

SANCTION & EXCLUSION SCREENING

How to embrace
automation, ease
compliance
burdens, and
protect against
enforcement



Sanction Screening: A burden that needs relief

Few compliance challenges in the healthcare sector are as daunting as performing sanction and exclusion checks on employees, vendors, and other third parties.

Sanction screening is both tedious and complex, yet healthcare businesses must get the task right if they want to do business with their most important customer: the U.S. government.

This e-book explores the challenges of sanction screening, and how to embrace technology and best practices for a smoother process:

- The common missteps that lead to more complicated screening procedures;
- How automation and artificial intelligence can alleviate screening burdens from compliance employees; and.
- How to combine better use of IT with better judgment and oversight from compliance employees, to lower costs and drive better business outcomes.

**Sanction screening is a burden.
It doesn't have to be.
There is a better way forward.**

Who this ebook is for:

- Compliance officers
- Healthcare executives
- Board directors

1

Overwhelmed by data and duty

Begin by understanding what sanction and exclusion screening is: a process healthcare businesses must undertake to determine whether an employee or business partner is barred (that is, sanctioned or excluded) from participating in federal healthcare programs. **If the employee or business partner is excluded, the healthcare business cannot work with that person, under threat of monetary penalties or even being excluded itself.**

Screening Is the Cornerstone of Compliance

If the compliance object is to avoid working with excluded parties, then the key to successful compliance is screening — checking names against databases of excluded parties for possible matches, over and over. At an abstract level, that objective is easy to understand. The challenge is to implement efficient, effective procedures to achieve it.

1

Overwhelmed by data and duty

The Burden Is Enormous and Shifting

The U.S. Department of Health and Human Services maintains a List of Excluded Individuals and Entities (LEIE), which is the master list of all parties excluded from receiving federal healthcare dollars.

Regulators update the list monthly, adding or removing names as warranted. As of October 2020, the LEIE had more than 73,000 entries.

The compliance challenges are many. For example:

To avoid those pitfalls, compliance officers need to construct a thoughtful intake process: one that fosters trust with the reporter, and generates the right information to let you address an issue swiftly and correctly.

- Should you rely only on the LEIE, or on other databases derived from that information?
- How often should you screen employees and third parties?
- How do you collect data from your employees and third parties to do the screening?
- How do you avoid errors?

2

Develop a Strategy for Data

One hurdle is simply to gather the most appropriate data so your screening can unfold as efficiently as possible. For example, companies can use the Social Security Death Master File to find people using the Social Security numbers of someone deceased — a nifty way to identify any potential fraudsters, regardless of whether they are on the LEIE database. Numerous other databases of excluded parties exist, either for a price or freely available for download

1.331 million
Points of data in the
LEIE database as of
October 2020

- **73,990 entries**
- **18 possible data fields per entry**



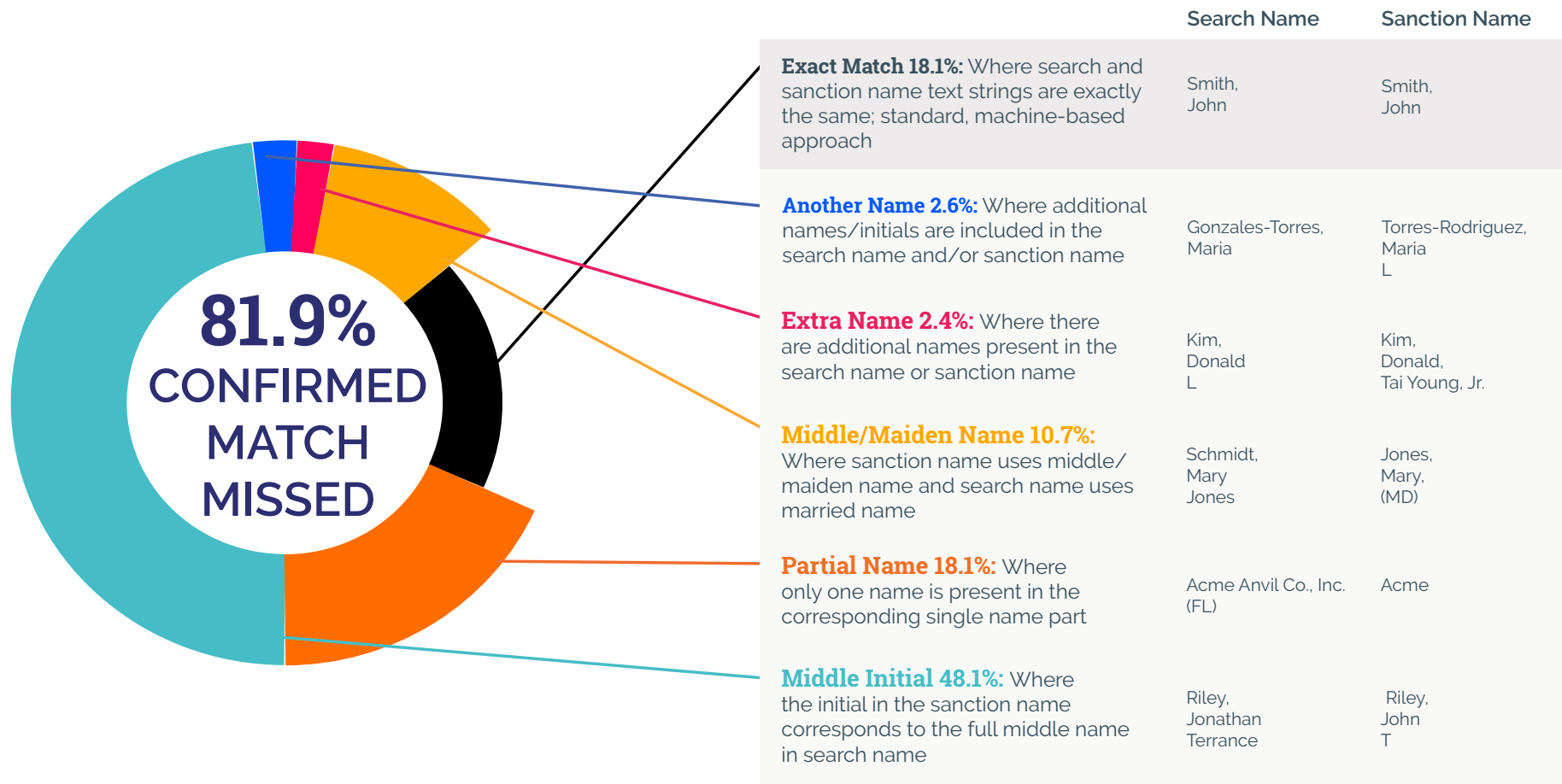
Therefore, Think About the Best Sources of Information for Your Screening Program

Compliance officers need to **consider which databases provide the best chance of finding a sanctioned party at the lowest cost to you and your team.** A free database may be unreliable, or require so much integration into existing procedures that it breaks your budget. Paid databases might be too expensive for your needs. Review all the databases that could help with screening compliance; consider how you might use them given existing constraints with your budget, staff, and technology. Use the ones that will deliver the most ROI.

3

How Screening Can Go Wrong

Say your screening procedure is to search only for an exact match between name of employee and those on the LEIE. How many actual matches could you miss? Let us count the ways...



4

Develop a Screening Strategy

Once your company has the right databases for sanctions screening, the next challenge is to develop effective policies and procedures in place to perform your screening tasks well. **Only then can you leverage the information within those databases for maximum effect.**

Look for the Right Type of Threat

Screening is a complex process that checks many pieces of data against other pieces of data. Errors are inevitable. False negatives, however — where you fail to

detect a person who is on the LEIE — can bring much more serious consequences to the company than false positives (flagging someone as excluded when they aren't). So reducing the risk of false negatives must be a high priority as you design screening policies and procedures.

Consider the Right Mix of Resources

Some screening tasks can be **automated**, such as comparing employee data against exclusion lists. Along similar lines, some tasks can be **outsourced** to firms that specialize in specific screening tasks. Find the right mix of technology, in-house personnel, and outside expertise to achieve the most efficient screening possible.

5 Build the Right Internal Procedures

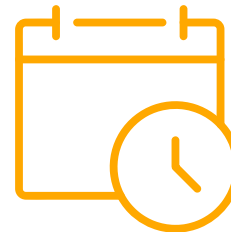
An important part of screening is that first time you collect data about employees and third parties so that screening can happen. For example, the company should collect the full name, date of birth, Social Security number, and provider license number from every new employee before they begin work.

This underlines a subtle but critical point: the company **needs its own internal procedures, especially around hiring and investigations, to be aligned with the sanction screening program.**



What employee information should you collect?

Name, date of birth, Social Security number, provider number.



How often should you screen?

All new hires at time of hiring; monthly after that.



Why so often?

The LEIE is updated monthly. You might miss an employee newly added to the list.

“You have an obligation to make sure that nobody who is excluded on any list is employed with or working with your organization.

- Giovanni Gallo

6 What to Do After a Screening Match

When a match arises, the compliance team must be able to take several more steps:

- Investigate and confirm whether the employee is indeed an excluded party;
- Determine appropriate next steps, such as termination;
- Investigate potential misconduct such as fraud, kickbacks, or patient harm

Reasons to Perform Screening

- **It's a compliance requirement**
- **It reduces regulatory enforcement risk**
- **It protects patients from harm**
- **It protects the business from litigation**
- **It supports an ethical workforce**



Use Program Resources Wisely, So You Can Take Action

Given everything else that should happen after a screening match, that drives up the importance of streamlining the screening process itself. The more automated and error-proof screening is, the less burdened your compliance team is with mundane tasks such as data search or list maintenance. Your team can instead focus on risk analysis, investigation, and remediation of other problems that screening brings to light. The result: better use of compliance resources **and** more effective compliance overall.

7

Integrate Screening Into the Rest of Compliance

Sanction screening is a crucial compliance duty, but it is still only one part of a larger compliance program. Compliance officers should ensure that screening doesn't happen in a vacuum, but rather, informs and supports other parts of the compliance program for maximum success. For example...

Investigations

When screening results in a match, a deeper investigation should follow. For example, a match might be a false positive (the person actually isn't excluded) or a "permissive exclusion" where the person could be eligible to participate in healthcare programs again sometime in the future. Determining the full facts of a screening issue is important, both to keep good employees on staff and to avoid patient harm or litigation risk. Investigation protocols must be able to "pick up" screening evidence and carry it further.

Training

Employees should receive training and other messages from senior leaders about screening: that it exists, and misconduct that puts an employee on the LEIE could put their job and long-term career prospects in serious jeopardy. The mere existence of screening can dissuade employees from misconduct — so put that fact to work!

Internal Hotline Reporting

Most employees want their businesses to succeed, and will raise concerns via internal compliance hotlines. So when a report arrives about a coworker or third party who seems suspicious, screening can be an early step to investigate those issues. Internal reporting and screening procedures should support each other to help compliance find the truth about allegations.

Screening Matters; Do It Right

Sanctions screening is a fact of life for healthcare businesses; if they want to do business with the U.S. government, they must perform screening somehow. So the questions then become (1) how you can perform screening in a cost-effective manner; and (2) how can screening complement the rest of your corporate compliance program?

Working with the right data is crucial. So is putting together the right mix of technology, internal procedures, and outside expertise to assure that your screening program has maximum efficiency: able to identify the greatest number of possible matches at the lowest cost to your budget. Compliance officers should think through those strategic questions at the beginning, so they don't squander resources later.

And always remember: **strong sanction screening capability is good for your business**. It reduces regulatory enforcement risk and other threats of fraud, patient abuse, and litigation. Done right, sanction screening pays for itself, in the form of costly mistakes that never happen and an engaged, ethical workforce that can keep your business moving in the right direction.

About ComplianceLine

For more than 20 years, ComplianceLine has put our customers and the quality of our work before profits to become the leading provider of ethics and compliance (E&C) solutions and second- largest player in the space. Our clients trust us to listen to their employees and empower us to assist in the identification of unethical, illegal, and questionable behavior.

In building this trust, we have provided compliance solutions in 50,000 locations to more than 6 million employees in 100+ countries through our highly-trained, caring, and compliance-minded professionals.

We have helped E&C leaders investigate nearly 10 million reports, offering employees the industry's leading-edge tools to report unethical or illegal behavior free from retaliation.

Our client companies include Fortune 500 companies, such as International Paper and AT&T, a higher concentration of risk-conscious industries, including 6 of top 7 US healthcare systems, and brands of all sizes who value their people and their impact, like Johns Hopkins University, Raytheon, Blue Cross Blue Shield, and numerous county and city governments.

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