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## Main points

*The Regional Health Services Act* makes regional health authorities responsible to grant medical privileges to physicians. Physicians must receive medical privileges before they can admit patients to hospitals to do diagnostic tests, perform surgeries, etc.

Prairie North Regional Health Authority did not have adequate processes to grant medical privileges for the 12 months ended January 31, 2011. It did not:

- ◆ Set requirements for physicians doing special procedures or practicing as specialists
- ◆ Obtain all required documents before granting medical privileges
- ◆ Conduct reference checks for physicians applying for medical privileges in its hospitals for the first time
- ◆ Analyze physicians' compliance with medical privileges granted and revise as necessary
- ◆ Seek its Board's approval for all medical privileges
- ◆ Monitor whether its processes to grant medical privileges align with its bylaws
- ◆ Clarify responsibilities for granting medical privileges of the chief of medical staff and committees in each community

Granting medical privileges to physicians who are not adequately qualified could result in harm to patients. We encourage other regional health authorities to use the criteria described in this chapter to assess their own processes for granting medical privileges.

## Introduction—Granting medical privileges

The Prairie North Regional Health Authority (Prairie North) provides health services to the northwest part of central Saskatchewan. In 2009-10, Prairie North spent about \$74.4 million on its acute care services. Many of these services require the direct involvement of physicians. Prairie North is responsible to ensure that qualified physicians deliver safe, competent health care in its hospitals. One way Prairie North does this is by granting medical privileges to eligible physicians.

Prairie North grants medical privileges to over 100 physicians on an ongoing basis. Prairie North requires physicians' services in the provincial psychiatric rehabilitation hospital, two regional hospitals (North Battleford, Lloydminster), one district hospital (Meadow Lake), and two community hospitals (Maidstone, Turtleford).

We audited the processes Prairie North used to grant medical privileges to physicians.

## Background

Physicians must receive medical privileges before they can admit patients to hospital, do diagnostic tests, deliver babies, care for premature infants, perform surgery, administer anaesthesia, etc. Medical privileges give physicians access to equipment, staff, and other hospital resources. Medical privileges specify exactly which medical procedures the physician has the education, skill, and experience to perform safely.

*The Regional Health Services Act* makes the Boards of regional health authorities (RHAs) responsible to grant medical privileges to physicians. RHAs use model Practitioner Staff Bylaws approved by the Ministry of Health as a base for processes to grant medical privileges and amend, suspend, or revoke, if required, the medical privileges granted.

Granting medical privileges to physicians who are not adequately qualified could result in inadequate care, harm to patients, and loss of public confidence in the healthcare system. Not having enough physicians with medical privileges is one of the human resources risks many RHAs face. RHAs often need to replace physicians and medical specialists who move to other centres. RHAs must balance their need for

enough physicians to provide hospital services effectively with their role to grant medical privileges for safe, competent care.

RHAs receive advice about granting medical privileges from senior physicians. Senior physicians in RHAs include the Vice President of Medical Services (senior medical officer), the chief of medical staff in each hospital, and physicians who are responsible for physician services in hospital departments (e.g., surgery, obstetrics). These physicians work together using practitioner advisory committees to guide policy decisions and other committees (e.g., credentials committees and medical advisory committees in each community) to recommend medical privileges.

## **Audit objective, criteria, and conclusion**

The objective of this audit was to assess whether the Prairie North Regional Health Authority had adequate processes to grant medical privileges during the 12 months ended January 31, 2011. We focused on processes to grant medical privileges for services in hospitals. For the purposes of this audit, we define medical privileges as "the authority granted by the Board ... to a physician ... to admit, register, diagnose, treat or discharge patients in respect of a facility, program or service operated or delivered by the regional health authority." We did not audit the medical practice of physicians in the region.

To conduct this audit, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook - Assurance*. To evaluate Prairie North's processes, we used criteria based on the work of other auditors and current literature listed in the selected references. Prairie North's management agreed with the criteria (see Exhibit 1).

**Exhibit 1—Audit criteria for granting medical privileges**

To have adequate processes to grant medical privileges, RHAs should:

1. Identify standards for granting medical privileges
  - 1.1. Identify medical privileges required to meet regional needs
  - 1.2. Align processes for granting medical privileges with bylaws
  - 1.3. Identify requirements to grant specific medical privileges
2. Grant medical privileges to qualified applicants
  - 2.1. Assess applicants
  - 2.2. Verify qualifications
  - 2.3. Obtain Board approval of medical privileges promptly
  - 2.4. Communicate medical privileges to facility staff
3. Monitor use of medical privileges granted
  - 3.1. Assess compliance with medical privileges granted
  - 3.2. Investigate complaints
  - 3.3. Obtain Board approval to amend, suspend, or revoke privileges if required

**We concluded that the Prairie North Regional Health Authority did not have adequate processes to grant medical privileges in hospitals during the 12 months ended January 31, 2011.**

## Key findings and recommendations

We set out below our expectations (criteria) in italics, related key findings, and recommendations.

### Identifying standards for granting medical privileges

*We expected RHAs to identify what medical privileges they should grant by identifying regional needs for physician services (e.g., number, skills, type of specialists). We expected RHAs to align their processes with bylaws governing the granting of medical privileges. We expected RHAs to have formal requirements for the various types of medical privileges granted to physicians.*

Prairie North assessed its need for physicians throughout the region during its regular Board and medical advisory committees' meetings. The bylaws required the Board to receive annually a plan for physician services. In September 2010, senior management reported to the Board the current number of physicians and specialists in each community and the projected need for physician services based on historical patterns and

planned health services. In early 2011, Prairie North hired an external consultant to assess the current and the anticipated need for physicians to serve the growing population in the Lloydminster area.

Prairie North aligned most of its processes for granting medical privileges with its bylaws. In 2006, Prairie North adopted as its bylaws the detailed model Practitioner Staff Bylaws approved by the Ministry of Health. The bylaws broadly outlined the process and assigned responsibility for granting medical privileges to the Board. Also, the bylaws assigned responsibility to grant temporary medical privileges to the senior medical officer and required that these would be submitted for approval or amendment at the next Board meeting.

The bylaws required Prairie North's practitioner advisory committee to provide policy advice to coordinate processes to grant medical privileges consistently throughout the health region. Prairie North did not have relevant policies and did not apply its processes for granting medical privileges consistently across the region as explained later in this chapter. Prairie North did not monitor on an overall basis whether its processes for granting medical privileges were aligned with the bylaws and consistent throughout the region.

- 1. We recommend that the Prairie North Regional Health Authority monitor whether its processes for granting medical privileges are aligned with its Practitioner Staff Bylaws and take action to ensure consistent processes across the region.**

Prairie North did not set out in its bylaws or elsewhere the role of the chief of medical staff or the medical advisory committee in each hospital. One hospital had a vacancy in the chief of medical staff position resulting in challenges in implementing the bylaws. Clarifying responsibilities and delegating duties when necessary would help Prairie North grant medical privileges to qualified physicians efficiently and consistently.

- 2. We recommend that the Prairie North Regional Health Authority clarify the responsibilities of the chief of medical staff and committees in each hospital for granting medical privileges.**

Prairie North's bylaws required that it grant medical privileges only to physicians licensed by the College of Physicians and Surgeons of Saskatchewan (the College). The College issues a license to practice medicine which states the nature of medical practice allowed. For example, it may allow medical practice as a general practitioner or specialist, limit the medical practice, or set conditions such as working closely with other physicians. Prairie North relied on the College to license only those physicians who had an appropriate medical education and sufficient supervised practical experience.

The bylaws allowed Prairie North to set additional requirements if the physician would be practicing medicine as a specialist (e.g., psychiatrist) or doing special procedures such as anaesthesia. Prairie North had not set additional requirements for specialists or for physicians doing special procedures. Physicians requested medical privileges for those specific procedures they felt competent to perform and senior physicians recommended which ones the medical advisory committee should grant. Without policies to clarify what the Board expects in terms of the training, experience, and skills required for specialty areas, Prairie North might not grant appropriate medical privileges consistently across the region.

- 3. We recommend that the Prairie North Regional Health Authority set requirements for granting medical privileges to physicians doing special procedures such as anaesthesia or practicing as specialists in the region.**

## **Granting medical privileges to qualified applicants**

*We expected RHAs to grant medical privileges after assessing and verifying that applicants had the required education, skill, attributes, and experience necessary to practice medicine safely. We expected RHAs to promptly obtain Board approval for medical privileges and communicate the approved medical privileges to hospital staff.*

Senior physicians reviewed applications for medical privileges before submitting them to the appropriate committee for review and recommendation. The applications they reviewed were not always complete. In some cases, Prairie North sent a letter to the physician requesting missing information. Prairie North did not have consistent processes to ensure applications were complete.

During the audit period, we found several incomplete applications. The bylaws required physicians to provide specific items with their applications for medical privileges (e.g., copy of current medical license, proof of liability insurance). We found Prairie North had these specific items for 88% of physicians applying for medical privileges for the first time in Prairie North. However, when Prairie North reappointed physicians, only 55% of applications had a copy of the current medical license and 40% had proof of liability insurance. In some communities, Prairie North did not know if all its physicians had a current medical license.

In addition, the bylaws required new physicians to provide a current criminal record check whether their previous residence was in Canada or elsewhere. Prairie North obtained a criminal record check for new physicians in one community but not for physicians in other communities. We found 25% of physicians new to Prairie North provided a criminal record check when applying for medical privileges. Prairie North did not seek further information if it was not provided. Without complete information, Prairie North cannot adequately assess whether physicians are eligible to practice medicine in its hospitals. Prairie North did not grant medical privileges consistently in all communities providing physician services.

**4. We recommend that the Prairie North Regional Health Authority consistently require physicians to submit complete applications with the documentation required by its Practitioner Staff Bylaws before granting medical privileges.**

We expected Prairie North to contact people named as references for physicians applying to practice medicine in its hospitals for the first time. References would allow Prairie North to evaluate physicians' competence, character, and ethics. Prairie North checked references for 38% of new physicians by receiving a standard form (e.g., checklist and questions) to evaluate the applicant. Prairie North seldom called previous employers or other people named as character or professional references. This step could have helped Prairie North verify that the applicants had adequate competence to practice medicine in its hospitals.



**5. We recommend that the Prairie North Regional Health Authority conduct reference checks for physicians applying to practice medicine in its hospitals for the first time.**

After the senior physicians and appropriate committees review the applications, the bylaws required the Board to approve or amend the recommended medical privileges at its next regular meeting. Not all applications for medical privileges went to the Board for approval after being reviewed by senior physicians and the appropriate committees. Prairie North did not seek Board approval for 25% of the first time applicants requesting medical privileges during our audit period. In these cases, the senior medical officer granted these physicians temporary medical privileges. Sometimes the Board had not approved the recommended medical privileges for several months. This puts Prairie North, the physicians, and hospital patients at risk.

**6. We recommend that the Prairie North Regional Health Authority approve, amend, or revoke recommended medical privileges at the Board's next regular meeting as required by its Practitioner Staff Bylaws and inform the Board of any temporary medical privileges granted.**

After the Board decides the medical privileges it will grant, Prairie North should communicate clearly to its hospital staff the medical privileges granted to each physician. For initial appointments, senior physicians sent memos to all staff detailing the medical privileges granted. For reappointments during 2010, Prairie North did not use a consistent process. Prairie North communicated to hospital staff the detailed medical privileges granted for 40% of reappointed physicians and did not communicate the medical privileges granted for 50% of reappointed physicians. In some communities, if there was no change in medical privileges granted, Prairie North did not consider it necessary to inform hospital staff. Medical privileges for 10% of reappointed physicians had not yet gone through the approval process.

## Monitoring use of medical privileges granted

*We expected RHAs to monitor the use of medical privileges granted by assessing whether physicians complied with these privileges. We expected RHAs to investigate complaints and if required obtain Board approval to amend, suspend, or revoke medical privileges.*

Prairie North did not have a formal process to monitor and assess how physicians used their medical privileges before it renewed the medical privileges. The medical advisory committees sometimes discussed if physicians complied with the medical privileges granted and recommended amending those medical privileges if necessary. Prairie North did not use this practice consistently in all communities and did not routinely verify how often physicians did procedures that are particularly challenging (e.g., anaesthesia).

Management told us that in smaller centres the senior physician would know how often a physician performed specific procedures and whether they were done in accordance with the privileges granted. Many medical procedures are complex and require significant practice to retain the required skill. A formal process to review certain privileges and determine if physicians carry them out often enough to retain skills would help Prairie North keep its hospital patients safe. It would also help Prairie North to identify those physicians who should attend refresher courses of various kinds.

**7. We recommend that the Prairie North Regional Health Authority analyze whether physicians complied with the medical privileges granted and revise medical privileges as necessary.**

The bylaws set out the procedures for investigating complaints and Prairie North followed these procedures. During the audit, we found that community members informed Prairie North of complaints about medical practice and senior physicians investigated the complaints appropriately. The senior physician also informed the Board about complaints. In addition, every three months senior management provided the Board with a Client Concern Handling Report. The report presented the total number of complaints within three major areas of interest – cultural, department or conduct, and physician-related complaints.

During the audit, the Board approved the medical privileges recommended by medical advisory committees for renewal and amended the privileges granted in some cases. The Board did not suspend or revoke any privileges during the audit period.

## **Selected references**

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