



CAN THE ENTIRE SANCTION-SCREENING PROCESS BE OUTSOURCED?

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Posted on October 14, 2013

Originally posted at Kusserow's Corner: Perspectives from a former Inspector General

This is a question that is frequently asked of me and the answer is yes. Vendors can not only provide an organization with sanction screening tools but some will conduct the screening on behalf of the organization along with permitting access to their screening tools. Today, thousands of healthcare providers rely on vendor search engine tools to carry out sanction screening in house. It saves them from developing their own search engine, as well as maintaining and collecting sanction data monthly. However, this is only a small part of the burden. The bulk of the screening effort remains for the organization to handle that includes conducting the actual screening, resolving potential "hits," and preparing a report for the record to evidence it was all done correctly.

For many organizations the answer to saving time and effort, is to "outsource" the entire process to a vendor who will:

- Keep up to date all sanctioned data
- Continue servicing and improving their search engine technology and capabilities
- Perform the screening as often as needed (preferably monthly)
- Use their own professionally trained staff to resolve potential hits
- Provide a certified report for the record

The cost to fully outsource the sanction screening process is less than what organizations may already be paying to simply access a vendor's search engine tools.

Background

During my term as HHS Inspector General I caused to be created what is now referred to as the List of Excluded Individuals and Entities (LEIE), which was followed by various OIG compliance guidance documents that call for screening employees, physicians, vendors, and contractors against the LEIE. Subsequently, the OIG encouraged screening against the General Service Administration's Excluded Parties List System (EPLS), which is now part of the System for Awards Management (SAM). Further complicating matters has been the addition of other federal sanction databases maintained by the Drug Enforcement Administration and Food and Drug Administration.

Federal regulations state to obtain and maintain active enrollment status, providers may not employ or contract with individuals or entities that are excluded from participation in any federal health care program or debarred by the GSA from any other executive branch program or activity (42 C.F.R. sec. 424.516). In addition, CMS sent letters to State Medicaid Directors calling on them to screen their enrolled providers for exclusions against state Medicaid exclusion databases on a monthly basis. Most states have followed this direction with more on the way. Many states mandate monthly screening

against their own Medicaid exclusion list, as well as the LEIE (42 C.F.R. sec. 455.436). This has increased the sanction screening burden exponentially, not only for the compliance office but other departments within the healthcare organization. Human resource management takes on the responsibility of screening new hires and periodically screening current employees. Procurement is also affected because they handle screening vendors and contractors and whose numbers are a multiple of the other parties that need to be screened. And lastly, medical credentialing must be involved to screen physicians who have been granted staff privileges.

Failing to screen individuals or entities for exclusions could result in all claims and costs associated with that excluded party being viewed as false and fraudulent and, potentially, leading to significant financial penalties and more. It is also very important to maintain files of all sanction screening as evidence that it was done properly to avoid penalties. For more information and articles regarding this subject, see the Sanction Screening Services website.

Tips for Selecting a Vendor

When considering this option, it is advisable to:

- For budgetary considerations, seek a fixed rate for the service, not volume based upon per click searches that can be overly costly.

- Ensure the contract permits cancelling without cause at any time, so that you continue the service because of good service, not due to contracts that bind you.

- Ensure they have liability insurance (\$1-3 million preferably) in case of negligence in their work.

- Determine if the vendor provides any other services or support to the process (e.g. policy templates, regulatory updates, advisory notifications, help desk).

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