Beneficial, not burdensome: How external peer review improves compliance and care

A guide to external peer review

CHARTIS

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A guide to external peer review

External peer review can provide much more value than most provider organizations realize. In this guide, we discuss how leaders who think proactively will reap the greatest value and ensure quick, effective case reviews.

Peer review's role and relevancy in improving healthcare

Peer review evaluates healthcare provider clinical performance and includes procedural skills, diagnostic and treatment decisions, and overall patient care.

While requests for peer reviews originate from many sources (e.g., Risk Management, Quality), the aims remain the same:

- Identify improvement areas
- Educate and develop clinicians
- Maintain high patient care standards
- Facilitate continuous quality improvement
- Ensure safe, effective healthcare delivery

Maintaining and elevating standards

The heightened focus on healthcare safety and quality makes peer review more critical than ever. Peer review serves to maintain professional standards across hospitals and ambulatory care facilities, managed care networks, and individual medical practices.

Legal, regulatory, accreditation, and other requirements demand robust peer review policies, procedures, and practices. A consistent EPR program should be part of that.

Applying EPR more broadly delivers greater benefits

EPR helps meet standards and ensure compliance. But broad implementation provides tremendous value, including:

- **Focused professional practice evaluation (FPPE)** to determine outcome frequency or care patterns
- **Credentialing, recredentialing, and privileging** to evaluate medical staff qualifications, competencies, and performance
- **Direct observation** to assess practitioners' technique, skill, or knowledge (often coupled with interviewing)
- **Monitoring** to ensure implementation of physician or departmental improvement plans
- **Peer review process review** to confirm objectivity, evidence-based evaluations, and scoring that aligns with national standards and leading practices
- **Clinical due diligence** to evaluate practitioner performance prior to employment

Consider whether the following cases should be considered peer review issues:

A patient presented to the emergency department (ED) with complaints of chronic thoracic and lower back pain for the past 2 years following a motor vehicle injury. The pain had become worse over the past week. His history included hypertension and arthritis. His physical exam was documented as essentially normal except for mild tenderness over the lower back bilaterally. He was discharged home with pain medication and instructions to follow up with his primary care physician. He returned to the ED via emergency medical services 24 hours later with severe back and chest pain, extreme shortness of breath, and low blood pressure. He was diagnosed with a heart attack, decompensated, and ultimately did not survive.

A patient is brought into the operating room (OR) for an elective cesarean section. A spinal anesthetic is placed without difficulty. The obstetrician, who had taken a dose of oral antibiotics 30 minutes earlier, notices a diffuse rash on his hands, trunk, and face, and some swelling of his lips. He asks the anesthesiologist to give him IV diphenhydramine. The anesthesiologist places an IV in the surgeon and proceeds to give him 25 mg of IV diphenhydramine. The case proceeds uneventfully. The nurse in the OR writes an incident report. The case undergoes review by the anesthesia and OB-GYN departments separately. Both conclude there are no issues with patient care.

The simple answer to whether the cases above should be considered peer review issues is yes to both.

Peer review is the evaluation of a physician's professional performance using multiple data sources and across all defined competencies, defined by The Joint Commission (TJC) as:

- Clinical knowledge and skills
- Professionalism
- Practice-based learning
- System-based practice

As such, case review is only one part of peer review.

The two types of peer review: internal and external

Organizations use internal peer review (IPR) and external peer review (EPR) to evaluate and improve physician performance. Although often seen as separate from the peer review function, we believe IPR and EPR are both important parts of that function. Each uses different resources to ascertain fair, efficient, and useful information. To do so, organizations need solid peer review systems and clear EPR policies and criteria.

Internal peer review

IPR is evaluation done by one's fellow medical staff members. It includes case reviews, directed and conducted under the purview of the medical staff by the peer review body. IPR can also originate from:

- The hospital (e.g., Risk Management directs a root cause analysis)
- Ongoing professional practice monitoring (i.e., Ongoing Professional Practice Evaluation [OPPE])
- A Focused Professional Practice Evaluation (FPPE), resulting from either OPPE concerns or provider requests for initial or new privileges

Historically, medical staffs have performed specialty-specific IPRs. However, to reduce bias and improve efficiency, many medical staffs have developed multi-disciplinary or service line-based IPR committees. These committees create IPR programs for advanced practice clinicians and nursing.

Although IPR should be collegial, nonpunitive, and rooted in learning, conducting objective quality reviews is increasingly difficult because of increased specialization and competition.

This especially is true when the possibility of litigation exists or IPR parties have real or perceived conflicts of interest.

External peer review

Healthcare organizations often turn to EPR for the above reasons. Also, EPR is beneficial in other circumstances in which IPR raises concerns or simply isn't appropriate or possible (i.e., no true peer on the medical staff).

EPR uses objective, board-certified physician consultants who aren't affiliated with the organization that requests the EPR. They have specialty training and a practice setting similar to the physician under review.

Benefits of consistent, standardized use of EPR can:

- Reduce conflict
- Head off litigation
- Provide a rationale for corrective action
- Overcome organizational challenges
- Advance performance improvement

EPR USE CASES

Typically, EPR stems from individual cases that raise concerns about care quality. But they can be based on broader concerns:

- Adverse outcomes
- Procedure or treatment appropriateness
- Resource utilization

EPR is very useful in understanding and validating trends or themes identified by patient experiences or the Quality or Risk Management Departments. They can also validate corporate compliance concerns (e.g., billing, coding).

Considering EPR? Consider these questions (and their answers)

"How do I prepare my healthcare organization before carrying out an EPR?"

Establish a clear peer review policy in advance

Proactive thinking is essential. Consider issues that might warrant EPR and develop a policy that outlines triggering circumstances. An established policy enables quick, objective, and defined responses, making it clear when to use EPR. These kinds of policies also comply with requirements of accreditors (e.g., The Joint Commission, Det Norske Veritas).

Your policy should clearly state:

- Criteria that trigger EPR
- What happens when your organization uses EPR
- Who contacts the EPR organization
- What process follows EPR completion

In addition to a peer review policy, make sure to follow your medical staff bylaws and other policies related to medical staff and quality or risk management when considering EPR for case reviews.

Involve key leaders and establish a process

Consider this approach when developing your EPR policy:

1. **Organize a task force of key medical staff leaders and senior administrators.** Provide them with information identifying the most frequent issues that require external, objective review (such as those described under "What circumstances typically require EPR?"). The task force might include:
    - President and vice president of the medical staff
    - Chief medical officer
    - Chief quality officer/patient safety officer
    - Risk manager

- Chair of the quality committee of the board and/or medical staff
- Legal counsel
- CEO or senior administrative representative
- Medical staff members at large who are familiar with the quality monitoring process

2. **Develop your policy, carefully documenting threshold criteria or triggers that could prompt an EPR.**
3. **Obtain necessary policy approvals and recommendations from the medical executive committee (MEC).** This should include input from Risk Management/Quality and Legal, as it relates to medical staff peer review. The MEC should then refer the policy to the board for final approval.
4. **Publicize and present your policy to the medical staff at large once it has undergone all final approvals.** They should be aware of the new policy and its triggers—and that this objective option exists.
5. **Continuously monitor the success of the policy and periodically reevaluate it.**

"What should my EPR policy cover?"

An effective EPR policy should address the following points:

- Circumstances that typically require EPR
- Who determines when EPR is needed
- Who selects the external reviewer
- How cases are selected
- Who reviews EPR report findings
- How the results are used
- Confidentiality and data protection
- Reviewer qualifications and conflict of interest
- Communication with the medical staff
- Documentation and record keeping
- Legal and regulatory compliance

1. What circumstances typically require EPR?

EPR is necessary under the following circumstances:

- **Legal concern:** Information derived from EPR can help you avoid adopting the wrong strategy or making a wrong decision when addressing competencies in a legal or due process action (e.g., patient litigation, medical staff corrective action). In the fair hearing process, the EPR physician consultant may serve as an expert witness. Make certain that external reviewers don't give the appearance of being asked to achieve a certain result.
- **Ambiguity or lack of consensus:** Retain an objective, outside reviewer when you face recommendations from an internal reviewer or physician committee that are ambiguous, conflicting, or without consensus.
- **Lack of internal expertise:** When your organization lacks peers with expertise in the specialty under review, you should utilize EPR. For example, if you only have one neurosurgeon on staff, you'll always need EPR for specialty-specific issues related to that surgeon.
- **Conflict of interest:** Seek an external reviewer when the only individuals with appropriate subject matter expertise are partners or associates—or direct competitors—of the physician under review.
- **Lack of internal resources:** EPR reduces administrative burdens by expediting large or recurring reviews involving many patients or records. Even when internal resources have the expertise and don't have conflicts, they often don't have the time.
- **New technologies, sub-specialties, or procedures:** EPR provides the expertise needed when clinicians want to introduce new technology, sub-specialties, or procedures. External clinical consultants can help develop privileging criteria and proctor individuals seeking the new privilege. As your medical staff uses the new technology or privilege, you can shift to IPR.
- **Credibility concerns:** EPR can validate the effectiveness of your internal review process. For example, objective EPR may help refute claims of IPR bias against physicians who are under review or using the review as a means of eliminating the competition. EPR is also useful when your IPR process doesn't find physician care issues but your peer review committee's credibility comes into question.
- **Benchmarking:** EPR can provide regular audits of your organization's IPR. Accreditation organizations like The Joint Commission mandate that peer review is an objective, evidence-based process. You can confidently meet accreditation standards by using EPR to select a random sample of cases from the IPR process and comparing the case analysis and scoring results. If differences exist, the EPR results can help improve the IPR process.

- **Clinical due diligence:** Leveraging EPR ensures a thorough pre-employment assessment of professional qualifications, clinical competence, and performance history. This in turn ensures that physicians meet organizational standards and can deliver safe, high-quality care. Key aspects of clinical due diligence may include credential verification, peer review, cultural fit, and more.
- **Miscellaneous needs:** EPR can provide a fact witness for a fair hearing, enable evaluation of credential files, or help develop quality monitoring benchmarks. EPR can serve as an element of broader quality, safety, and performance improvement assessments.

2. Who determines when EPR is needed?

EPR is rarely a unilateral decision. The more parties involved, the more confident you should be about the decision to have an outside review.

Usually, EPR results from discussions between medical staff leaders and the administration. At times, it will include either in-house or outside legal counsel. Most frequently, peer review committees recommend EPR when faced with issues they cannot resolve (outlined above). Sometimes, the director of quality is included. The board of trustees should have the right to decide whether it requires EPR to answer concerns or protect itself legally—even if the medical staff believes it can, or has, conducted a fair review.

Although physicians under review may request EPR, leading policy practice is to not provide the right to demand it. Your organization alone should determine whether it can perform peer review fairly. Still, consider physicians' concerns in making your decision—particularly with potentially litigious physicians.

EPR comes with added costs. So hospital or medical staff leadership should approve its use through the MEC or a mutual agreement between the medical staff president and an administrative leader (e.g., chief medical officer, chief quality officer).

3. Who selects the external reviewer?

Typically, whoever determines the need for EPR selects the reviewer. This is important because you need up-front buy-in regarding the reviewer's credibility. The MEC or quality committee can delegate reviewer selection to an administrator. But the final approval belongs to that group, or at least to the chair.

You do not need the physician under review to approve the reviewer. But it's important to match the reviewer to the physician's experience. It's best practice to engage the physician in the selection process, if possible, because this increases the likelihood that physician will accept the findings. But don't let impassable disagreements hold up the selection process.

4. How are cases selected?

When the organization needs an in-depth understanding of a physician's practice, case selection is critical. Your peer review policy doesn't need a detailed description of how to select cases, but it should include the types of approaches (e.g., single cases, 100% review, random sampling). It needs to also include who determines the selection. This policy should follow the same procedure as reviewer selection.

Before you select records for review, first identify:

- The problem you're trying to solve or the questions you are trying to answer
- What you are measuring
- What your overall goals are
- How you will interpret and utilize the data obtained through the review

Remember to take sample size and methodologies into account when determining which records to send to review.

5. Who reviews EPR report findings?

EPR report results should go to the group that recommended the EPR initially—typically the medical staff peer review committee or department chair but possibly a hospital patient safety/quality committee. Before contemplating corrective actions, EPR reports should be treated just like IPR reports.

Your EPR policy should also indicate a time frame for reviewing the report. It's typically within 30 days of getting the results or at the committee's next regularly scheduled meeting. Establishing a time frame ensures fairness to the physician.

IPR permits the committee to question the physician before coming to its conclusion. EPR with rare exception must base its findings solely on medical record documentation and studies (e.g., images, pathology) that your organization provides—without questioning the physician. If the report identifies any concerns or improvement opportunities, the physician under review should be given an opportunity to review the report and respond in a defined time frame.

6. How will results be used?

Your EPR policy should outline guidance on how to interpret results and define the next steps following an adverse review. While the committee has the responsibility to recommend improvements or corrective actions, it's helpful to decide whether EPR findings will be considered definitive. You can do this on a case-by-case basis or based on the review's nature, the reviewer's expertise, and issues under review.

For example, if you seek EPR because your organization lacks the necessary expertise, there's no reason to question EPR findings (as long as the reviewer has good credentials). But if a controversial issue prompts EPR, the committee could first understand the reviewer's rationale for the findings before it makes a decision.

EPR findings play a part in corrective action. Medical staff leaders and the MEC should consider EPR results along with their knowledge of physicians who are under review, including their willingness to address improvement opportunities. An EPR should not be the only criterion for taking action against a medical staff member.

"We've determined EPR is necessary. How do we proceed?"

Once you've identified a situation that requires EPR, it's vital to follow your policy consistently.

Determine the scope: Review all physicians within a specialty or specific individuals

Consider reviewing a sampling of physicians in the department where the concern took place if:

- The concern seems systemic in nature
- A history of individual quality problems does not exist
- Data does not support concerns about a single physician

Focus instead on specific physicians when significant concerns about their individual performance exist. When in doubt, consult legal counsel

Seek these capabilities for an external review organization

Ensure that the organization you work with has these key characteristics:

- **Credibility:** A good track record of EPR experience. Using a trustworthy, responsive organization is key to a smooth process.

- **Objectivity:** No knowledge of or connection to physicians being reviewed. The organizations should immediately report any potential conflicts discovered.
- **Expertise:** An extensive network of currently active, board-certified clinical consultants in all specialties. This matches reviewers' training with physicians' practice no matter the clinical area or technique.
- **Timeliness:** Defined time frames that meet your needs. A turnaround time of 30 days per review is typical, with options for expedited turnaround times.
- **Professional reporting:** A written description of the review methods, record selection mechanism, case-specific findings, and conclusions or recommendations available upon request. The final report should include specific findings and clearly identify opportunities for improvement.
- **Support:** The assistance offered surrounding the EPR. This includes case selection decisions, follow-up conference calls to clarify the report, and defending report findings in the case of litigation—including testifying as a fact witness, as necessary.
- **Confidentiality:** The ability to commit to absolute confidentiality and strict nondisclosure. Discuss confidentiality provisions in advance and include them in the EPR contract.

Prepare records and establish access with your EPR organization

FORMAT DOCUMENTS TO FACILITATE EFFICIENCY

Organize and submit records in PDF format, removing any non-applicable documentation. Add clear bookmarks to your PDF, which helps your reviewer navigate your documents and reduces review time. Include these key sections:

- Patient history and pre-admission information
- Consent and procedure documentation
- Clinical notes and consultations
- Diagnostic and test results
- Specialty records (e.g., anesthesia, prenatal, ED timelines)
- Additional relevant studies

GRANT ACCESS (AND GAIN EFFICIENCY)

For more complex reviews, consider granting the EPR reviewer direct access to the electronic medical record system. Pre-planning and testing the process of granting access limits delays to the start of the review due to authorization, firewall, and platform knowledge issues. The efficiencies gained can be great. It also can save time by ensuring that the reviewer has all documentation and imaging they need.

Scheduling a review and completing the final report depends on how quickly records and imaging can be shared with the reviewer, the specialty in question, and the number of physicians and charts being reviewed.

FOLLOW THROUGH WITH FOLLOW-UP

Make sure that after the review, you have the option of a follow-up call with the EPR organization's medical director go over findings and ask questions if needed.

EPR roles and responsibilities

The role of medical staff leadership and hospital management

Your peer review policy should outline administration and medical staff leadership roles.

Typically, **medical staff leaders** provide oversight and may be involved in the decision to request an EPR. The leaders should help ensure a smooth, collegial review process. They should involve the physician in question, as reasonable.

Senior administrative leaders should take part in evaluating the final EPR report, which they typically do as members of the MEC. It is also common for **hospital leaders**—or even the board—to recommend EPR if internal review can't resolve quality and safety concerns.

THE ROLE OF THE MEC

The MEC should treat EPR just as they do any internal review. Your organization should report EPR results to the department chair or medical staff quality committee, which then makes a recommendation to the MEC.

The MEC shouldn't use EPR as the only factor in taking action. Instead, it should consider it alongside what they already know about the physician being reviewed.

THE ROLE OF LEGAL COUNSEL

Legal counsel should review any policy that involves EPR. If the medical staff requests the EPR, ensure the EPR follows medical staff bylaws and related medical staff policies. If hospital administration request it in anticipation of litigation, legal counsel will provide guidance to ensure the EPR considers attorney-work product protections.

Your legal counsel should clearly identify and support the cause of the review, including whether it's a result of:

- A potential patient care concern
- An investigation meant to determine whether sanctions are necessary
- Support needed for sanctions already rendered

Understanding the answers to these questions can make all the difference between an orderly, collegial solution and an adversarial fair hearing.

THE ROLE (IF ANY) OF THE PHYSICIAN UNDER REVIEW

Peer review is a highly confidential process. But confidential doesn't mean secretive. If you're considering EPR, inform the physicians under review and encourage their cooperation. There's no reason to withhold information. When questions arise about their practice, share them with the physicians, and allow them to respond.

EPR should be a learning experience for physicians under review and invite their active participation. In this way, EPR provides an avenue for them to improve their practice and ultimately the patient care they provide. Approached in this way, EPR can lead to amicable resolutions of tough clinical issues.

What you can expect from a quality EPR process

When done correctly, EPR promotes high reliability care and improves healthcare delivery. That starts with a highly qualified EPR provider with board-certified, actively practicing physicians.

Once you select an EPR provider, you can expect them to:

- Identify the right review methodology
- Select an appropriate consulting physician
- Provide case review organization and supervision and/or direct clinical practice observation
- Analyze and consolidate the consulting physician's EPR findings
- Develop final reports that include findings and conclusions
- Conduct a follow-up conference call with the EPR medical director to discuss report findings
- Respond to written rebuttal responses submitted by the reviewed physician or committee
- Participate as a fact witness if the event of corrective action
- Adhere to data protection and integrity requirements

Your clinical specialist's methodology should generally include:

- Examining provided medical records
- Providing individual case assessments
- Categorizing each case according to a quality rating system
- Providing a summary of findings for each case
- Helping prepare a final report and conclusions concerning care quality and appropriateness

Other elements of EPR can include:

- On-site and off-site reviews of quality data records and policies
- Fair hearing fact witness testimony
- Contract services evaluation (e.g., radiology, anesthesiology, emergency medicine)
- New technology assessment and policy development
- Physician leadership planning and development regarding peer review
- Sentinel event evaluation and root-cause analysis facilitation
- Peer review processes assessment and contemporary redesign techniques implementation
- Guidance on how to handle disruptive or impaired physicians

How EPR can transform your organization for the better

While you may employ EPR for specific reasons, its value isn't limited to specific cases. It does serve as an educational and learning exercise, but the process can also elucidate trends, themes, or other system-level issues.

With the right support, you can leverage EPR findings to improve your organization more broadly through:

- Organization-improvement projects
- Structural and process changes
- Initiatives to assess and reduce burnout
- Elevating high reliability
- Enhancing a culture of safety

Whether prompted by your organization's current situation or considering future possibilities, you can prepare for tomorrow by proactively considering EPR today.

Authors

Andrew Resnick, MD

Chief Medical and Quality Officer

aresnick@chartis.com

Steve Mrozowski

Partner, Clinical Transformation and leader of External Peer Review and Patient Safety

smrozowski@chartis.com

Robin Jones

Director of External Peer Review Services

rojones@chartis.com

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About Chartis

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