



OIG'S FOURTH QUARTER 2014 ENFORCEMENT ACTIONS AGAINST ORGANIZATIONS THAT HIRE EXCLUDED INDIVIDUALS

By Jillian Bower, MPA

During the final quarter of 2014 the OIG posted on their website eight settlement cases involving organization that knew or should have known they hired an excluded individual. The settlement cases occurred between October and November 2014; no cases that occurred in December were posted. The increased number of settlement cases with the OIG highlights an escalation of effort by the OIG to penalize organizations that engage with and hire excluded individuals. This also highlights their position of protecting federal healthcare programs' beneficiaries and ensuring that excluded individuals do not fraudulently participate during their period of exclusion.

Below is synopsis of those recent cases.

- ✓ On October 1, Reliable Respiratory, Inc. in Massachusetts self-disclosed that they employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. Reliable Respiratory, Inc. agreed to pay \$23,065.89 for allegedly violating the Civil Monetary Penalties Law.
- ✓ On October 16, the County of Wilson Emergency Medical Services, in North Carolina self-disclosed that they employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. The County of Wilson Emergency Medical Services agreed to pay \$124,688.54 for allegedly violating the Civil Monetary Penalties Law.
- ✓ Also on October 16, IHC Health Services, Inc. d/b/a McKay-Dee Hospital Center, in Utah self-disclosed that they employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. IHC Health Services agreed to pay \$13,633.52 for allegedly violating the Civil Monetary Penalties Law.
- ✓ Lastly on October 16, Manor Care in South Ogden UT, LLC d/b/a ManorCare Health Services - South Ogden, agreed to pay \$41,129.76 to settle allegations that it they employed a nursing assistant that they knew or should have known was excluded from participation in Federal healthcare programs.
- ✓ On October 24, Daybreak Venture, LLC, with facilities located throughout Texas agreed to pay \$357,341.96 to settle allegations that seven of the facilities employed an individual they knew or should have known was excluded from participation in Federal healthcare programs. It is important to note that five the of individuals were identified through OIG's Office of Audit Services' data analysis project.
- ✓ On October 30, Mid-Atlantic of Delmar, LLC in Delaware self-disclosed that they employed an individual that they knew or should have known was excluded from participation in Federal

healthcare programs. Mid-Atlantic of Delmar, LLC agreed to pay \$92,344.60 for allegedly violating the Civil Monetary Penalties Law.

- ✓ On November 18, Douglas Charles Albers and MedTrak Services, LLC in Kansas self-disclosed it employed Mr. Albers and knew or should have known he was excluded from participation in Federal health care programs. They agreed to pay \$40,682.00 for allegedly violating the Civil Monetary Penalties Law.
- ✓ Also on November 18, Mountain Land Rehabilitation in Idaho self-disclosed that they employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. Mountain Land Rehabilitation agreed to pay \$37,206.75 for allegedly violating the Civil Monetary Penalties Law.

The settlements listed above generated approximate \$730,093.00 under the Civil Monetary Penalties Law. The majority of those cases that involve the hiring of an excluded individual the organization improperly hired just a single person. The penalty on average costs \$91,261.00. The penalty amount paid is far below what an organization would pay for implementing an effective sanction and exclusion screening solution.

These cases highlight the on-going need to have a reliable screening and exclusion process in place. And, it is particularly important that the screening and exclusion process is viewed by the organization's executive management, compliance officer and Board of Directors as a necessary part of doing business in the healthcare industry. Individuals and businesses can be excluded for a number of reasons, i.e., offenses related to the delivery of care; patient abuse or neglect; fraud, theft and other financial misconduct; and felony convictions related to controlled substances. Therefore, to protect your business, and especially the welfare of your patients and employees, sanction screening is a necessary part of the business.

Jillian Bower, MPA is Vice President of the [Compliance Resource Center \(CRC\)](#) that provides [Sanction Screening Services \(S³\)](#), which includes automated sanction screening tools and also provides full outsourcing of sanction screening. For more information, she can be contacted at jbower@complianceresource.com or call her directly at (703) 683-9600 x 405.