



## **Navigating Healthcare Sanction Screening: Challenges and Solutions for 2025**

Healthcare organizations must check at least the OIG sanction list and SAM database regularly to maintain compliance with key regulations – along with any relevant state-level exclusion lists. But, [research suggests](#) more than 25% of organizations fail to check at least one important list – putting them at risk of non-compliance and steep fines.

**This article explores why these compliance gaps occur and how leaders can overcome them.** We explore how resource constraints and the sheer volume of exclusion lists leave many compliance teams overwhelmed – before revealing the best practices we've developed working with hundreds of healthcare organizations.

### **What Are the Most Common Sanction Screening Challenges for Healthcare Organizations?**

[Sanction screening](#) is a critical compliance requirement for healthcare organizations, ensuring that employees, contractors, and vendors that an organization employs are not excluded from participating in federal healthcare programs. Failing to conduct thorough screenings can lead to fines, reputational damage, and loss of federal funding.

However, this raises a series of challenges for compliance teams. Healthcare organizations must navigate multiple databases for every individual or vendor they work with, both during the onboarding process and at ~~regular~~ Monthly intervals after they have begun working with the organization. But each of those databases presents its own difficulties.

#### **OIG Exclusion List Screening**

The Office of Inspector General (OIG) maintains the List of Excluded Individuals and Entities (LEIE), which includes individuals and organizations banned from participating in federal healthcare programs. Compliance teams routinely face three points of friction with OIG sanction screening:

- **Name Variations and False Positives:** Many sanctioned individuals have common names, leading to false matches that could cause an innocent person to be unfairly excluded from an organization. As a result, compliance teams must further verify every individual's identity manually – which adds to their already heavy workload.
- **Manual Verification Processes:** Over 50% of healthcare compliance teams cite [resource constraints](#) as a serious issue – and OIG sanction screening plays a role in this. Organizations relying on manual processes waste valuable resources verifying false matches and tracking exclusions.
- **Monthly Updates and Continuous Monitoring:** The OIG list is updated monthly, necessitating regular checks to ensure ongoing compliance. This creates a large volume of manual effort, especially given that the average healthcare organization works with [more than 1,300](#) vendors.

## SAM Exclusion Screening

The System for Award Management (SAM) database includes exclusions beyond healthcare, such as federal contract violations and fraud. This adds extra stress for compliance teams due to:

- **Overlapping Data with Non-Healthcare Exclusions:** Healthcare organizations must distinguish relevant exclusions from broader federal sanctions.
- **Duplicate Entries Causing Confusion:** The presence of multiple records for a single individual or entity complicates verification. Not only does it increase the probability of a false positive, but it also creates noise in the process and can easily confuse compliance personnel.
- **Frequent Database Updates:** Once again, compliance teams must undertake regular monitoring to stay compliant. While the SAM database is updated once per year, many vendors will onboard new partners or employees during that time, which could mean their status changes. As a result, we recommend undertaking SAM screening at a similar cadence to OIG screening.

## State Medicaid Exclusion List Screening

State Medicaid exclusion lists vary widely in format and update frequency, creating additional compliance hurdles:

- **Fragmented State-Level Databases:** Organizations must check multiple state lists, which lack a centralized reporting system.
- **Varying Update Frequencies:** Some states update lists monthly, while others do so less frequently, leading to potential compliance gaps.

- **Lack of Standardized Data Formats:** Differing data structures make automation and integration with screening software difficult.

## State Licensing Board Screening

Professional licensing boards impose disciplinary actions on healthcare providers, but these actions are not always easily accessible:

- **Inconsistent Reporting of Disciplinary Actions:** Not all licensing boards report actions in a timely manner, creating compliance blind spots.
- **Multi-State Licensing Complications:** Providers licensed in multiple states require screening across multiple boards.
- **Limited Access to Historical Data:** Many databases only display recent sanctions, requiring additional manual research.

Given the extent of these challenges, it's hardly surprising compliance teams often fall into traps – and create extra risk for their organization.

## Top 5 Most Common Mistakes Healthcare Organizations Make in Sanction Screening

Our experience has found five common factors that healthcare compliance teams can correct to improve their sanction screening processes:

### 1. Inconsistent Screening Frequency

Sanction lists are constantly changing, but many healthcare organizations lack consistent processes to stay on top of those updates. Many only screen employees and vendors during onboarding – and, therefore, may fail to detect exclusions added later.

This leads to non-compliance and financial penalties, as well as [putting patients at risk](#). Organizations may employ an individual known to have committed an offense – from patient negligence to outright abuse – and expose patients to that individual. Depending on the sanction list, it could be weeks or months before the sanctioned party is identified and removed.

### 2. Relying on Limited Data Sources

The volume of sanction lists makes comprehensive screening difficult, but this often leads organizations to rely on partial screening efforts. For example, many healthcare companies only check the [OIG exclusion list](#) – and don't have the resources to check the SAM database, state Medicaid lists, and licensing boards.

However, these lists are just as important, and non-compliance can lead to serious disciplinary action.

### **3. Failing to Verify Matches**

As indicated above, false positives are common during sanction screening. But acting on them harms innocent individuals or vendors, wastes time, and puts the organization at threat of legal action. Only using names to identify sanctioned parties is, therefore, not just poor practice – it's an active risk.

### **4. Neglecting Vendors and Contractors**

Sanction lists apply to *all* individuals and vendors with whom an organization works, but many assume it applies only to full-time employees. They overlook temporary staff, contractors, and vendors – which leaves a very large gap in their compliance program.

Compliance teams must be aware that indirect exposure to sanctioned individuals through third-party relationships is still a compliance issue – and they can be held directly responsible for a failure of due diligence.

### **5. Poor Documentation and Record-Keeping**

Given that screening is a compliance requirement, it is essential that the process is carefully documented. However, many organizations lack the time or resources to keep records or organize them efficiently. This makes it difficult to prove compliance during audits – and puts the organization at risk.

**These challenges are persistent across multiple kinds of healthcare organizations. But, there are several ways compliance teams can easily eliminate each issue and create a reliable, scalable sanction screening program.**

## **How to Overcome Sanction Screening Problems in 2025**

There are four concrete steps every healthcare compliance team should take to scale their sanction screening process:

## 1. Establish & Document Standard Screening Processes

Create official policies ensuring that all new hires, vendors, and contractors undergo thorough sanction screening. This should be a standardized and well-documented process that aligns with industry best practices and regulatory requirements.

By setting a clear policy, organizations can eliminate confusion and ensure consistent application across departments.

## 2. Leverage Screening Software

Automate the process with reliable [screening tools](#) to streamline [verification and monitoring](#). Automated tools help reduce human errors, ensure more frequent updates, and provide audit-ready reports, making compliance easier and more efficient.

## 3. Develop Screening Partnerships

Work with compliance experts who offer verification services and [policy guidance](#). Partnering with specialists ensures that healthcare organizations stay ahead of regulatory changes and receive professional support in handling complex screening cases. Compliance experts can also help tailor screening strategies to specific organizational needs.

## 4. Run Regular Audits

Re-check databases regularly to stay ahead of new exclusions and maintain compliance; we recommend at least monthly checks. Conducting internal audits helps identify gaps in the screening process and ensures that all individuals and entities remain compliant with regulatory requirements. Regular audits also prepare organizations for external inspections and reduce the risk of financial penalties.

## Reduce Compliance Risk with Sanction Screening Software

Sanction screening can be time-consuming and complicated – and manual processes can lead to human error and compliance gaps. Compliance Resource Center exists to solve that problem and help healthcare organizations automate and scale their screening efforts.

Our sanction screening software allows compliance teams to instantly search all relevant exclusion lists and verify individual and vendor identities with ease. This helps compliance teams scale their screening programs while reducing their workload – and keeping their patients and organizations safe.

Want to learn how it could help keep your company compliant?

[Get Your Consultation](#)