

## REPORT OF THE BOARD OF TRUSTEES

B of T Report 13-I-19

Subject: Hospital Closures and Physician Credentialing

Presented by: Jesse M. Ehrenfeld, MD, MPH, Chair

---

American Medical Association Policy D-230.984, “Hospital Closures and Physician Credentialing,” instructs our AMA to: (a) continue to monitor the development and implementation of physician credentialing repository databases that track hospital affiliations, including tracking hospital closures, as well as how and where these closed hospitals are storing physician credentialing information; and (b) explore the feasibility of developing a universal clearinghouse that centralizes the verification of credentialing information, and report back to the House of Delegates at the 2019 Interim Meeting.

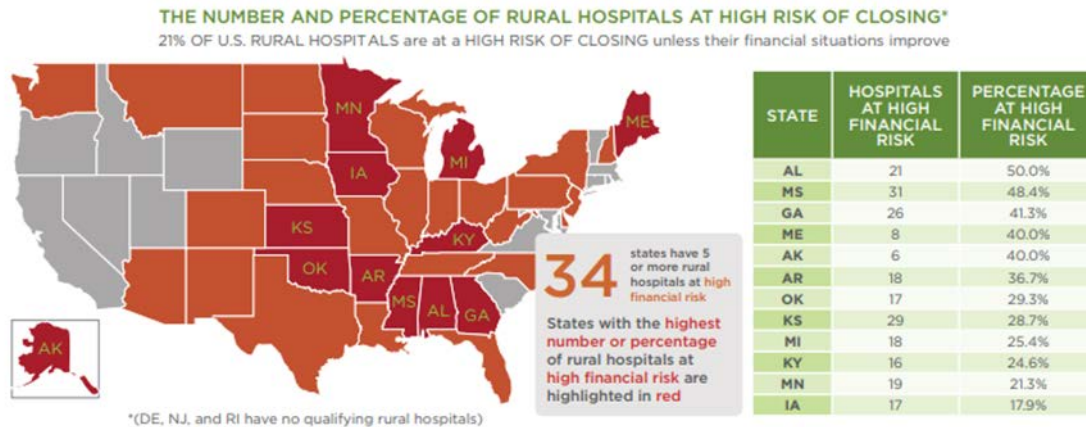
The testimony on the original resolution (Resolution 716-A-18) was largely supportive of the intent to develop a universal clearinghouse that centralizes the verification of credentialing information; however, some members noted that the cost of implementation may be significant and that there were still many unanswered questions about the demand for such a service and how it would work. Others were concerned as to whether the AMA is the organization best positioned to take up the issue.

This informational report provides an update on hospital closure activity, changes and updates to associated legal or regulatory requirements, and the status of various efforts to centralize records for impacted institutions.

### DISCUSSION

According to Becker’s Hospital CFO Review, at least 12 hospitals have closed between January and June of 2019 with another 12 filing for bankruptcy from January through April. This does not include the 100+ year old Philadelphia-based Hahnemann University Hospital, which is the primary teaching hospital affiliated with Drexel University College of Medicine. This announced bankruptcy and facility closure will displace approximately 40% of the hospital’s physician and other clinical staff, some 571 residents, fellows, and medical students currently in training. Additionally, a report issued by Navigant Consulting in Chicago, Illinois found that over twenty percent of rural hospitals across the U.S. are at risk of closure. All indications are that this will continue to be an issue that significantly impacts students, residents, and physicians from multiple angles.

Figure 1: Rural Hospital Financial Risk



As previously reported, a thorough review of existing law revealed few requirements for the retention of physician credentialing records when a hospital closes. Some states have legislation requiring the hospital to implement policies for the preservation of medical staff credentialing files (e.g., Illinois and New York); however, most states have no specific law or regulations providing for the timely transfer of medical staff credentialing files and proper notification to physicians.

Despite the lack of specific legislation, industry credentialing experts have shared anecdotal examples that indicate that institutions generally recognize the importance of these records and often attempt to make arrangements for their files prior to closure. Reportedly, this usually leads to shipping boxes of paper to another local institution for safekeeping. In the case of bankruptcy, the records may be included as part of the bankruptcy proceedings.

Various industry stakeholders have developed processes and programs to manage and store certain information that would traditionally be verified by a hospital or training program with varying success. The Federation of State Medical Boards (FSMB) offers a graduate medical education (GME) closed program service. Through this program, FSMB offers to permanently store the records of residents who attended the program. FSMB charges a fee to the closing program that fluctuates depending on whether they are providing electronic or paper records. They have also consulted with The Joint Commission, the National Committee for Quality Assurance (NCQA), URAC and state licensing boards to ensure that the information provided through this program meets the primary source verification requirements. FSMB charges an institution verifying the credentials of an impacted physician \$60 per physician per program validation. They currently maintain the records from over 30 closed facilities representing well over one hundred individual training programs. FSMB has been in contact with the previously mentioned Hahnemann University Hospital about their services. This program, however, is limited in its scope. Currently it is specific to the storage and maintenance of training records and does not extend to work history or the evaluation of voluntary or involuntary termination of medical staff membership or the voluntary or involuntary limitation, reduction or loss of clinical privileges.

In January of 2013, the National Association of Medical Staff Services (NAMSS) launched NAMSS Pass, a secure online database that provides access to primary source affiliation history for clinicians. The information includes affiliation history with verified dates. In some instances, a letter of good standing may be included. NAMSS reports that less than 10% of U.S. hospitals have elected to utilize the program. The most common reasons cited for not participating are that it is extra work that does not improve the credentialing process and that the facility's legal department

1 prohibits the provision of this information to NAMSS Pass. NAMSS continues to work to garner  
2 greater adoption and make necessary changes to secure additional information beyond affiliations  
3 in the event of a hospital closure.  
4

5 As noted in previous reports, various states have also been looking at centralizing credentialing  
6 activities which has the potential to address the hospital closure issue. Oregon, one of the more  
7 recent efforts, announced their decision to suspend their Common Credentialing program citing  
8 complexity and expense.  
9

10 The AMA has been in contact with these organizations as well as others in an effort to identify  
11 ways to address the issue of ensuring accessible data after an institution closure as well as to reduce  
12 the burden placed on physicians during the credentialing process. Today, the AMA through its  
13 Credentialing Profile service acts as a centralized repository of certain credentialing data, including  
14 state licensure and actions, board certification, drug enforcement agency (DEA), medical education  
15 and Accreditation Council for Graduate Medical Education (ACGME) accredited training. The  
16 AMA continually explores the expansion of this service offering, however, recognizes that certain  
17 aspects of the credentialing and privileging information maintained by the medical staff office will  
18 be extremely challenging to centralize. For example, these files customarily include peer reviews  
19 that institutions are reluctant to store outside their organization.  
20

## 21 AMA POLICY

22

23 AMA policy supports the appropriate disposition of physician credentialing records following the  
24 closure of hospitals, ambulatory surgery facilities, nursing homes, and other health care facilities.  
25 Policy H-230.956, "Hospital, Ambulatory Surgery Facility, Nursing Home, or Other Health Care  
26 Facility Closure: Physician Credentialing Records" states that, where in accordance with state law  
27 and regulations, "... (t)he governing body of the hospital, ambulatory surgery facility, nursing  
28 home, or other health care facility shall be responsible for making arrangements for the disposition  
29 of physician credentialing records or CME information upon the closing of a facility..." and "make  
30 appropriate arrangements so that each physician will have the opportunity to make a timely request  
31 to obtain a copy of the verification of his/her credentials, clinical privileges, CME information, and  
32 medical staff status." Policy H-230.956 also states that the closing facility "... shall attempt to make  
33 arrangements with a comparable facility for the transfer and receipt of the physician credentialing  
34 records or CME information."  
35

## 36 CONCLUSION

37

38 When a hospital closes, there are significant impacts to students, residents, and physicians, that  
39 impact their personal lives and careers including ensuring their training and/or privileging history  
40 can be verified during future credentialing events. While several stakeholders are looking to  
41 address this issue, currently a universally accepted solution does not exist. Further, because this is  
42 not regulated or legally mandated, any planning or transition is primarily voluntary. Institutions,  
43 however, generally have the desire to ensure a responsible transition for these records. This is a  
44 complex issue that the AMA continues to monitor. The AMA stands committed to exploring cost  
45 effective and scalable solutions that preserve medical staff credentialing files and avoid undue  
46 delays in future credentialing events.

## REFERENCES

1. "11 hospitals closed so far this year – here's why" <https://www.beckershospitalreview.com/finance/11-hospitals-closed-so-far-this-year-here-s-why-060619.html>
2. "Ohio hospital to close after 105 years" <https://www.beckershospitalreview.com/finance/ohio-hospital-to-close-after-105-years.html>
3. "Hahnemann University Hospital Closure" <https://www.pamedsoc.org/list/articles/hahnemann-university-hospital-closure>
4. "FSMB GME records for closed programs" <https://www.fsmb.org/closed-programs/physicians-and-credentialing-organizations/>
5. "12 latest hospital bankruptcies" <https://www.beckershospitalreview.com/finance/12-latest-hospital-bankruptcies-041019.html>
6. "Navigant: Rural hospital sustainability" <https://www.navigant.com/-/media/www/site/insights/healthcare/2019/navigant-rural-hospital-analysis-22019.pdf%20>
7. "NAMSS Pass" [https://www.namss.org/Portals/0/Regulatory/News\\_and\\_Media/NAMSS%20PASS%20-%20ECP%20Press%20Release.html](https://www.namss.org/Portals/0/Regulatory/News_and_Media/NAMSS%20PASS%20-%20ECP%20Press%20Release.html)
8. "NAMSS, Education Advocacy, Patient Safety" [https://www.namss.org/Portals/0/NAMSS%20PASS/NAMSS%20PASS%20Webinar%20-%20May%202019\\_Final.pdf](https://www.namss.org/Portals/0/NAMSS%20PASS/NAMSS%20PASS%20Webinar%20-%20May%202019_Final.pdf)
9. "Oregon Health Authority" <https://www.oregon.gov/oha/HPA/OHIT-OCOP/Pages/FAQs.aspx>  
Retrieved on August 4, 2019

## APPENDIX – AMA POLICIES RELATED TO THIS REPORT

H-230.956, "Hospital, Ambulatory Surgery Facility, Nursing Home, or Other Health Care Facility Closure: Physician Credentialing Records"

1. AMA policy regarding the appropriate disposition of physician credentialing records following the closure of hospitals, ambulatory surgery facilities, nursing homes and other health care facilities, where in accordance with state law and regulations is as follows:
  - A. Governing Body to Make Arrangements: The governing body of the hospital, ambulatory surgery facility, nursing home, or other health care facility shall be responsible for making arrangements for the disposition of physician credentialing records or CME information upon the closing of a facility.
  - B. Transfer to New or Succeeding Custodian: Such a facility shall attempt to make arrangements with a comparable facility for the transfer and receipt of the physician credentialing records or CME information. In the alternative, the facility shall seek to make arrangements with a reputable commercial storage firm. The new or succeeding custodian shall be obligated to treat these records as confidential.
  - C. Documentation of Physician Credentials: The governing body shall make appropriate arrangements so that each physician will have the opportunity to make a timely request to obtain a copy of the verification of his/her credentials, clinical privileges, CME information, and medical staff status.
  - D. Maintenance and Retention: Physician credentialing information and CME information transferred from a closed facility to another hospital, other entity, or commercial storage firm shall be maintained in a secure manner intended to protect the confidentiality of the records.
  - E. Access and Fees: The new custodian of the records shall provide access at a reasonable cost and in a reasonable manner that maintains the confidential status of the records.
2. Our AMA advocates for the implementation of this policy with the American Hospital Association.