



CNA HealthPro

The National Practitioner Data Bank

The following is a review of the National Practitioner Data Bank's (NPDB) purpose and its mandatory reporting requirements.

The NPDB was created through legislation because Congress perceived the increasing occurrence of medical malpractice litigation and the need to improve the quality of medical care to be two problems that had become nationwide in scope and too large for states to address individually. When the Health Care Quality Improvement Act of 1986 became law, dentists found themselves included in the legislation alongside physicians, nurses, dietitians, optometrists, pharmacists and other licensed healthcare practitioners. The NPDB actually began collecting and disseminating information on September 1, 1990.

Operated by the Department of Health and Human Services, the NPDB serves as a flagging system to facilitate comprehensive review of healthcare practitioners' professional credentials. The information in NPDB is used by healthcare entities, state licensing boards and professional societies when granting clinical privileges or making employment, affiliation or licensure decisions.

Two types of reports are submitted to the NPDB: malpractice payment reports and adverse action reports.

Malpractice Payment Reports

When an insurance company or other entity (see below) makes a mal-practice payment on behalf of a dentist, it must submit a report to the NPDB when the following conditions are met:

- There is a transfer of money.
- The payment is the result of a *written* complaint or claim demanding monetary payment for damages, based on a dentist's provision of or failure to provide dental services. (Payments made in response to *oral* complaints have no reporting requirement.)
- The payment is made in response to a demand against an *individual* dentist. Payments made solely on behalf of an incorporated group practice or clinic are not reportable.

The NPDB defines a "malpractice payer" as "an entity that makes a payment for the benefit of a physician, dentist, or other licensed health care practitioner in settlement of, or in satisfaction in whole or in part of, a claim or judgment against such physician, dentist, or other licensed health care practitioner."

Examples of a "malpractice payer" as defined above include

- CNA and other professional liability insurers
- dental professional services corporations, including those consisting of a sole practitioner (e.g., John Q. Smith, D.D.S., Inc. or John Q. Smith, D.D.S., P.C.)

A professional corporation that makes a payment for the benefit of a named dentist must report that payment to the NPDB. Payment made on behalf of a professional corporation comprising a sole practitioner is reportable if the payment was made by the corporate entity from corporate funds rather than by the individual dentist out of personal funds.

A payment made by an individual dentist from personal funds on his or her own behalf is not reportable, whether or not the dentist does business as a professional corporation.

Adverse Action Reports

Adverse action reports originate from the following sources:

- Hospitals and other healthcare entities (such as dental preferred provider and managed care organizations), which must report professional review actions related to professional competence or conduct that meet certain criteria.
- State licensing boards, which are required to report such disciplinary actions as revocation, suspension, censure, reprimand, probation and surrender of license. Revisions, such as reinstatement of a license, must also be reported.
- Professional societies, which must report professional review actions that adversely affect professional memberships as well as revisions of such actions.

Dentists may contact the NPDB at any time to determine what information, if any, is held about them. Dentists can call the NPDB Help Line at 1-800-767-6732 from 8:30 a.m. to 6:00 p.m. (5:30 p.m. Fridays) Eastern Time for additional information or assistance in submitting a query. More information is also available on the NPDB web site at <http://www.npdb.com>.

This publication is for educational purposes only. It is not legal or dental advice. CNA makes no representations as to its correctness or completeness and accepts no liability for any injury or damage that may arise from its use. Specific legal or dental questions should be referred to a competent attorney or dental professional. This material may address and discuss matters for which your policy does not provide coverage, and the material does not create or imply the existence of coverage. Please consult your insurance policy for the specific terms and conditions of coverage.

CNA policies are underwritten by the property/casualty companies of CNA, Chicago, IL. CNA is a registered service mark of CNA Financial Corporation. ©2005 Continental Casualty Company. All rights reserved.