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STATEMENT OF

RICHARD L. FOGEL

DIRECTOR

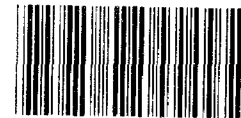
HUMAN RESOURCES DIVISION

BEFORE THE SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT

HOUSE COMMITTEE ON ENERGY AND COMMERCE

ON THE

HEALTH CARE QUALITY IMPROVEMENT ACT OF 1986



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Mr. Chairman, we are pleased to be here today to provide our comments on H.R. 5110. We would like to focus primarily on title 2 of the proposed legislation, which deals with the reporting of information relating to payment of medical malpractice claims and certain other adverse actions taken against health practitioners.

On the basis of past work, GAO favors the reporting of such information on physicians and other appropriate health professionals to a repository that can be referenced by hospitals and other health entities, such as licensing boards, to get a more complete picture of the practice history of such health professionals. In May of 1984 we reported on the need to expand federal authority to protect Medicare and Medicaid patients from health practitioners who lose their licenses. In that report to the Secretary of Health and Human Services we recommended that HHS establish an information system that would include all practitioners sanctioned by state licensing boards. We defined practitioners as medical doctors, osteopathic doctors, podiatrists, chiropractors, dentists, and pharmacists. HHS agreed with our recommendation and subsequently introduced appropriate legislation, which has passed the House (H.R. 1868) and is now under consideration for markup by the Senate Finance Committee.

One of the reasons we favored a central repository was that there was not sufficient exchange of information among state licensing agencies to facilitate timely access to information on practitioners. Thus, states found it difficult to take quick appropriate action against those who moved from one state to another and who had a previous record of having their licenses revoked or suspended.

We have underway, at the request of Congressman Porter and Senator Heinz as well as other Members of Congress, an extensive review of medical malpractice problems in the United States. As a result of that ongoing work we are aware that numerous states already have reporting requirements similar to those proposed in title 2 of this bill. For example, California has a requirement that any medical malpractice award or settlement exceeding $30,000 must be reported to the State Board of Medical Quality Assurance. Florida requires the state insurance commissioner to report to the State Department of Professional Regulation the name of any doctor who has had three or more $10,000 claims paid on his or her behalf over a five year period. And Indiana requires that all claims settled or adjudicated against a health care provider must be reported to the state insurance commissioner who must subsequently report them to the state medical licensing board.

The Federation of State Medical Boards has advised us that about 30 states require the reporting of paid malpractice claims to state medical examining boards. And between 37 and 40 states require the reporting of the removal of hospital privileges to the state medical examining board.

Upon reading the bill it is apparent that one of the concerns of entities that must report information will probably be whether such information will be burdensome from a reporting standpoint. There will be some increased burden. But given that quality of care issues are involved and that requirements already exist in the majority of states for the reporting of basic information on physicians, we do not believe the reporting requirements are too burdensome.

We do not have information on the number of physicians who had their privileges at a particular hospital suspended for more than 30 days. But some information, albeit dated, is available on the extent of medical malpractice claims paid.

The latest complete data was for claims paid in the mid-1970s. More than 90 percent of those claims were settled out of court. Of these, about half were without payments. This information was developed and reported by the National Association of Insurance Commissioners. Information they developed between July 1975 and December 1978 also showed that about 71,900 claims were reported as filed for medical malpractice during that time and that about 26,800 of those claims were settled with payments being made.

We are currently doing a review of medical malpractice claims closed by insurance companies during 1984. The random samples we are taking from various insurance companies, who have agreed to cooperate with us, will enable us to project those results nationally. We will have that review completed this fall.

While we support the general thrust of the bill, we would like to make some additional comments. For example, one point we want to emphasize is that federally-operated hospitals, such as those in the VA system or the DOD system, should be explicitly included in the bill's provisions in terms of both having to report incidents, as well as being allowed access to the information. In addition we believe it is important to understand, on the basis of the information we gathered to develop our May 1984