requires physicians to disclose frivolous claims and may inhibit them from resolving claims for modest sums that ought to be resolved, for fear of the consequences of advising their hospital that a settlement in a malpractice action was made on their behalf. On the other hand, asking only for legal judgments restricts the inquiry to only those few cases which proceed to trial and a subsequent finding of legal liability by a judge or jury. The result is a potential concealment from the organization that out of court settlements have been reached on the physician's behalf in matters where the standard of care was not met.

Ideally, the application/re-application for privileges would seek a range of information from the physician including: (1) whether the physician has been charged with a criminal offence; (2) the expectation that the healthcare organization has obtained a Certificate of Professional Conduct or equivalent certificate from the pertinent regulatory body; (3) whether the physician has been the subject of a civil proceeding arising from his or her medical practice, professional conduct, competence or capacity in which a judgment has been rendered or an out of court resolution achieved on the physician's behalf; and (4) any relevant health and substance abuse issues posing a material risk to patient safety. Taken together, this range of information ought to give the healthcare organization reasonable insight into the physician's suitability for the privileges he or she is seeking.

HIROC recognizes that being named in a civil action can be the result of a nuisance allegation and, therefore, the healthcare organization should consider the sensitivity of the information provided by the physician and the confidentiality of the application/re-application for privileges. However, without any disclosure, an organization lacks both accurate and complete information on which to make an appropriate assessment regarding the practitioner's appointment. To balance these interests, the healthcare organization must ensure that it has established a just, transparent and formal process to respond to negative or questionable findings.

## **HIROC'S ROLE & INITIATIVES**

Promoting patient safety is at the core of HIROC's mandate; one of HIROC's major initiatives recognizes the need to assist healthcare organizations in the identification and management of risk and patient safety issues.

In the early 1990s, HIROC conducted a comprehensive review of reported claims and a trend analysis of the frequency, severity and preventability of hazards. This led to the development of the Risk Management Self-Appraisal Modules (RMSAM™). The Credentialing Module is a core module. To date, over seventy organizations representing large health regions to small rural hospitals have participated in this four-year process.

In response to a number of alarming negligent credentialing, privileging and performance management claims and related inquests, an in-depth analysis of the issues was conducted by HIROC. Utilizing the findings from our robust claims database and RMSAM™ findings, HIROC has begun drafting a white paper on physician credentialing, privileging and performance management. Our goal is to collaborate with both local and national partners to make evidence-based recommendations, thus serving as a beacon call for healthcare organizations to make improvements in their credentialing practices.

## POSITION STATEMENT & CALL TO ACTION

Healthcare organizations have an affirmative duty to appropriately appoint, grant privileges and monitor physician performance. As evidenced from recent Canadian investigations and inquests, anything less can impact the safety of patients. The quality of the practitioner is intimately linked to the quality of patient care.

HIROC recommends healthcare organizations consider the following:

- Healthcare organizations and their Boards should be satisfied that clearly defined medical staff by-laws, rules and regulations and processes are in place for collecting and validating information upon which appointment and re-appointment decisions are based. Organizations can rely somewhat on the medical regulatory body's information. However, organizations are obliged to conduct their due diligence by independently validating physician information, for example by carefully checking references. While medical regulatory authorities (MRAs) will play a role in responding to some physician matters, the organization is not relieved of its duty to take timely and appropriate action in response to reported complaints and concerns. While the registration status and professional standing of a physician with the MRAs are essential considerations, that status is generally not sufficient for decisions about privileges within a healthcare organization.

- As part of any physician performance management process, organizations should have a clearly defined, fair, just and transparent process for collecting, investigating and responding to patient complaints and clinical practice concerns. Additionally, healthcare organizations should have proactive, day-to-day performance management and quality assurance processes to identify patient care issues. Some examples would include morbidity and mortality rounds, reviews of infections and complication rates. As evidenced by claims reported to HIROC, evolving case law, and inquests, failure to respond to patient complaints and clinical practice concerns has contributed to patient harm, class action lawsuits and reputational loss to the organization.
- The decision to grant, limit or deny requested privileges should not be based on assumptions. Rather, it should be based upon training, experience, adequate and validated clinical performance information, and demonstrated competency of the applicant. To validate competencies, the organization should work in conjunction with various other organizations, including the MRAs, the College of Family Physicians of Canada and the Royal College of Physicians and Surgeons of Canada as these organizations have expertise in performance and competency issues. The criteria used to validate competencies and clinical performance information pertaining to the requested privilege should be consistently applied to every individual applying and re-applying for the same privilege, without bias, in a just and equitable manner.

In conclusion, HIROC is committed to collaborating with partners to improve physician credentialing practices. We believe as physician credentialing becomes more consistent, one important result will be increased patient safety.

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