



# **Department of Veterans Affairs Office of Inspector General**

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## **Healthcare Inspection**

### **Tracking of Medical License Expiration Dates**

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## Executive Summary

This review evaluated the systems and processes designed to ensure that physicians' medical licenses were current and in good standing in Veterans Health Administration (VHA) medical facilities. We reviewed current VHA policies, interviewed key staff, and deployed a survey to all VHA medical facilities.

We determined that the processes used to capture and monitor medical license expiration dates were inconsistent and fragmented across VHA medical facilities. VHA guidance lacked defined and specific requirements for monitoring license expiration dates and for communicating and following up to ensure timely renewal of licenses. As such, individual VHA medical facilities employed a variety of different approaches to track and manage licensure data.

While there are various reports available for tracking of medical license information and expiration dates, they are not necessarily mandated or used consistently across VHA. Further, VetPro (VHA's electronic C&P database) reports were not always considered trustworthy, user-friendly, or adaptable to local needs. In addition, we confirmed that the license expiration date automatically updates in the Personnel and Accounting Integrated Data system after the notification of the impending expiration is sent to the facility.

We recommended that the Under Secretary for Health requires VHA to outline the requirements and responsibilities for collecting, validating, and monitoring medical license expirations; assuring communication and coordination among involved Services; and following up to promote timely renewal of licenses. We also recommended that VHA medical facilities evaluate and refine local practices and policies to conform to VHA's requirements.

## Comments

The Under Secretary for Health agreed with the findings and conclusions and provided acceptable improvement plans. See Appendix A for the complete text of the Under Secretary's comments. We will continue to follow up until all actions are complete.



**DEPARTMENT OF VETERANS AFFAIRS**  
**Office of Inspector General**  
**Washington, DC 20420**

**TO:** Under Secretary for Health (10)

**SUBJECT:** Healthcare Inspection – Tracking of Medical License Expiration Dates

## **Purpose**

The VA Office of Inspector General (OIG), Office of Healthcare Inspections, evaluated the systems and processes designed to ensure that physicians' medical licenses were current and in good standing in Veterans Health Administration (VHA) medical facilities.

## **Background**

In December 2008, OIG learned that the license of a Chief of Staff (COS) in the VA Healthcare System (HCS) had expired in December 2007. The COS had transferred to the HCS earlier in 2007 from another VA medical facility and was functioning in an interim role. At the time, the COS did not request clinical privileges to practice; thus, the COS's credentialing and privileging (C&P) information was not forwarded to the Professional Standards Board for review, and the COS's license information was not entered into VetPro, VHA's electronic C&P database.

A HCS Issue Brief reflected that in November 2008, the COS attempted to write a medication order in the electronic Pharmacy package for a test patient but was unable to complete the process. Pharmacy staff told us that this type of problem usually occurs when the license expiration date in the electronic Pharmacy package indicates the physician's medical license has expired, a fact which the C&P staff later confirmed in this case. Although two C&P employees had been aware of the expired license since mid-November, HCS leaders were not informed of the situation until late November. The C&P employees reported that they did not notify managers of the expired medical license because the COS did not provide direct patient care. As a current medical license was a condition of employment, the COS resigned from the position.

The HCS initiated a review to determine how and why the event occurred and identified multiple issues as well as process and communication breakdowns that may have contributed to the outcome. Results of the HCS's December 2008 Issue Brief (an update

to an earlier brief) and corrective action plan outlined, among other things, the following concerns:

- The COS's credentialing data, including license information, was not entered into the PRIVPlus database (a proprietary software package that tracks C&P information). OIG determined that the circumstances leading to this failure were rare and unlikely to recur at other facilities. Therefore, we did not follow up on this issue during our review.
- The Personnel and Accounting Integrated Data (PAID) system automatically updated the COS's license information even though the license had expired.
- Communication between the PAID file, Pharmacy package, and PRIVPlus needed improvement.
- Follow-up when licenses were due to expire within a specified time frame (e.g. 30 days) needed improvement.

We conducted a site visit in early December 2008. In evaluating this case, we reviewed VHA policy<sup>1</sup> local C&P policies and practices; provider-specific C&P documents; and the HCS's Issue Briefs, corrective action plan, and other related documents. We also interviewed staff knowledgeable about the issues.

We found that HCS leadership took prompt and appropriate action when they learned of the license expiration. Further, the action plan was thorough and included a comprehensive review of the systems and processes to ensure that practitioner licenses were current. We were provided documentation outlining the discussions between HCS leadership and Regional Counsel staff regarding patient care and risk management issues related to the COS's lapsed medical license. While the COS had not provided any direct patient care during the period in question, the COS did authorize payments, approve meeting minutes, and sign physicians' clinical appointments. Those concerns were appropriately evaluated and addressed.

The COS renewed the expired medical license in late 2008, and has since taken another position in a different Veterans Integrated Service Network. We found that the HCS leadership team managed the event, subsequent investigation, and corrective actions appropriately. Therefore, we did not complete an independent investigation and report of the case.

The issues identified by HCS leadership raised concerns about the comprehensiveness of systems and processes to track and follow up on expiring medical licenses at other VA medical facilities. We decided that a national review was indicated to evaluate if

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<sup>1</sup> VHA Handbook 1100.19, *Credentialing and Privileging*, November 14, 2008

vulnerabilities in the systems or processes could result in similar occurrences at other VA medical facilities.

## Scope and Methodology

In addition to VHA Handbook 1100.19, we also reviewed the *VetPro Credentialing Coordinator's User Manual*, dated October 2007; met with several C&P coordinators; and received a demonstration on the VetPro system. Further, we researched the functionality and interface capabilities of VetPro, the Pharmacy package, PAID, and PRIVPlus systems. We met with VHA's C&P Program Director, who is responsible for oversight of C&P for health care providers delivering care in VHA facilities, policy development, compliance with Federal regulations, and C&P consultation.

In June 2009, we deployed a survey to Human Resources (HR), Pharmacy, and C&P staff in all 139 VHA medical facilities. The survey focused on the computerized data systems and manual processes used to capture and validate accuracy of physician medical license information and to communicate that information among appropriate Services. All 139 facilities responded to the survey. We shared selected survey data that was not included in this report with VHA leadership for information and action, as deemed appropriate.

## Medical License Requirements and Tracking Systems

VHA regulations require that physicians maintain one State medical license that is active and in good standing in order to practice medicine in VHA facilities.<sup>2</sup> Physicians hold primary responsibility for renewing their medical license(s) timely and clinical privileges will be revoked if a physician does not maintain at least one active medical license. C&P respondents reported that during the past 3 years, there have been instances when physicians have been reassigned, terminated, placed on leave-without-pay, had other disciplinary or personnel actions taken, or have voluntarily resigned as a result of an expired medical license.

VHA uses several systems to document physician licensing information, including VetPro, PRIVPlus, the Pharmacy package, and the PAID System.

VetPro. This VHA mandated system was implemented in March 2001 as the VA Credentials Data Bank and contains data related to health care providers' credentials, including medical degree, Board certification, and licensure information. Physicians that apply for initial or renewal of privileges must submit a list of all previous and current medical licenses. C&P staff complete primary source verification (PSV) with the State licensing board to validate that the medical license is active and in good standing. PSV information is scanned into the physician's electronic VetPro file and a hard copy is

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<sup>2</sup> If a physician does not want to maintain multiple State licenses, the physician must note that the additional medical license has intentionally been allowed to expire with no plans to renew.

placed in the C&P folder. The scanned PSV information reflects the State where the license is held and the date of expiration. As the medical license data contained in VetPro has been validated with the State licensing board, it is considered to be VHA's single most accurate source of licensure data.

While physicians must update some elements of their VetPro files, C&P staff have primary responsibility for PSV completion, data entry, and tracking and monitoring the status of credentialing information. VetPro offers a series of "canned" reports, including *Licenses within 45 days of expiration, by State*, which can be generated by C&P staff at any interval.

Only 68 percent of C&P respondents indicated that they generated this report for medical license tracking purposes. Some respondents commented that they did not use this VetPro canned report because it was not always accurate, and also indicated that the information was not formatted or presented in a user-friendly and meaningful way. C&P coordinators we interviewed verbalized similar concerns.<sup>3</sup>

In response to this apparent VetPro weakness, many facility-level C&P Coordinators maintained other databases including PRIVPlus and locally-developed databases and/or spreadsheets to better track and manage license information. These systems permitted users to customize and generate reports tailored to the facility's needs. C&P survey respondents reported using a variety of databases or spreadsheets to monitor physician license information as shown in Table 1 below.

<b>Table 1. License Monitoring System</b>	<b>Percent</b>
VetPro only	12.1
PRIVPlus only	21.6
Local database only	11.5
Combination of VetPro, PRIVPlus, and local database	5.8
Combination of VetPro and PRIVPlus	29.5
Combination of VetPro and local database	15.8
Combination of PRIVPlus and local database	3.6

PRIVPlus. PRIVPlus is a non-mandated proprietary software package that contains information related to physician reappointments, clinical privileges, and licensure. PRIVPlus offers a variety of "canned" reports, but also permits modification and creation of reports to meet the individual needs of the facility. C&P staff generally have responsibility for PRIVPlus data entry and maintenance, and VHA medical facilities electing to use PRIVPlus must pay a fee.

<sup>3</sup> In July 2010, an additional report, *Active Appointments with No Active Licensure*, was added to the VetPro menu of canned reports. As this report was only recently available, we did not assess its use by C&P staff.

Pharmacy Package. This VA electronic system contains information for those physicians permitted to order medications. For purposes of this review, we focused on the New Person File, which includes the medical license expiration date for physicians authorized to write medication orders. One of the Pharmacy package's internal control mechanisms prohibits a physician from finalizing a medication order if his or her medical license has expired. This control played a central role in identifying the subject COS's expired medical license.

Manual entry of expiration dates is required, and responsibility for updating licensure information in the Pharmacy package varies by VHA facility. Monitoring of license expiration dates in the Pharmacy package is not mandated. In our survey, only 50 percent of the Pharmacy Service respondents reported monitoring the license expiration date through the Pharmacy package New Person File.

PAID System. This VA electronic system contains employment and salary data, and also includes a field for medical license expiration information. HR staff responses were varied as to whether the PAID system automatically updated the license expiration date (as reported by the subject HCS) or whether manual updates were required. Instructions<sup>4</sup> for updating the medical license section in the PAID system are reflected under Issue 1 below.

Additionally, the PAID system has canned reports which allow staff to generate reports to identify license expiration dates. Only 47 percent of the HR respondents reported that they generated impending license expiration reports from the PAID system.

## Review Results

### Issue 1: Automatic PAID System License Updates

We confirmed that medical license expiration dates are automatically updated in the PAID system; manual entry updates are not required. When a new physician is hired, the license expiration date is entered into the PAID system using a licensure code (known as an L code) and the number of years the license will remain active. Thus, a medical license due to expire in 2 years is coded as "L2."

The Human Resources Information System (HRIS) Bulletin 09-13,<sup>5</sup> dated August 7, 2009, describes the process for licensure updates. The Austin Automation Center generates VA Form 4682, *Certification of Licensure, Registration or Bar Membership*, from the PAID system approximately 75 days in advance of the license expiration date as part of the End-of-Month-Corrections edit and update cycle. Two copies of VA Form 4682 are printed and forwarded to each facility's HR department. Copy 1 is filed in a

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<sup>4</sup> <http://vaww4.va.gov/WIST/PAIDCoding.htm>, accessed on May 21, 2010.

<sup>5</sup> MP-6, Part V, Supplement Number 1.5, Appendix C



suspense folder by the HR department for follow-up, and copy 2 is sent to the provider's Service for action. Each facility is supposed to designate an individual in HR to verify license renewals. Copy 1 is completed and returned to the HR department for filing in the employee's Official Personnel Folder (OPF), and copy 2 is removed from the suspense folder. Thus, based on the assumption that facilities are following up to ensure providers are updating their licenses timely, the PAID system automatically updates the license expiration date (using the L-code) when VA Form 4682 is generated.

Even though we identified vulnerabilities in the automatic update process of the PAID system, we take no position on the appropriateness or advisability of this feature.

Although the HRIS bulletin came out in August 2009, we noted that the process outlined above is dated, relying on hard-copy forms and files that may no longer exist (such as the OPF, which is currently transitioning to an electronic version). We did find additional guidance showing that on December 7, 2007, the Under Secretary for Health (USH) signed a waiver of some administrative requirements (including the use of VA Form 4682) stating facilities "may also verify licensure, certification, and registration by other electronic means where appropriate." However, the USH waiver information was not included in the HRIS bulletin. Even though VHA clearly intended for impending license expirations to be identified through the PAID system and followed-up accordingly, neither document specifically requires HR staff to proactively generate reports and communicate with providers and other appropriate staff and Services.

## **Issue 2:      Communication and Follow-Up**

VHA's guidance and structure for monitoring, communicating, and following up on medical license expirations was fragmented and non-specific. During our review of VHA policies, handbooks, and processes, we found that the C&P Handbook and other relevant guidance did not specifically define how VHA facilities should track medical license expiration dates, what timeframes should be considered, or how impending expirations should be reported and to whom. As noted previously, HR and Pharmacy staff were either not mandated to, or for other reasons, did not run reports or otherwise monitor or follow-up on expiring licenses. In January 2010, the Government Accountability Office (GAO) published a report entitled *VA Credentialing and Privileging*, GAO-10-26, which identified a similar concern, stating "VA policies lacked specificity in describing the monitoring activities that are expected to oversee VAMCs' compliance with credentialing and privileging policies."

When the primary VetPro licensing data and reports are not used (as reported by 32 percent of the facilities), the ancillary systems (PRIVPlus, Pharmacy package, and PAID) become the redundant systems to identify practitioners whose licenses are about to expire. When these ancillary systems contain accurate data, and assigned staff routinely generate reports, notify and communicate with appropriate personnel, and follow-up on the actions, these systems can be effective controls to ensure providers have current

licenses. We noted that 53 percent of HR respondents and 50 percent of Pharmacy respondents did not generate license expiration reports within their Services. We also identified other improvement opportunities, as follows:

- VetPro does not fully interface with the PAID or Pharmacy license tracking systems, and while VetPro does have an export capability to PRIVPlus, facilities are not mandated to use it. Therefore, license information and expiration dates are often conveyed verbally, by e-mail, or by hard copy communication, and then manually entered into the ancillary system. Manual data entry is vulnerable to keystroke error.
- Facilities reported inconsistent verification of the license information entered manually into ancillary tracking systems.
  - 49 percent of the Pharmacy respondents reported that Pharmacy Service did not have a system to verify the accuracy of the information entered.
  - 34 percent of the HR respondents reported that they did not have a system to verify the accuracy of current physician medical license information in the PAID system.
- Expectations for communication of medical license information were unclear. The table below shows the inconsistency in which impending license expirations are reported across Services, and how Services and people with a “need to know” may not always be included in the communications.

**Table 2. License Information Reporting**

Impending license expiration identified by: ↓	Percentage of time it is reported to: →	C&P	Pharmacy	HR	Physician	Service Chief and/or COS
C&P			4	37	96	94
Pharmacy		47		22	17	21
HR		68	13		64	90

- Expectations for follow-up of impending license expirations were unclear. In general, the physicians, and to a lesser extent, the Service chiefs, bear primary responsibility for assuring that medical licenses are updated timely. It was largely

assumed that once the provider and Service chief were notified, corrective actions would be taken. However, responsibility for *confirming* that the provider updated his or her medical license was not assigned or defined.

## Conclusions

The processes used to capture and monitor medical license expiration dates were inconsistent and fragmented across VHA medical facilities. VHA guidance lacked defined and specific requirements for monitoring license expiration dates and for communicating and following up to ensure timely renewal of licenses. As such, individual VHA medical facilities employed a variety of different approaches to track and manage licensure data.

While there are various reports available for tracking of medical license information and expiration dates through VetPro, PRIVPlus, PAID, and the Pharmacy package, they are not necessarily mandated or used consistently across VHA. Further, VetPro reports were not always considered trustworthy, user-friendly, or adaptable to local needs.

We confirmed that the license expiration date automatically updates in the PAID system after the notification of the impending expiration is sent to the facility.

## Recommendations

Recommendation 1. We recommended that the Under Secretary for Health requires VHA to outline the requirements and responsibilities for collecting, validating, and monitoring medical license expirations; assuring communication and coordination among involved Services; and following up to promote timely renewal of licenses.

Recommendation 2. We recommended that the Under Secretary for Health requires VHA medical facilities to evaluate and refine local practices and policies to conform to VHA's requirements.

## Comments

The Under Secretary for Health agreed with the findings and conclusions and provided acceptable improvement plans. See Appendix A for the complete text of the Under Secretary's comments. We will continue to follow up until all actions are complete.

*(original signed by:)*

JOHN D. DAIGH, JR., M.D.  
Assistant Inspector General for  
Healthcare Inspections

## Under Secretary for Health Comments

**Department of  
Veterans Affairs**

### Memorandum

**Date:** October 25, 2010

**From:** Under Secretary for Health (10)

**Subject:** **Healthcare Inspection – Tracking of Medical License Expiration Dates**

**To:** Assistant Inspector General for Healthcare Inspections (54)

1. Thank you for the opportunity to review the draft report. I concur with the report findings and recommendations. Your report will help the Veterans Health Administration to further validate and monitor medical license expirations.
2. New guidance will be developed to outline the requirements and responsibilities for collecting, validating, and monitoring medical license expirations. Furthermore, the new guidance will direct facilities on how to determine and document the staff responsible, and the processes to be used to ensure that providers maintain required licensure.
3. A complete action plan to address the report recommendations is attached. If you have any questions, please contact Linda H. Lutes, Director, Management Review Service (10B5) at (202) 461-7014.

*(original signed by:)*  
Robert A. Petzel, M.D.

Attachment

**VETERANS HEALTH ADMINISTRATION (VHA)  
Action Plan**

OIG Draft Report, Tracking of Medical License Expiration Dates

**Date of Draft Report: September 29, 2010**

<b>Recommendations/ Actions</b>	<b>Status</b>	<b>Completion Date</b>
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**Recommendation 1.** We recommended that the Under Secretary for Health requires VHA to outline the requirements and responsibilities for collecting, validating, and monitoring medical license expirations; assuring communication and coordination among involved Services; and following up to promote timely renewal of licenses.

VHA Comments

Concur

The Chief Workforce Management and Consulting Officer (10A2), in collaboration with the Chief Quality and Performance Officer (10Q), will develop guidance that outlines the requirements and responsibilities for collecting, validating, and monitoring medical license expirations; ensuring communication and coordination among involved Services; and following-up to promote timely renewal of medical licenses.

The new guidance will direct facilities on how to determine and document the staff responsible, and the processes to be used to ensure that providers maintain required licensure.

Network Directors and Human Resource offices will communicate new requirements and responsibilities, as well as provide additional information through e-mail groups and monthly conference calls.

In process

December 2010

**Recommendation 2.** We recommended that the Under Secretary for Health requires VHA medical facilities to evaluate and refine local practices and policies to conform to VHA's requirements.

VHA Comments

Concur

Once the above mentioned guidance is developed, the Office of the Deputy Under Secretary for Health for Operations and Management (DUSHOM/10N) will issue a memo to Veterans Integrated Service Networks and medical facilities leadership requiring that local practices and policies be evaluated and revised to conform with new guidance developed by 10A2 in collaboration with 10Q.

In process

December 2010

## OIG Contact and Staff Acknowledgments

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OIG Contact	Toni Woodard
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Acknowledgments	Shirley Carlile Lin Clegg Victoria Coates Audrey Collins-Mack Marnette Dhooghe Tishanna McCutchen Brenda Uptain Susan Zarter
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