

Good Morning. I am Cynthia Grubbs, the Director of the Office of Policy and Planning, Bureau of Health Professions, Health Resources and Services Administration, U.S. Department of Health and Human Services. I am here to speak with you today on the National Practitioner Data Bank, the Healthcare Integrity and Protection Data Bank and the Federal Credentialing Program.

The Health Resources and Services Administration (HRSA) -- often referred to as the “access” agency -- provides medical care and social services to millions of low-income Americans, many of whom lack health insurance and live in remote rural communities and inner-city areas where health care services are scarce. We work in partnership with States and local communities. One of our operating bureaus, the Bureau of Health Professions, invests in programs to help make sure that all areas of the nation and all segments of the population have access to skilled health care professionals. In conjunction with these tasks, responsibility for the National Practitioner Data Bank and the Healthcare Integrity and Protection Data Bank is assigned to that Bureau.

The National Practitioner Data Bank (NPDB) was created in response to the requirements of the Health Care Quality Improvement Act of 1986 and plays a vital role in the important process of health care practitioner credentialing. It provides verification of sensitive adverse information about health care practitioners in an efficient and reliable manner, while at the same time maintaining the security and confidentiality required by law. Authorized users of the NPDB include State licensing boards, hospitals, managed care organizations, other health care entities and professional societies. Hospitals are required to submit queries regarding staff practitioners every two years and/or each time they hire, affiliate or grant privileges to a

practitioner. The NPDB receives adverse information on licensure, adverse clinical privilege, and professional society actions taken against physicians and dentists from the required reporting by licensing boards, hospitals, and other health related entities. The NPDB also receives information on medical malpractice payments, Drug Enforcement Administration actions and Medicare/Medicaid exclusions taken against physicians, dentists, nurses, and other health care practitioners. Let me be clear that the NPDB does not contain information on all health care practitioners, only those practitioners who have had an adverse action taken against them.

NPDB data is intended to supplement a comprehensive and careful professional peer review. The Data Bank is used by entities to verify information the practitioner submits in his or her application for privileges, licensure, or affiliation. Currently, for example, when a practitioner applies for employment or for admitting privileges, the hospital asks the practitioner for a complete practice history including any malpractice payments or adverse actions. A query of the NPDB then verifies the information about malpractice payments and adverse actions for the hospital, or it discloses information to the hospital that the practitioner may have failed to include in the application.

The NPDB is now considered essential to the process of privileging and credentialing. Its value has been documented by surveys of Data Bank customers. Additionally, the NPDB along with its companion system, the Healthcare Integrity and Protection Data Bank (HIPDB), was recognized this year as among the “Top 5” information technology achievements in the public service arena by *Excellence.gov*, an annual awards program that honors computer innovation in the Federal government. Major accrediting organizations, such as the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and the National Committee for Quality Assurance (NCQA), have endorsed the value of the NPDB by strongly

encouraging, and in some cases requiring, organizations they accredit to access the NPDB in the credentialing process.

The NPDB is not funded by taxpayer dollars, but entirely by user fees. The NPDB currently covers its costs through fee collection and has done so successfully for nearly fourteen years. The current \$4.25 query fee is substantially lower than fees charged for databases of similar, though much less complete, information. Through fee collection, the NPDB is able to provide information within hours to requesters using the latest technology to maximize speed, convenience, and security, while minimizing financial burden to its customers and not imposing any burden on the U.S. taxpayers.

NPDB Aggregate Data

At the end of calendar year 2003, the NPDB contained 344,708 reports on individuals. It received 3,256,295 requests for information in 2003. Of those requests, 445,004 matched information contained in the NPDB for a match rate of 13.7 percent.

HIPDB

The Healthcare Integrity and Protection Data Bank (HIPDB), created as part of HIPAA of 1996, commenced operations in late 1999. The purpose of the HIPDB is to combat fraud and abuse in health insurance and health care delivery and to promote quality care. The HIPDB is primarily a flagging system that may serve to alert users that a more comprehensive review of a practitioner's, provider's, or supplier's past actions may be prudent. Like the NPDB, HIPDB information is intended to be used in combination with other sources (e.g., evidence of current competence through continuous quality improvement studies, peer recommendations,

verification of training and experience, relationships with organizations) in making determinations in employment, affiliation, certification, or licensure decisions.

Health plans and Federal and State agencies are required under Section 1128E of the Social Security Act to report adverse actions taken against health care providers (HMO, PPO, Group Medical Practice), health care suppliers (Durable Medical Equipment, Manufacturers, Pharmaceutical, Insurance Producers) and health care practitioners (nurses, podiatrists, psychologists, etc.) to the HIPDB. The HIPDB collects healthcare-related criminal convictions and civil judgments entered in Federal or State court, Federal or State licensing and certification actions, exclusions from participation in Federal or State health care programs, and other adjudicated actions or decisions that the Secretary has established by regulation, such as certain contract terminations taken by health plans. These same organizations, Federal and State agencies and health plans, access the HIPDB for information.

The HIPDB provides another resource to assist Federal and State agencies, State licensing boards, and health plans in conducting extensive, independent investigations of the qualifications of the health care practitioners, providers, or suppliers whom they seek to license, hire, credential, or with whom they seek to contract or affiliate.

The information in the HIPDB serves only to alert Government agencies and health plans that there *may* be a problem with a particular practitioner's, provider's, or supplier's performance. HIPDB information is not used as the sole source of verification of a practitioner's, provider's or supplier's professional credentials.

HIPAA requires that the HIPDB's operation be funded through user fees charges to health plans and other private entities that are authorized to query the database. These fees have not generated sufficient revenue to fully fund the database's operations. To meet the statutory

mandate to operate the HIPDB, HHS has supplemented the user fee collections with funds from the Health Care Fraud and Abuse Control (HCFAC) account.

HIPDB aggregate data

At the end of calendar year 2003, the HIPDB contained 159,995 reports on individuals and 3,758 reports on organizations. Of the reports on individuals, 21,787 were on physicians and dentists, 21,731 were on registered nurses, and 15,031 were on licensed practical nurses or vocational nurses. Pharmacists constituted 4,785 of the reports, chiropractors were 3,532 of the reports, nurses' aides were 11,804 of the reports, and psychologists represented 1,203 of the reports. The HIPDB received 872,211 queries in calendar year 2003. Of those requests, 10,028 matched on information contained in the HIPDB for a match rate of 1.1 percent

VA and the Data Banks

In terms of the use of the Data Banks by the Department of Veterans Affairs, the VA facilities use both the NPDB and HIPDB. As mandated by the NPDB's implementing legislation, a Memorandum of Understanding (MOU) between the VA and HHS governs the VA's interactions with the NPDB. The provisions of the MOU are intended to mirror the requirements the legislation places on the private sector. VA facilities submitted 31,750 queries and 119 reports to the NPDB in 2003. Of those queries, 25,612 were submitted on physicians and 6,138 queries were submitted on other practitioners. The VA has submitted 349,223 queries and 940 reports since the NPDB commenced operations in 1990. For HIPDB, VA is specifically mentioned in the statute as a mandatory reporter and a voluntary requester of the information. In 2003, VA facilities submitted 30,836 queries and 1 report to the HIPDB. Of the queries submitted in 2003, 24,958 were submitted on physicians and 5,871 were submitted on other practitioners. Under the provisions of the HIPDB statute, VA facilities query the HIPDB for

free.

DoD also uses the NPDB and the HIPDB as part of its credentialing process. DoD submits queries to the NPDB and HIPDB, as well as, reports adverse actions to the data banks on its health care practitioners.

Federal Credentialing Program

The Federal Credentialing Program (FCP) was developed to replace paper-based credentialing processes with electronic storage techniques for easier retrieval of credentials and faster communication of credentialing information in the Federal Government. In 1997, the Department of Veterans Affairs, Veterans Health Administration (VHA) and the Department of Health and Human Services (HHS)/Health Resources and Services Administration signed an inter-agency agreement establishing a formal partnership to develop an electronic credentialing database for the vetting of the VA's health care professionals.

In partnership, HHS and the VA determined that a certified, trusted electronic system would result in better credentialing and efficiency. The resulting software application, VetPro (i.e., to vet (evaluate) in a Peer Review Organization) allows providers to enter credentialing information such as education, licenses, and work history into an electronic, web-based system. A credentialer through primary source verification in accordance with appropriate accreditation standards authenticates the data. In addition, the system shares an interface with the NPDB/HIPDB to allow for seamless querying to the Data Banks. Once verified, the data may be stored electronically for subsequent retrieval. Information about health care professionals contained in these databases is very sensitive, and the Agencies administer the data consistent with all applicable security and privacy requirements.

By 2001, the FCP was used by the VA in all of the 172 facilities in its health care

delivery network. By 2003, the U.S. Public Health Service, Office of Emergency Preparedness, Immigration and Naturalization Service, National Aeronautics and Space Administration, and the National Health Service Corps had entered into one-year interagency agreements to participate in the FCP.

However by 2003, the landscape of the Federal government had changed. The Office of Emergency Preparedness and the Immigration and Naturalization Service were transferred to the U. S. Department of Homeland Security. The Division of Commissioned Personnel's internal business processes changed, which eliminated their need of the FCP. These three Federal organizations no longer participate in the FCP.

For these reasons, in October 2003, HRSA transferred responsibility for management of all FCP-related activities, including the VetPro software, to the VA, where we understand the system continues to operate effectively.

Thank you for the opportunity to inform you about the NPDB/HIPDB and the FCP.