

GAO

Report to the Chairman, Subcommittee
on Health, Committee on Veterans'
Affairs, House of Representatives

May 1999

VETERANS' AFFAIRS

Potential Costs of Changes in Licensing Requirement Outweigh Benefit



**Health, Education, and
Human Services Division**

B-279951

May 21, 1999

The Honorable Cliff Stearns
Chairman, Subcommittee on Health
Committee on Veterans' Affairs
House of Representatives

Dear Mr. Chairman:

Currently, the Department of Veterans Affairs' (VA) physicians and registered nurses may provide medical care in VA facilities if they have a license to practice in any state. In recent years, concerns have been expressed about physicians providing care in states where they are not licensed. Reflecting these concerns, in July 1997, a bill¹ was introduced in the 105th Congress that would have required the Secretary of Veterans Affairs to assign a health care professional² only to facilities in a state where the professional is licensed to practice—in effect requiring health care professionals to be licensed in the state where they provide medical care. Though the bill has not been reintroduced in the 106th Congress, you were concerned about the effect that this approach to licensing, if implemented, would have on VA's health care system. Regarding these concerns, you asked us to (1) compare VA's current physician employment requirements and processes with those of other federal agencies; (2) compare VA's requirements with those of private sector health care organizations; (3) assess the potential benefits and costs of requiring VA physicians and registered nurses to be licensed in the state where they practice; and (4) determine implications of such a licensing change on VA's use of telemedicine. We conducted our review from April 1998 through April 1999 in accordance with generally accepted government auditing standards. Details on our scope and methodology are in the appendix.

Results in Brief

Generally, VA and other major federal agencies, such as the armed services and Public Health Service (PHS), that employ physicians to provide medical

¹H.R. 2338 proposed amending the law to require the Secretary to assign VA's health care professionals only to VA facilities in states where they are licensed to practice. However, the bill did not address whether this requirement applied to current VA employees or only to employees hired after its enactment. H.R. 2338 was also silent about whether VA's physicians and registered nurses who provide care via telemedicine would be subject to the telemedicine licensing requirements of each state in which they practice telemedicine. Requirements in the bill would have become effective 6 months after enactment.

²Health care professionals include physicians, dentists, podiatrists, optometrists, nurses, physician assistants, and expanded-function dental auxiliaries. However, as agreed with your office, we limited our review of the impact of this legislation to physicians and registered nurses.

care use similar employment practices. These agencies require physicians to be U.S. citizens; possess a current license to practice medicine from any state; have graduated from an approved medical school program with a Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) degree; have completed at least a 1-year internship, residency, or fellowship; and have undergone a suitability investigation for federal employment. Beyond these basic requirements, VA requires its physicians to demonstrate English proficiency and pass a physical exam; in 1997, it also began requiring newly hired physicians to be board certified in a medical specialty. In contrast, in accordance with state laws, private sector physicians must be licensed in the state where they practice. Also, unlike VA, less than half of the health maintenance organizations (HMO) and preferred provider organizations (PPO) we contacted require U.S. citizenship, board certification, or demonstrated English proficiency, and none require a physical exam.

The potential costs to VA of requiring physicians and registered nurses to be licensed where they practice would likely exceed any benefit. If the licensing requirements were changed, up to 14 percent of VA's physicians and 13 percent of VA's registered nurses would have to obtain new state licenses or transfer to VA facilities located in states where they are licensed. VA believes the costs and burden generated by such a change would outweigh any benefits to its operation. Supporting this view, literature shows no linkage between differences in state licensing practices and quality of care. Likewise, individuals representing physician and nursing boards told us that the quality of patient care and differences in state licensing practices are not directly linked.

The impact of a licensing change on telemedicine would likely be modest. VA expects that its telemedicine activities that cross state lines would be significantly hampered by requiring physicians and registered nurses to be licensed in every state where they provide care through telemedicine. However, we found that many state laws exempt VA providers from their licensing requirements when they practice telemedicine.

Background

The federal government employs about 31,000 physicians who provide medical care to veterans, uniformed services personnel and their dependents, federal prisoners, Native Americans, and Alaska Natives. Of these physicians, about 17,000 are employed by VA and provide medical services to veterans at 181 treatment facilities nationwide (see table 1).

These medical centers are grouped into 22 Veterans Integrated Service Networks that each serve a particular geographic area.

Table 1: Number of Physicians Providing Medical Care Employed in Federal Agencies

Federal agency	Number of civil service physicians	Number of commissioned officer physicians	Total
VA	16,974	0	16,974
Army	454	4,580	5,034
Navy	91	4,039	4,130
Air Force	56	4,131	4,187
Bureau of Prisons	195	14 ^a	209
U.S. Coast Guard	1	57 ^a	58
Indian Health Service	648	344 ^a	992
Total	18,419	13,165	31,584

Note: Army, Navy, and Air Force numbers are for fiscal year 1997; VA and Indian Health Service numbers are from 1998; and Bureau of Prisons and Coast Guard numbers are from 1999.

^aThese physicians are PHS Commissioned Corps officers.

When hiring physicians, most federal agencies use the Office of Personnel Management's (OPM) physician qualification standards. OPM is the central federal agency charged with establishing and administering federal personnel laws, regulations, and rules. OPM sets federal policy for hiring, managing, compensating, and separating federal employees, and most federal agencies use OPM standards to determine whether applicants meet the minimum requirements for a position. Moreover, VA has specific statutory employment eligibility requirements for physicians, and the Department of Defense (DOD) has specific statutory employment eligibility requirements for physicians who are commissioned officers. These agencies may also add employment requirements beyond the statutory requirements.

Under current law, VA's physicians and registered nurses are eligible for assignment to positions in VA if they have the necessary degrees and experience and are licensed to practice in any state. Thus, VA may assign them without regard to where they are licensed. In the private sector, however, physicians and registered nurses must be licensed in the state where they practice. Licensing requirements for physicians and registered nurses have evolved over the years, with states sharing common categories of requirements. For example, all states require physicians to pass a national licensing exam with the same minimum score. In addition,

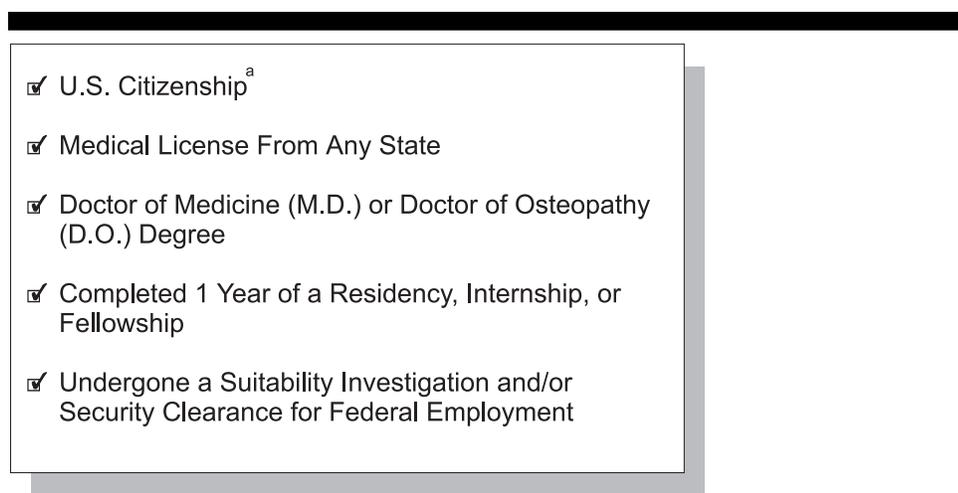
all states have basic requirements relating to education, references, personal identification, and so on, but within these categories, the specific requirements may vary somewhat from state to state. For instance, a few states require 3 years of postgraduate training, while most states require only 1 year.

Some states have also begun requiring physicians practicing telemedicine within their borders to be licensed in that state. Telemedicine involves using imaging and diagnostic equipment to gather data from a patient and sending the data electronically from one location to another to have a specialist interpret the data. Telemedicine services include nuclear medicine, radiology, pathology, mental health, and pacemaker-monitoring programs.

Most Federal Agencies Have Similar Physician Employment Requirements and Processes

VA; the Army, Navy, and Air Force; PHS Commissioned Corps; Coast Guard; Bureau of Prisons (BOP); and Indian Health Service (IHS) are the major federal agencies that employ physicians to provide medical care. For the most part, VA and other major federal agencies follow similar physician employment practices when hiring both civilian and commissioned officer physicians. Federal agencies have in common a basic set of requirements, as shown in figure 1.

Figure 1: Common Federal Physician Employment Requirements



^aThis requirement can be waived for civil service physicians if there are no qualified U.S. citizens.

In addition to these basic employment qualifications, physicians who provide medical care in the federal sector must undergo a credentialing and privileging process before they begin treating patients. Credentialing involves verifying the validity or authenticity of the physician's degree, license, graduate training, experience, ability, judgment, and health status. It also includes a query of the National Practitioners Data Bank (NPDB)³ to determine whether any adverse actions have been taken against a physician's license and to obtain information on malpractice claims paid on behalf of the physician. To grant a physician privileges, a review committee at the facility where the physician will treat patients uses the verified credentials to determine what specific medical procedures the physician will be permitted to independently perform in the treatment facility.

Beyond these common requirements, federal agencies have additional requirements as discussed, by agency, in the following sections.

VA

In addition to the requirements common to other agencies, VA physicians must possess basic proficiency in written and spoken English,⁴ be board certified in their specialty,⁵ pass a physical exam, and undergo credentialing and privileging upon employment and at least every 2 years thereafter. VA also conducts primary source verification of physicians credentials by contacting individuals or institutions having direct knowledge of the physician's degree, license, graduate training, experience, ability, judgment, and health status.

Army, Navy, and Air Force

The Army, Navy, and Air Force each recruit their own physicians and use the same common physician employment requirements as VA and the other federal agencies when employing commissioned officer and civilian physicians. However, in addition to the common requirements, each service has different age restrictions for commissioned officer physicians and requires them to undergo a physical exam and medical readiness training that prepares them for operational military requirements. Like VA

³The Health Care Quality Improvement Act of 1986 (P.L. 99-660), as amended, established a data bank to help ensure that unethical or incompetent practitioners do not compromise health care quality. The data bank contains information on adverse actions taken against a physician's license, clinical privileges, professional society membership, and malpractice payments.

⁴This requirement was added in Nov. 1977 by P.L. 95-201.

⁵This requirement was added by VA in June 1997 and applied to physicians hired on or after July 1, 1997. A medical specialty is a branch of medicine in which the physician has undergone additional education and training, such as general surgery, internal medicine, or neurosurgery.

physicians, all commissioned and civilian physicians in the military services must undergo a credentialing and privileging process before they treat patients at military facilities. Also like VA, when credentialing physicians, the services conduct primary source verification of a physician's credentials and query the NPDB. The Navy also requires commissioned officer physicians who have graduated from a foreign medical school to be board certified within 1 year of reporting for active duty.

In contrast to VA, which grants privileges every 2 years, the Army, Navy, and Air Force grant newly employed physicians provisional privileges for 1 year at the military treatment facility where the physician will practice. During this period, the physician's clinical performance is under review by a supervisor to ensure clinical competence. Upon successful completion of the initial year, physicians may be granted full staff privileges, which are reviewed every 2 years thereafter.

PHS Commissioned Corps

The PHS Commissioned Corps is a component of the Department of Health and Human Services. The mission of the PHS Commissioned Corps is to provide highly trained and mobile health professionals who carry out programs to promote the health of the nation and deliver services to federal beneficiaries at agencies such as the U.S. Coast Guard, BOP, and IHS. In addition to the common physician employment requirements, a commissioned officer in the PHS must be under the age of 44 when applying to the PHS, pass a physical exam, and be found medically qualified to perform the work.

After meeting these qualifications, a physician may be offered a commission in the PHS and then be assigned to a position at selected federal agencies. Before being assigned to an agency, PHS commissioned officer physicians must meet the employment requirements of the employing agency, which is also responsible for credentialing and privileging the physician.

Coast Guard

The Coast Guard employs PHS commissioned officer physicians and does not have additional employment requirements beyond those established by the PHS. Like VA, the Coast Guard conducts primary source verification of a physician's credentials and queries the NPDB before the physician begins providing medical care. Unlike VA, Coast Guard physicians are initially granted provisional privileges for 1 year at the health care facility

where they will practice. After successful completion of the first year, physicians are eligible for full staff privileges, which are reviewed every 2 years thereafter.

BOP

In addition to the common federal physician employment practices, BOP requires physicians to pass a physical exam and successfully complete a standard institutional curriculum and a 3-week training program that includes a physical abilities test. Credentialing, however, is conducted by a credential verification organization with which BOP contracts, and privileging is conducted at the individual BOP medical facility where the physician will practice. Like VA, BOP grants privileges every 2 years.

IHS

IHS uses the common federal physician employment requirements. In addition, IHS commissioned corps and civilian physicians undergo a character investigation required by the Indian Child Protection and Family Violence Prevention Act.⁶ The facility where the physician will practice conducts primary source verification of the physician's credentials and queries the NPDB before the physician may provide medical care. Similar to VA, privileging is conducted at the IHS facility when the physician is first employed and at least every 2 years thereafter.

The varying requirements of these agencies are summarized in figure 2.

⁶The minimum standards of character set by this act are that "none of the individuals appointed have been found guilty of, or entered a plea of nolo contendere or guilty to, any offense under federal, state, or tribal law involving crimes or violence; sexual assault, molestation, exploitation, contact or prostitution; or crimes against persons."

Figure 2: Federal Agencies' Additional Physician Employment Requirements

Employment Requirements	Federal Agencies													
	VA	Army	Navy	Air Force	BOP	PHS CC ^a	CG ^b	IHS						
	Civil Service	Commissioned Officer	Civil Service	Commissioned Officer	Civil Service	Commissioned Officer	Civil Service	Commissioned Officer ^c	Civil Service	Commissioned Officer	Commissioned Officer ^c	Civil Service	Commissioned Officer ^c	Civil Service
Board Certification	✓ ^d		✓ ^e											
English Proficiency	✓													
Age Restrictions		✓		✓		✓		✓	✓	✓		✓		
Physical Exam	✓	✓		✓		✓	✓	✓	✓	✓		✓		
Physical Abilities Test						✓	✓							
Mandatory Training		✓		✓		✓	✓							
Credentialed and Privileged Upon Employment and Then Every 2 Years	✓							✓	✓	N/A			✓	✓
Credentialed and Privileged for 1 Year and Then Every 2 Years		✓	✓	✓	✓	✓	✓			N/A	✓	✓		

Note: NA = Not applicable, because it is the responsibility of the hiring agency to credential and privilege the physician.

^aPHS Commissioned Corps.

^bCoast Guard.

^cPHS Commissioned Corps requirements.

^dFor physicians hired on or after July 1, 1997.

^eThe Navy requires commissioned officers who have graduated from foreign medical schools to be board certified within 1 year of commissioning.

VA and Large HMOs and PPOs Have Similar Physician Employment Requirements

Overall, private sector HMOs and PPOs we surveyed⁷ have physician employment requirements comparable to VA's. The principal difference is that physicians working in the private sector are subject to state jurisdiction and therefore must be licensed in each state where they practice medicine. Like VA, HMOs and PPOs require physicians to have an M.D. or D.O. degree and most require a 1-year internship, residency, or fellowship and have a credentialing and privileging process that occurs at the time of employment and every 2 years thereafter. In addition, like VA, about half of the HMOs and PPOs we surveyed verify date of birth, citizenship, and employment history and conduct a criminal background investigation. However, less than half of the HMOs and PPOs we contacted require U.S. citizenship, board certification, or demonstrated English proficiency, and none require a physical exam.

The HMOs and PPOs we surveyed also conduct credentialing and privileging. About half of them conduct primary source verification of physicians' credentials, as VA does. The remainder obtain information from various sources, such as the American Medical Association (AMA) database and the Federation of State Medical Boards database. The AMA database, known as the AMA Masterfile, contains information on physicians' medical education, training, and licenses and disciplinary actions taken against physicians by state boards. The Federation of State Medical Boards database contains information on state medical board actions taken against a physician's license such as suspension, revocation, and probation. A few of these organizations contract with organizations that specialize in verification of physician credentials. We also found that the majority of the HMOs and PPOs we surveyed query the NPDB for actions taken against a physician's license and to obtain information on malpractice claims paid.

Changing the Licensing Requirement Adversely Affects VA's Staffing Flexibility Without Apparent Benefit

Changing the licensing requirement for VA's physicians and registered nurses to require that they be licensed in the state where they practice would reduce VA's flexibility to hire, assign, and transfer its health care professionals. In addition, it could cause a temporary disruption in VA's operations as physicians and registered nurses tried to obtain licenses or to transfer to VA facilities in states where they are licensed. VA was unable to provide data that would allow us to more fully quantify this effect. However, because we also found no apparent benefit from such licensure changes, these potential costs, even if VA could minimize them, suggest that imposing an in-state licensing requirement would not be worthwhile.

⁷To compare VA's physician employment requirements with the private sector's, we contacted HMOs and PPOs that operate in several states and have at least a total of 1 million covered lives.

Potential Effect on Professional Health Care Staffing

VA records show that if the licensing requirement was changed and applied to current employees, about 14 percent of VA's physicians and 13 percent of VA's registered nurses would be affected. The provision of health care could temporarily be disrupted as these physicians and nurses sought to obtain new licenses. However, neither we nor VA were able to project from this the potential effect such a change could have on patient care.

VA records show that in November 1998 about 2,300 of its physicians were licensed in states other than where they worked. Under the proposed change, all of these physicians could be required to obtain new state licenses to practice or would have to relocate to a VA facility in a state where they have a license. Since these physicians are already licensed, they would have to apply for a license by endorsement in the state where they plan to practice. Under licensure by endorsement, the state where a physician seeks a new license reviews the physician's credentials and experience and determines whether to issue a license. Like the initial license, licensure by endorsement requirements for physicians differ from state to state—some require another licensing exam if it has been more than 10 years since the physician's initial exam, some require a personal interview and a list of professional society memberships, and a few require an oral exam and information on delinquent educational loans. The cost for licensure by endorsement varies from \$80 to \$1,375. In addition, states require periodic reregistration to maintain the license, with fees ranging from \$50 to \$600.

VA also employs about 4,600 registered nurses who practice in states other than where they are licensed. Since these registered nurses already have a state license, they would also have to apply for a license by endorsement. Similar to physician licensing requirements, licensure by endorsement requirements for registered nurses differ from state to state. For example, some states have age restrictions, most require English language proficiency, and almost all review for felony convictions. Costs for licensure by endorsement vary from \$25 to \$135. After obtaining a license, registered nurses are required to reregister periodically, with reregistration fees ranging from \$15 to \$135.

According to VA and representatives of state licensing boards, it may be difficult and could take up to a year for some physicians and registered nurses to obtain a new state license. In addition, because of different state licensing requirements, some of these health care professionals may not be able to get a license where they currently practice. For example, if a state requires 2 years of supervised postgraduate training and the

physician only has 1 year of such training, he or she could not get a license in that state without obtaining a year of supervised postgraduate work. However, VA was unable to provide data substantiating the potential impact more specifically.

Several VA officials told us that a change in the licensing requirement would also restrict the pool of applicants for vacancies at some VA medical centers and that, as a result, VA's ability to recruit and retain health care professionals would be made even more difficult than it has historically been. In November 1998, VA records showed that it employed about 17,000 physicians and 35,000 registered nurses, and VA officials projected that they may hire another 4,200 physicians and 7,600 registered nurses over the next 3 years.⁸ VA officials believe that their pool of applicants for these positions would be limited if the applicants were required to be licensed in the state where VA wanted the health professionals to practice—fewer people will apply because they are not licensed in the state where the job is.

VA officials also told us that changing the licensing requirement might hinder granting transfers to its health care professionals. Over the past 3 years, VA noted that it has averaged 7 chiefs of staff and about 8 chiefs of nursing transfers to different states each year. VA officials noted that, in recent years, virtually all transfers have been made at the request of the employee when filling vacant positions. Apart from these examples, however, VA was unable to give us detailed information on the total number of physician and registered nurse transfers, the locations of the transfers, and where the individuals were licensed. Without such data, we could not assess the likely impact on VA's physicians and registered nurses or the probable effect on VA's ability to deliver health care.

No Apparent Benefit From Changing the Licensing Requirement

To provide a balanced assessment of whether the change in the licensing requirement would have an effect on the quality of patient care, we reviewed the literature for evidence of a relationship between physician licensure and quality of care and found no studies indicating that differences in state licensing practices are related to the quality of medical care. Though state licensing requirements vary, all states require physicians to pass a national licensing exam with the same minimum

⁸Several VA medical centers did not provide information on projected hiring needs. They said that they were unable to predict their hiring needs because of restructuring, facility integrations, and downsizing.

score.⁹ In addition, all states share common categories of requirements, such as education, references, personal identification, cost, and reregistration, that are generally similar. We also spoke with VA and AMA officials and others representing over 100 state medical licensing boards for physicians and nurses. These individuals told us that while licensing ensures that the provider has the basic education, skills, and competency to meet the state's standards, they believe quality of care is not directly linked to the licensing requirements in the state where the physician is licensed.

Changing the Licensing Requirement May Have a Modest Effect on Telemedicine

Contrary to VA's view, we find little evidence to indicate that licensing changes would have a substantial effect on VA's telemedicine activities. Although VA expects its use of telemedicine to grow, it did not provide information on the extent to which its current telemedicine activities would be affected or the extent of the expected increase in telemedicine use. In addition, state laws exempting VA would likely lessen the effect of a licensing change.

VA reports that it has 23 telemedicine services that cross state lines. According to VA, during fiscal year 1997, these services resulted in 61,911 consultations.¹⁰ VA officials believe VA's initial clinical telemedicine demonstrations and projects show that substantial benefits can be realized from telemedicine applications, including improved access to care; improved continuity and timeliness of care; enhanced availability of subspecialty expertise; and increased support to health care providers and veterans, particularly in remote, rural, and isolated areas.

Because VA telemedicine services are provided by physicians and nurses located in one state to patients in another, VA program managers believe that changing the licensing requirement would substantially compromise the availability of telemedicine and its future development within VA. For example, VA officials pointed out that four nuclear medicine specialists located and licensed in St. Louis, Missouri, provide telenuclear medicine services in seven other states. VA contends that if these physicians are required to be licensed where they practice, each of the four physicians would have to obtain additional licenses to provide their services in the

⁹The U.S. Medical Licensing Exam was phased in from 1992 to 1994, replacing two other exams states had used for medical licensure.

¹⁰This number includes about 4,800 nuclear medicine consults for fiscal year 1997. The remaining 57,100 consults took place between January and June 1997 and include 45,000 pacemaker consults. Consults include diagnostic interpretations of information sent electronically, direct video interviews between a patient and a health care provider, and physician-to-physician consultation about a patient.

states where they currently provide telenuclear medicine services because none are licensed in any of those states.

Similarly, at VA's Iron Mountain, Michigan, medical center, officials believe that the licensing change would have a negative effect on Iron Mountain's telemedicine initiatives because it would require licensure of between 25 and 30 practitioners who now provide telemedicine services from the VA medical center in Milwaukee, Wisconsin,¹¹ to veterans at the medical center at Iron Mountain. These practitioners would have to obtain a Michigan license.

Despite offering these two anecdotal examples, VA was unable to provide systemwide information on the total number of physicians and registered nurses who routinely provide patient care through telemedicine activities, where these individuals are licensed, and the locations to which they provide telemedicine services. In addition, VA did not provide information on its future plans for the use of telemedicine or on its collaborative telemedicine projects with other federal agencies.

VA believes that requiring health care professionals to be licensed in every state where they practice could impose significant limitations on the provision of health care. VA believes this requirement could significantly hold back its expansion of the telemedicine program into states not authorizing an exemption, limit the scope of its telemedicine activities to providing consultative services in other states, and limit the enhancement of its clinical delivery systems as telemedicine undergoes future technological and clinical advances. We found, however, that exemptions in various state laws would allow VA's physicians and registered nurses to use telemedicine to provide medical care. Over half of the state licensure laws we reviewed provided an exemption for VA or other federal health care professionals.¹² Consequently, VA health care professionals licensed in any state would be permitted to practice telemedicine in these states. In addition, most of the 20 states we examined allow physicians who are licensed in other states to provide consultative services to physicians who are licensed in their state.

Agency Comments

We provided copies of a draft of this report for review and comment to VA; DOD; OPM; BOP; the Coast Guard; and the Department of Health and Human Services, which includes IHS and PHS Commissioned Corps. OPM, DOD, BOP,

¹¹VA did not provide information on where these practitioners are now licensed.

¹²We reviewed 20 states' laws that affect telemedicine within their borders.

and the Coast Guard concurred with the sections of the report in which they are mentioned. We have incorporated the agencies' technical comments into the report where appropriate. Other comments are summarized in the following sections.

Department of Veterans Affairs

The Deputy Under Secretary for Health stated that VA generally agrees with our report. He also stated that it is difficult to project the effect a licensing change would have on telemedicine, since more than half the states have not passed legislation pertaining to telemedicine. We believe there could be a modest effect on VA's use of telemedicine because exemptions in some state laws we reviewed allow VA physicians to practice telemedicine within their states. In addition, any future effect on VA's use of telemedicine will depend on whether and the extent to which states make accommodations for VA.

Department of Health and Human Services

The Department agreed with the report's overall assessment of the licensing situation. The Department believes it would not be in the best interest of the government to require physicians and nurses to be licensed in the state in which they practice in addition to the state in which they are now licensed because of constant turnover, attrition, difficulty in recruitment, as well as the disruption caused by the process. The Department stated that patient care is of the utmost concern and should not suffer because a physician or nurse has a license from another state.

As agreed with your office, copies of this report are being sent to the Honorable Togo West, Secretary of Veterans Affairs; interested congressional committees; and other interested parties. Copies will be made available to others upon request.

Please contact me at (202) 512-7101 or Ronald Guthrie, Assistant Director, at (303) 572-7332 if you have any questions about this report. Other major contributors to this report were Rachna Iyer, Lesia Mandzia, and Alan Wernz.

Sincerely yours,

A handwritten signature in black ink that reads "Stephen P. Backhus". The signature is written in a cursive style with a large, prominent initial "S".

Stephen P. Backhus
Director, Veterans Affairs
and Military Health Care Issues

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Abbreviations

AMA	American Medical Association
BOP	Bureau of Prisons
DOD	Department of Defense
HMO	health maintenance organization
IHS	Indian Health Service
NPDB	National Practitioners Data Bank
OPM	Office of Personnel Management
PHS	Public Health Service
PPO	preferred provider organization
VA	Department of Veterans Affairs

Scope and Methodology

To accomplish our objectives, we (1) obtained and reviewed physician employment requirements and processes at VA; DOD; the Army, Navy, and Air Force; PHS Commissioned Corps; U.S. Coast Guard; Bureau of Prisons; and Indian Health Service; (2) identified and interviewed representatives of these and other federal agencies that employ physicians and discussed their physician employment requirements and processes; (3) surveyed representatives of selected private sector health maintenance organizations (HMO) and preferred provider organizations (PPO) on their physician employment requirements and processes; and (4) interviewed representatives of the American Medical Association; the Federation of State Medical Boards of the United States, Inc.; the National Council of State Boards of Nursing, Inc.; the National Association of VA Physicians and Dentists; and the Office of Personnel Management to obtain information on physician and registered nurse licensing requirements and processes, and the potential effect of requiring VA's physicians and registered nurses to have licenses from the states where they practice; and (5) conducted literature searches on physician licensing to determine whether the state where a physician is licensed has an effect on quality of care.

To compare VA's physician employment requirements and processes to the private sector, we selected HMOs and PPOs that, similar to VA, operate in several states (that is, are geographically dispersed) and have at least a total of 1 million covered lives. We contacted 11 HMOs, which have a total of 34 million covered lives, and 4 PPOs, which have a total of 9 million covered lives, and obtained information about their physician employment requirements and processes and compared these with VA's practices.

To assess the potential effect of changing the licensing requirement on VA's physicians and registered nurses and on the use of telemedicine, we obtained opinions from VA representatives and obtained information from VA on (1) the total number of physicians and registered nurses employed by VA, (2) where physicians and registered nurses are licensed and where they are practicing, (3) VA's employment projections for physicians and registered nurses, and (4) limited information on the use of telemedicine. VA did not provide, after repeated requests, detailed information on the number of physician and registered nurse transfers for the last 3 years; on VA's historic inability to recruit and retain physicians and registered nurses; or on how VA's collaborative and future telemedicine projects occurring across state lines would be affected by H.R. 2338 and how many physicians and registered nurses are currently providing telemedicine

services, where they are licensed, and where they are providing care via telemedicine.

Also, we obtained physician licensing information and credentials verification information from the American Medical Association (AMA), the Federation of State Medical Boards of the United States, Inc., and the National Council of State Boards of Nursing, Inc. We used this information to make licensure cost estimates. However, we did not verify the accuracy of the data provided by VA; the AMA; the Federation of State Medical Boards of the United States, Inc.; or the National Council of State Boards of Nursing, Inc.

We conducted a literature search using EMBASE, Sociological Abstracts, Social Science Index, Dissertation Abstracts, Legal References Index, Healthstar, Medline, and Internet searches on “physician licensure relating to quality of care” from 1990 to the present. We also spoke with a broad range of individuals about medical licensing and quality of care.

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