

(non) Profitability in Healthcare

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How To Navigate Healthcare Background Checks and Compliance

Healthcare organisations need to navigate a complex web of federal and state regulations. This article explores the crucial role of background checks and compliance in the highly regulated healthcare industry.



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key points

- Both federal and state levels keep debarment lists against which healthcare operators need to screen staff continuously.
- Pre-screenings are beneficial as they thin out the number of people who need to be checked against debarment lists.
- Automation speeds up the process but does not take away the need to have cogent policies in place on what happens when somebody is found to be debarred from a federal or state list.

Think about a world where the personal information of patients lies in the hands of individuals with secrets to hide, and those you count on to provide care have a history of abuse. Such is not a far-fetched dystopian scenario but a genuine risk that healthcare operators in the U.S. and elsewhere must tirelessly strive to prevent. Here is just one telling number: no less than 1 in 10 patients are harmed while receiving care in a hospital, and nearly 50% of the adverse events that cause this harm are preventable ([American Bar Association](#)).

In this article, we explore the crucial role of background checks and compliance in the highly regulated American healthcare industry, as they serve as indispensable safeguards for residents' safety and the security of their sensitive information.

Focusing on the importance of getting background checks right and maintaining compliance with government debarment lists, we will discuss how non-compliance can result in severe consequences, such as losing critical Medicare or Medicaid funding. Additionally, we will highlight the challenges associated with background checks, the significance of federal and state debarment lists, and the benefits of pre-screening and ongoing monitoring. By providing a comprehensive understanding of these issues, we aim to equip

healthcare operators with the knowledge and tools necessary to ensure the utmost safety of their patients.

A Great Many Challenges

Background checks are a boon to healthcare organisations and their clients, but there are inherent challenges providers must be aware of. Some common background-checking mistakes include failing to obtain proper consent, getting outdated information, not following an adverse action process, or failing to comply with “Ban the Box” legislation (laws that prohibit employers from asking questions about somebody’s criminal background).

All of these problems can be avoided by having human resources departments stay up to date on all applicable federal and state laws and using background screening services from third-party providers that follow regulations on consent and other FCRA rules. Healthcare operators must also remain vigilant to avoid employing workers who have violated state and federal laws. They can do this through continuous monitoring.

The regulatory requirements seem burdensome but make sense if one takes into account the sensitive, highly personal nature of work and the risk of personal injury and mishandling of patient information. Both of

these infractions are also highly actionable from a legal standpoint.

when they detect offences such as physical abuse that would almost automatically put a candidate on a debarred list.

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Navigating Debarment Lists

One of the significant risk factors that play into background checks for healthcare operators is the chance that an employee is identified by either the Office of Inspector General (OIG) or System for Award Management (SAM) as having committed an infraction that bars them from working in the healthcare sector. The high standards placed on providers and staff mean employers must stay aware of the processes used by these federal bodies and the state-level regulators where they operate. Moreover, the penalties for non-compliance can be severe, with eligibility for Medicare and Medicaid reimbursements potentially on the line.

At the federal level, The OIG maintains the List of Excluded Individuals/Entities (LEIE), a database of individuals and entities excluded from participation in Medicare and Medicaid. The LEIE includes individuals convicted of healthcare fraud, patient abuse, or neglect. Similarly, SAM maintains the Excluded Parties List System (EPLS), a database of individuals and entities excluded from receiving federal contracts, grants, and other forms of federal assistance. The EPLS includes individuals who have been debarred or suspended from participating in federal programmes for fraud and other criminal activities.

Finally, at the state level, there are various specific requirements and potential infractions, such as the practice in Minnesota where the background check “travels” with the employee via state-level monitoring rather than staying with whoever commissioned the screening in the first place.

Pre-Screening and Ongoing Compliance Benefits

Pre-screenings reduce the number of people who have to be checked against debarment lists and save considerable time. They can also be most effective

In addition, the ongoing need to screen for misconduct has made monthly checks the norm for detecting criminal violations in the healthcare industry. Although technology has made it easier to automate screenings, it does obviate the need for policies that define what happens if a candidate or employee is found to be debarred at the federal or state level.

Conclusion

In conclusion, the importance of background checks and compliance in the healthcare industry cannot be overstated, as they serve as vital measures to ensure patients’ safety and the security of their sensitive information. Throughout this article, we have elaborated on the challenges associated with background checks, the significance of navigating federal and state debarment lists, and the advantages of employing pre-screening and ongoing monitoring processes.

By reiterating the consequences of non-compliance, such as losing critical Medicare or Medicaid funding, we underscored the urgency of healthcare operators to remain vigilant in their efforts to hire and maintain reliable staff. Also, we have highlighted the broader implications of such diligence, including preventing personal injury, mishandling of patient information, and legal repercussions.

Ultimately, it is crucial for healthcare organisations that operate in the U.S. to invest in the necessary technology, education, and policies to streamline their background check processes while ensuring compliance with all applicable regulations. By doing so, they not only safeguard the well-being of their patients but assume a moral responsibility to protect the rights and integrity of vulnerable populations.

Conflict of Interest

None. ■