



SANCTION & EXCLUSION SCREENING

**HOW TO EMBRACE AUTOMATION, EASE
COMPLIANCE BURDENS, AND PROTECT
AGAINST ENFORCEMENT**

Introduction

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.

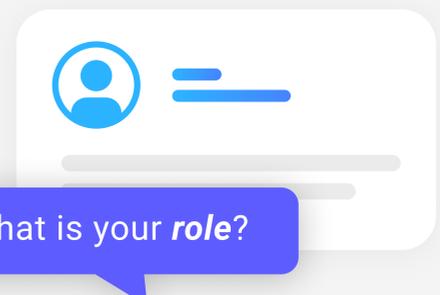
Sanction screening is both tedious and complex, yet healthcare businesses must get the task right if they want to do business with their most important customer: the U.S. government

This eBook 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
- How to combine better use of IT with better judgment and oversight from compliance employees, to lower costs and drive better business outcomes.

WHO THIS E-BOOK IS FOR

- Compliance Officers
- Healthcare Executives
- Board Directors



1 Overwhelmed by data and study

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 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 objective of compliance 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. 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 study

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 2024, the LEIE had more than 80,000 entries.

Understanding The Basics

To remain compliant and in good standing, organizations require screeners to plug names (one-at-a-time or as a batch) into a database to see if there is a match with an excluded party. But there are questions with must be asked.

- ? Should you rely 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

The first hurdle is to select the best lists first, so your screening can unfold as efficiently as possible. For example, companies can use the Social Security Death Master File to cross reference SSNs of someone deceased - a nifty way to identify 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.

1.45 million

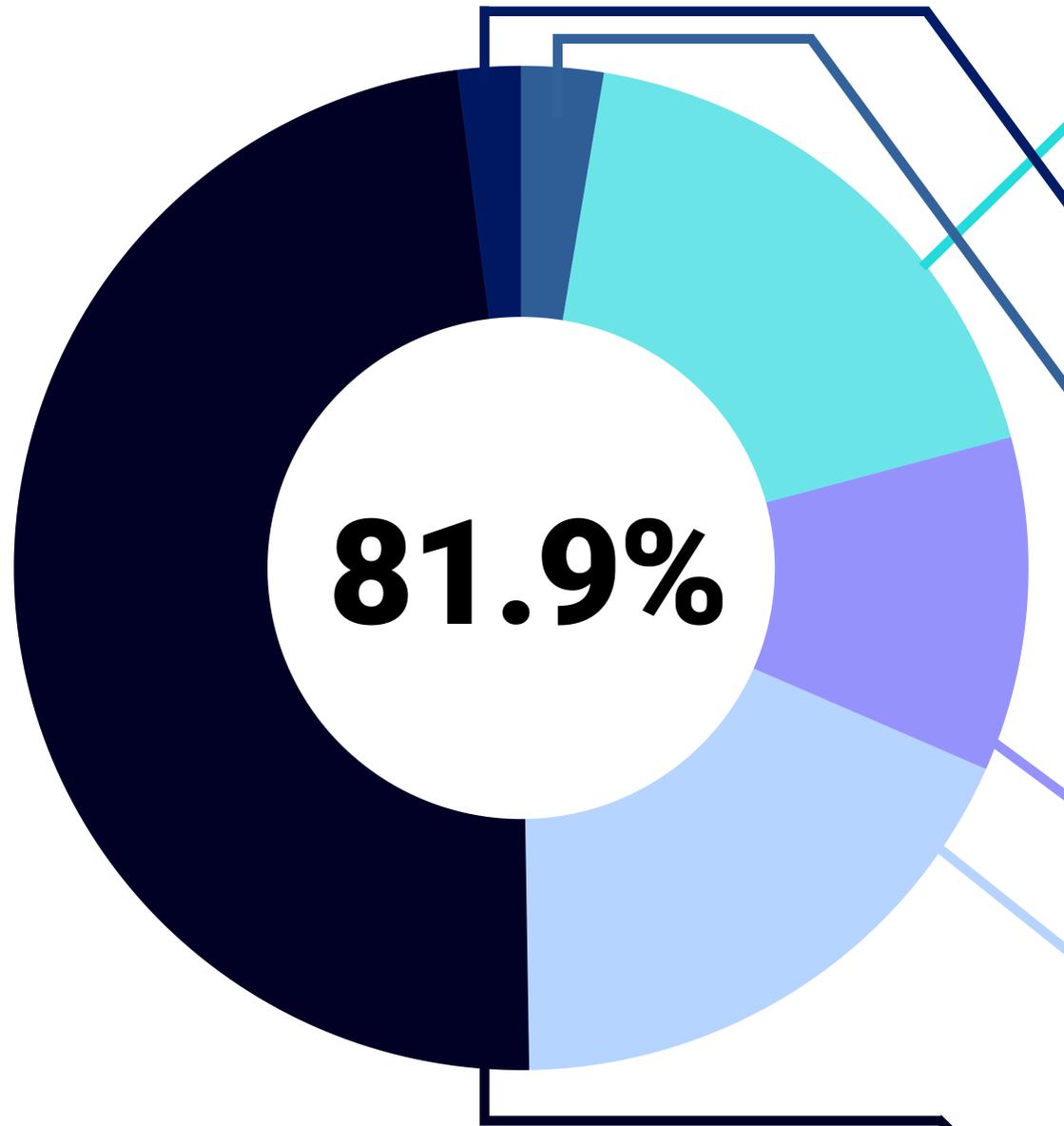
Points of data in the LEIE database as of 2024

- 80,644 entries
- 18 possible data fields per entry

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 and 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



81.9% Confirmed Matches Missed

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.

	Search Name	Sanctioned Name
Extra Match 18.1%: Where search and sanctioned name text strings are exactly the same: standard, machine-based approach	Smith, John	Smith, John
Another Name 2.6%: Where additional names/initials are included in the search name and/or sanctioned name	Gonzales-Torres, Maria	Torres-Rodriguez, Maria L
Extra Name 2.4%: Where there are additional names present in the search name or sanctioned name	Kim, Donald L	Kim, Donald, Tai Young Jr.
Middle/Maiden Name 10.7%: Where the sanctioned name uses middle/maiden name and search name uses a married name	Schmidt, Mary Jones	Jones, Mary, (MD)
Partial Name 18.1%: Where only one name is present in the corresponding single name part	Acme Anvil Co. Inc. (FL)	Acme
Middle Initial 48.1%: Where the initial in the sanctioned name corresponds to the full middle name in search name	Riley, Jonathan Terrance	Riley, John T

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 their 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:

A 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 (NPI).

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 if a current employee is added to the list.

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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

Use Program Resources Wisely, So You Can Take Action

Given the consequences of a screening match, the importance of streamlining the screening process itself cannot be overstated. 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.

Reasons to Perform Screening

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



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 fact 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 - 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.

Conclusion

SCREENING MATTERS; DO IT RIGHT

Sanction 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 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 avoided and an engaged, ethical workforce that can keep your business moving in the right direction.

About Ethico

For over 25 years Ethico has provided leaders who care with corporate integrity solutions that help to crowdsource risk intelligence at scale, improve the bottom line, and reinforce an authentic culture of integrity.

The Ethics & Compliance Optimization System (ECOsystem) is our next-gen integrated risk management platform informed by people working every day to make their workplaces better. It has actually-integrated modules for each of your major goals.

Next-gen workflows eliminate busy work and automatically prioritize your most important risks. Flexible analytics turn data into insights so you know what's working and what's not.

This single integrated platform, supported by our award winning customer service, gives your team the leverage it needs to reduce risk efficiently, gather smart risk intelligence at scale, and reinforce an authentic culture of integrity.

From case management and conflicts of interest/disclosure software, to issue intake and e-learning focused on the human element, to sanction monitoring and exit/stay interviews that drive a positive culture, and incident and third party risk management streamlined to make your life easier -- we are committed to helping you find the right risks while working smarter to make your world better for everyone.

We serve over 9 million employees in more than 150 countries. Our team of highly-trained, compliance-minded professionals has helped E&C leaders investigate over 10 million reports, using leading-edge tech that enables employees to report misconduct without fear of retaliation.

Ethico makes ethics easy by empowering those who care most to **Make The World A Better Workplace.**