

PERSONNEL POLICIES AND PROCEDURES

Subject	<i>Sanction Screening Policy</i>		
Effective Date	02/01/2016	Revision #	

BACKGROUND

Under federal law, no payment will be made by any federal health care program for any items or services furnished, ordered, or prescribed by an excluded individual or entity. The Department of Health and Human Services Office of Inspector General (OIG) note in their compliance guidance documents to hospitals that all employees, medical staff, and all new employees who have discretionary authority to make decisions that may involve compliance with laws or regulations should be matched against the OIG List of Excluded Individuals and Entities (LEIE). They also recommend screening against the General Services Administration (GSA) sanction list included in the System for Award Management (GSA Debarment List). In addition, organizations have the responsibility to conduct a reasonable and prudent background investigation, including a reference check, as part of the employment application and hiring process. Further, the OIG recommends that employees, contractors and medical and clinical staff members be checked at least annually against the LEIE.

Under the Centers for Medicare & Medicaid Services' (CMS) rules, providers must not employ or contract with individuals or entities excluded from participation in any health care program or debarred by the GSA. CMS does not permit payments furnished under the plan by an individual or entity while being excluded from participation. CMS has further advised states that they should require providers to search the HHS OIG website monthly to capture exclusions and reinstatements that have occurred since the last search.

In 2009, CMS issued a letter to State Medicaid Directors emphasizing the importance, and consequences, of making payments to excluded individuals and entities. They require states to screen providers and employees on a periodic basis for purposes of exclusion. As a result, some states call for or mandate independent screening of health care entities against their own Medicaid sanction list.

Finally, organizations have a responsibility to conduct a reasonable background investigation, including a reference check, as part of the employment application and hiring process.

PURPOSE

To ensure that all employees, medical staff, contractors, vendors and others with whom SEPA Labs does business are properly screened for exclusions and are authorized to participate in federal and state healthcare programs.

SCOPE

This Policy applies to SEPA Labs' personnel tasked with conducting sanction screenings for new and current employees, contractors, medical staff and vendors.

KEY TERMS

List of Excluded Individuals/Entities (LEIE): The OIG established a program to exclude individuals and entities who have been found to have violated federal law and/or regulations. The OIG has been granted a number of legal authorities under the Social Security Act to affect sanctions and maintains a List of Excluded Individuals and Entities (LEIE). The effect of an OIG exclusion from Federal health care programs is that no Federal health care program payment may be made for any items or services (1) furnished by an excluded individual or entity, or (2) directed or prescribed by an excluded physician (42 CFR 1001.1901). This payment ban applies to all methods of Federal program reimbursement, whether payment results from itemized claims, cost reports, fee schedules or a prospective payment system (PPS). Any items and services furnished by an excluded individual or entity are not reimbursable under Federal health care programs. In addition, any items and services furnished at the medical direction or prescription of an excluded physician are not reimbursable when the individual or entity furnishing the services either knows or should know of the exclusion. This prohibition applies even when the Federal payment itself is made to another provider, practitioner or supplier that is not excluded.

General Services Administration Sanction List: The GSA maintains the sanction list to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. The sanction list was created for information of and use by Federal agencies.

Medicaid State Sanction Data: Many states maintain their own database of individuals and entities they sanction. Several call for or require health care entities to screen against this list. This is in addition to not in lieu of screening against the Federal sanction information.

National Practitioner Data Bank (NPDB): The National Practitioner Data Bank (NPDB) is primarily an alert or flagging system intended to facilitate a comprehensive review of health care practitioners' professional credentials. The information contained in the NPDB is intended to direct discrete inquiry into, and scrutiny of, specific areas of a practitioner's licensure, professional society memberships, medical malpractice payment history, and record of clinical privileges. The information contained in the NPDB should be considered together with other relevant data in evaluating a practitioner's credentials; it is intended to augment, not replace, traditional forms of credentials review. Authorized parties to make NPDB inquiries and for reporting include state licensing boards, medical malpractice payers (authorized only to report to the NPDB), hospitals and other healthcare organizations, professional societies, and licensed healthcare practitioners (self-query only).

POLICY

- SEPA Labs will not employ or engage in a business relationship with anyone who is currently under sanction or exclusion by the Department of Health and Human Services Office of Inspector General (OIG) or any other duly authorized enforcement agency or licensing and disciplining authority.
- SEPA Labs shall not employ any individuals who have been recently convicted of a criminal offense related to healthcare or who are listed as excluded or otherwise ineligible for participation in federal healthcare programs.

Sanction Screening Policy (cont'd)

- SEPA Labs shall remove individuals with direct responsibility for or involvement in any federal healthcare program, as well as those pending the resolution of any criminal charges or proposed exclusion sanction. Contractors under pending criminal charges shall be suspended from continued work until the matter is resolved in a Court of Law.

PROCEDURES

- Prior to establishing employment or a business relationship with any individuals, medical professionals or entities, SEPA Labs will screen them against the current List of Excluded Individuals and Entities (LEIE) of the OIG.
- SEPA Labs shall also screen on a monthly basis those individuals and entities with whom it has engaged or otherwise has a business relationship.
- If it is determined upon reasonable due diligence that an individual or entity is listed as excluded by the OIG, the relationship shall be immediately terminated.
- Prospective employees and vendors who have been officially reinstated into the Medicare and Medicaid programs by the OIG may be considered for employment, medical privileges or a contractual relationship upon proof of such reinstatement and a determination that there are no other impediments to such action.
- SEPA Labs shall screen all contractors, consultants, vendors, joint venture parties, and affiliates providing ancillary medically related services or products against the General Services Administration (GSA) System for Award Management (SAM) exclusion list. If it is determined that an individual or entity is under debarment, we shall follow the guidance offered by the GSA on their website and by CMS.
- The following language shall appear on all applications for employment and medical staff privileges:
 - “Have you ever been convicted of any criminal violation of law, or are you now under pending investigation or charges of violation of criminal law? If yes, explain.”
 - “Have you been subject of any adverse action(s) by any duly authorized sanctioning or disciplinary agency for either conduct based or performance based actions? If yes, explain.”
- The following language will appear in the attestation section of any application by a professional who is required to be licensed:
 - "I agree to notify SEPA Labs in writing within five (5) days of receiving any written or oral notice of any adverse action, including, without limitation, exclusion from participation in any federal or state health care or procurement programs, any filed and served malpractice suit or arbitration action; any adverse action by a State Licensing Board taken or pending; any adverse action which has resulted in the filing of a report with the State Licensing Board; any revocation of DEA license; a conviction of any felony or a misdemeanor of moral turpitude; any action against any certification under the Medicare or Medicaid programs; or any cancellation, non-renewal or material reduction in medical liability insurance policy coverage."

Sanction Screening Policy (cont'd)

- All applications and contracts shall include a statement that accuracy of all information provided is a condition of employment or contract, and that the provision of incorrect information is grounds for immediate termination of employment or contract. Applications and contracts will also include a statement that grants the right to verify all information provided in any employment application or contract agreement.
- SEPA Labs will exercise reasonable due diligence to verify that any party found on an exclusion list is the same individual or entity noted.
- The Human Resource Department is responsible for carrying out this Policy as it relates to hiring of employees.
- The Procurement Office is responsible for carrying out this Policy as it relates to supply vendors and contractors.
- The Accounting Department is responsible for carrying out this Policy as it relates to all other vendors and contractors.
- The Compliance Officer is responsible for monitoring this Policy for compliance and reporting results quarterly to the Board of Directors, along with any recommendations for remedial actions or improvement to the program.