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Certain Patient Records Deemed Privileged Under Patient Safety Act

The Patient Safety and Quality Improvement Act of 2005 (Patient Safety Act), 42 U.S.C. § 299b-21, establishes a reporting system in an effort to resolve issues relating to patient safety and health care quality. To encourage the reporting and analysis of medical errors, the Patient Safety Act provides a federal privilege and confidentiality protections for patient safety information. Likewise, the Illinois Medical Studies Act (Medical Studies Act), 735 ILCS 5/8-2101, establishes that certain information generated by healthcare committees remain privileged, particularly as it relates to peer review and quality control, in the interest of advancing the quality of healthcare.

Nevertheless, plaintiffs' attorneys often attempt to compel production of these privileged records. In its recent decision in *Daley v. Teruel*, 2018 IL App (1st) 170891, the Illinois Appellate Court, First District, outlined the privilege provided by the Patient Safety Act and upheld the hospital's claim of privilege over certain documents.

Underlying Facts

The plaintiff, Terri Daley, was the administrator of the estate of the deceased, Rosalie Galmore Jones. *Daley*, 2018 IL App (1st) 170891, ¶ 1. The plaintiff filed a medical malpractice claim against Ingalls Memorial Hospital (Ingalls) and various medical personnel, alleging that their failure to adequately monitor and treat blood glucose levels contributed to the decedent's death. *Id*. ¶ 7.

During written discovery, the plaintiff requested Ingalls to state whether the incident identified in the complaint was reported to, or investigated by, any hospital or governmental committee, agency, or body. *Id*. ¶ 9. Ingalls objected to the interrogatory, noting in the privilege log that certain documents were privileged under the Patient Safety Act because they were assembled for submission to a certified Patient Safety Organization (PSO) for the purposes of improving patient safety and quality of health care. *Id*. The defendants argued that two incident reviews, two complaints, and a security department incident report were privileged under the Patient Safety Act. *Id*.

The plaintiff filed a motion to compel production of the documents, and the trial court ordered Ingalls to submit the documents for an *in camera* review. *Id*. ¶ 11. The trial court eventually granted the motion and ordered Ingalls to produce portions of the privileged incident reports, noting that certain information was "obtained prior to the peer review" and therefore discoverable. *Id*. ¶ 16. In a motion to reconsider, Ingalls argued that it maintained a patient safety evaluation system for collecting information to report to the PSO and, as noted in a supplemental affidavit, the information contained in the incident review reports was prepared "solely" for submission to the PSO. *Id*. ¶ 17. The trial court disagreed and Ingalls appealed. *Id*. ¶ 18.

Appellate Court Analysis

The appellate court assessed two issues. First, the court was tasked with determining whether the circuit court erred in ordering the disclosure of the documents because they constituted patient safety work product and were therefore privileged under the Patient Safety Act. *Id*. ¶ 22. Second, the court considered whether the Patient Safety Act's privilege protection on such work product preempted the court's production order. *Id*.

The court looked first at the methods in which information can be considered patient safety work product. *Id*. ¶ 37 (citing 42 U.S.C. § 299b-21(7)(A)). Patient safety work product must meet one of the following requirements: (1) it must be assembled or developed by a provider for reporting to a PSO and in fact reported to that PSO; (2) it must be developed by a PSO for the conduct of patient safety activities and could result in improved health care; or (3) it must constitute as the analysis of a patient safety evaluation system. 42 U.S.C. § 299b-21(7)(A). Ingalls argued that the disputed documents constituted patient safety work product under the first method (known as the "reporting pathway" method) because the information contained within the documentation was created for the sole purpose of reporting it to the PSO. *Daley*, 2018 IL App (1st) 170891, ¶ 37.

The plaintiff, however, argued that the documents met three of the statutory exceptions to patient safety work product. *Id*. ¶ 49 (citing 42 U.S.C. § 299b-21(7)(B)). The plaintiff first argued the decedent's medical records were not privileged under the "medical records" exception because information contained in a patient's medical record is excluded from the definition of patient safety work product. *Daley*, 2018 IL App (1st) 170891, ¶ 49. The court, however, noted that the medical records exception to patient safety work product is interpreted to mean that the patient's original medical records cannot become part of the patient safety work product merely by reference. *Id*. ¶ 50. The court therefore rejected this argument. *Id*.

The plaintiff also argued that the documents were subject to the second exception to the definition of patient safety work product—that the information contained in the documents was not collected solely for the purpose of reporting to a PSO. *Id*. ¶ 54. The plaintiff cited the circuit court's ruling, which stated that the content of the documents appeared to be "obtained prior to the peer review." The court disagreed, noting that Ingalls submitted an affidavit stating that the information contained in the documents was prepared "solely" for submission to a PSO. *Id*. ¶ 55.

Lastly, the plaintiff argued that the documents fell within the third exception to the patient safety work product because the information was collected to satisfy a reporting requirement to a state agency, and therefore, it cannot be considered patient safety work product. *Id*. ¶ 56. The plaintiff referenced the Illinois Adverse Health Care Events Reporting Law of 2005, 410 ILCS 522/10-10, 10-15 (2016), which requires Illinois hospitals to report an adverse health care event to the Illinois Department of Public Health within 30 days, as support. *Daley*, 2018 IL App (1) 170891, ¶ 56 (citing 42 U.S.C. § 299b-21(7)(B)(iii)(II)). The court rejected the argument and reasoned that the Illinois Adverse Events Law has not yet been enacted. *Daley*, 2018 IL App (1st) 170891, ¶ 59. Ingalls had no obligation to report any adverse health care events under that law and the exception did not apply. *Id*.

Finally, in addressing whether the Patient Safety Act preempted the discovery order, the court held that the express preemption clause contained within the Patient Safety Act demonstrated Congress's intent to supersede any court order requiring the production of documents that met the definition of patient safety work product. *Id*. ¶¶ 66-67. Thus, when information is deemed patient safety work product, the Patient Safety Act should be construed as preempting any state action requiring a provider to disclose such work product. *Id*. ¶ 68. The court therefore concluded that the Patient Safety Act preempted the circuit court's production order. *Id*.

The court ultimately concluded that the plaintiff failed to demonstrate that the disputed documents fell under any exception to the definition of patient safety work product. *Id*. ¶ 60. The court held that the incident reviews, complaints, and the incident report constituted patient safety work product under the Patient Safety Act. *Id.* ¶ 48. The documentation consisted of data, reports, and discussions which were included in the definition of patient safety work product. Furthermore, Ingalls established that the documents were prepared solely for submission to the PSO and were intended to improve patient safety and the quality of health care. *Id.*

The appellate court overturned the circuit court's order, holding that the reports constituted privileged patient safety work product under the Patient Safety Act because documents were prepared for a PSO, were reported to a PSO, and otherwise met the statutory requirements to qualify as patient safety work product. *Id*. The court emphasized that its ruling was consistent with the intent of the legislature, which was to create a "system of voluntary, confidential, and non-punitive sharing of health care errors to facilitate and promote strategies to improve patient safety and the quality of health care." *Id*. ¶ 31.

Conclusion

The *Daley* decision is an encouraging one for defense counsel because it limits a plaintiff's access to confidential documents and reports generated for a PSO. While the decision is important for limiting the scope of discovery in pending litigation, it is also critical that health care organizations understand the decision and apply it to their participation in a PSO.

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