




## Sanction Checking Referring Physicians

Richard P. Kusserow | August 2024

### Avoid unnecessary sanction screening

With the Department of Health and Human Services Office of Inspector General (OIG), the Centers for Medicare & Medicaid Services (CMS), and state Medicaid agencies all calling for increased sanction checking, conducting proper [sanction screening](#) either internally or contracted out to a vendor has become costly. Organizations commonly screen individuals and entities unnecessarily, which can be counter-productive. For example, some organizations check referring physicians who are not on staff and do not have any other established relationship at the hospital. In many cases, hospitals will receive referrals from physicians outside the area or who have never referred a patient before. These situations often involve retiree patients who spend much of their time wintering in warmer areas who are referred by a local physician to the patient's home area hospital.

A photograph showing a woman in a dark blue top talking on a mobile phone while sitting at a desk with computer monitors. Other people are blurred in the background.

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Because they are not known to the recipient, there is little identifiable data on file for that physician to confirm a potential “hit.” However, should the check result in a “hit” against the List of Excluded Individuals and Entities (LEIE), payments related to that referral are questioned. Screening referrals from physicians unknown to the hospital is not a good practice. Neither the OIG or CMS require such checking; organizations should avoid them and develop a policy establishing who should and should not be screened. Such a policy could state that any and all individuals and entities that contractually provide medical-related products or services shall be screened. This would have the effect of filtering out those that do not meet that criteria and eliminate many of the referring physicians, as well as vendors and contractors that are not relevant to health care.

Interested in learning more about Sanction Screening? Contact Shelby Cole at [scole@complianceresource.com](mailto:scole@complianceresource.com)



### **About the Author**

Richard P. Kusserow established Strategic Management Services, LLC, after retiring from being the DHHS Inspector General, and has assisted over 2,000 health care organizations and entities in developing, implementing and assessing compliance programs.