

Agency ignored reports on phony patients

By Pamela Zekman
and Gene Mustain



A FORMER surveyor for the Joint Commission on Accreditation of Hospitals, James Neal, charged the commission failed to investigate information he provided that the Community Hospital of Evanston accepted phony patients. (AP)

The agency whose accreditation enables hospitals to qualify for most insurance-reimbursement programs ignored reports two years ago that phony accident patients were being admitted to Community Hospital of Evanston to inflate insurance claims.

In fact, the Joint Commission on Accreditation of Hospitals accredited Community Hospital for another two-year period last June—only a few months before an undercover investigation found widespread abuses at the hospital.

An undercover nurse and a reporter posing as a patient found that, despite the number of patients said to have orthopedic injuries, the hospital had no traction equipment, no registered physical therapist and no orthopedic doctor.

Staff physicians, including the former medical director, confirmed the findings and said they quit over the hospital administration's failure to improve medical services and tighten admission policies.

JCAH OFFICIALS defended the decision not to investigate complaints reported by one of the agency's own representatives. They conceded, however, that disclosures in The Accident Swindlers series show that JCAH inspection standards may be lacking

Accident Swindlers/reaction

"It appears we did not do a good job," said Paul E. Mullen, acting director of the JCAH hospital accreditation program.

Mullen said the Sun-Times and WLS-TV (Channel 7) disclosures show that the JCAH needs to toughen inspection procedures and improve accreditation standards.

The commission is funded by hospitals that seek its accreditation through inspections that usually are announced in advance. Currently, the agency accredits the quality of health care at 5,000 hospitals nationally.

Mullen's comments came in response to charges by James Neal, a former JCAH surveyor, that the commission failed to investigate information he provided two years ago that the hospital accepted and treated phony patients.

ACCREDITATION by JCAH assures hospitals of continued eligibility in Medicaid and Medicare programs and of recognition by most insurance companies as an acceptable provider of quality medical care.

Neal, now with a Washington-based consulting firm, complained to the JCAH that its continued accreditation of Community Hospital has "protected physicians in promoting a profitable sham."

Neal, also a former administrator of Community

Hospital, recounted in letters to the commission and to reporters the history of his futile effort to alert the commission about the hospital.

He said he learned of the improprieties from a wife, a registered nurse who was given a tour of the hospital in August, 1978, by the evening supervisor.

"In the course of the tour, she was informed most of the patients hospitalized were not ill; that the medical records were contrived to accommodate doctors who had arrangements with lawyers to build a case," Neal wrote. "The doctors hospitalizing real patients were leaving the hospital."

NEAL SAID HE revealed the situation to Douglas Duncan, a JCAH accreditation official. Several days later, "[Duncan] said that he saw need to investigate further, and suggested that I could write a letter for the file if I felt strong about it."

Duncan was not available for comment. However, Mullen and Dr. George W. Graham, vice president for external affairs for the JCAH, said Duncan had no specific recollection of the discussion but Neal two years ago but conceded that it could have happened.

"Dr. Duncan says that Mr. Neal is an honest man with integrity and that this is likely an honest

Turn to Page

'Patient' reports ignored

Continued from Page 5

description of what happened," Mullen said. Both Mullen and Graham said they did not challenge Duncan's decision not to investigate because the JCAH standards for admission practices require only that a hospital has a committee of qualified physicians reviewing admissions.

Since an earlier survey showed Community had such a committee, JCAH had no reason to investigate Neal's reports, Mullen and Graham said.

GENERALLY, HE said, JCAH determines whether a hospital provides quality care on the basis of inspections of patient records, equipment and staff credentials. He said surveyors may not interview patients or review diagnoses. Interviews with hospital staff depend on voluntary cooperation.

Both Mullen and Graham said a surprise inspection was conducted at Community last

Friday in response to The Accident Swindlers series. The results could be available in 90 days.

In a letter addressed to JCAH Deputy Director John Milton, Neal expressed serious reservations about JCAH's role in accrediting hospitals. He said JCAH "has become less relevant in the scheme of things" and "increasingly, it appears that the role of JCAH is more concerned with form, rather than substance."

He said the JCAH was too inclined to serve the needs of the medical establishment and hospital owners.

Community Hospital "earned and maintained its accreditation over the years," Neal said. "Now, it is reported that the voluntary non-profit hospital has been taken over by some physicians for illegal and unethical practices sanctioned in part by accreditation of its program and facilities. This is unconscionable, and deserves explanation."