OIG's Quarterly Enforcement Actions Against Organizations That Hire Excluded Individuals

September 2024

The Department of Health and Human Services Office of Inspector General (OIG) has been active during the first quarter of 2014 cracking down on healthcare providers who employed excluded individuals. In all cases, the healthcare organizations knew or should have known that the individuals were excluded, and in many of the cases the healthcare organization self disclosed the conduct to the OIG.

- On January 9, Voices for Independence in Pennsylvania agreed to pay $59,197.00 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- On January 13, Elim Care, Inc. in Minnesota agreed to pay $11,477.34 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- Also on January 13, Spanish Fork Nursing and Rehabilitation Center in Utah self disclosed it employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. As a result, the organization agreed to pay $10,000.00.
- On February 4, Arizona Bridge to Independent Living, Inc. in Arizona agreed to pay $85,000 for allegedly violating the Civil Monetary Penalties Law for employing three individuals that they knew or should have known was excluded from participation in Federal healthcare programs.

- On February 10, Altru Health System in North Dakota agreed to pay $241,137.76 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- On February 14, Interim HealthCare of the Eastern Carolinas, Inc. in North Carolina, self disclosed it employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. As a result, the organization agreed to pay $79,694.00.
- On February 18, Heritage Healthcare of Macon, LLC in Georgia self disclosed it employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. As a result, the organization agreed to pay $88,113.93.
- Also on February 18, KTLA Properties LP d/b/a Alamitos West Healthcare Center in California agreed to pay $27,617.37 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- On March 4, HealthCare Partners, LLC in California agreed to pay $341,309.93 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- On March 7, Brentwood Healthcare, Ltd. in Texas agreed to pay $243,266.31 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- Also on March 7, Little Flower Haven in Iowa agreed to pay $61,054.64 for allegedly violating the Civil Monetary Penalties Law for employing an individual that they knew or should have known was excluded from participation in Federal healthcare programs.
- On March 11, Community Memorial Healthcenter in Virginia self disclosed it employed an individual that they knew or should have known was excluded from participation in Federal healthcare programs. As a result, the organization agreed to pay $52,332.41.

In the above cases, improperly hiring a single individual cost these organizations thousands of dollars. Specifically in the case of Altru Health System, they wrongful employed an excluded individual, which cost them $241,137.76. Whether you conduct sanction checks in-house or outsource sanction checks to a vendor, the cost of the work is far less than the price ultimately paid by Altru Health System. Furthermore, it wrongfully placed patients under the care of individuals determined by the OIG as ineligible to participate in healthcare programs. The OIG continues to crack down on providers who are improperly hiring individuals without conducting screenings against the List of Excluded Individuals and Entities. The OIG's continued enforcement of screening requirements highlight their position of protecting federal healthcare programs' beneficiaries and ensuring that excluded individuals do not fraudulently participate during their period of exclusion.

Screening for program exclusions should be viewed by your organization, and especially by executive management, the compliance officer and the 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.

Interested in learning more about Sanction Screening? Contact Shelby Cole at scole@complianceresource.com.