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### Academic Medical Center Settles Case Over Excluded Person Who Was Both Employee, Vendor

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By Nina Youngstrom

Thomas Jefferson University Hospitals Inc., an academic medical center in Philadelphia, Pennsylvania, has entered into a settlement with the HHS Office of Inspector General (OIG) in a case that underscores the risks of contracting with or employing someone who is excluded from federal health care programs—in this instance, the same person. Although the settlement amount is small—\$19,958—the case is a reminder of the risks that hospitals and other health care organizations face if their exclusion screening doesn't encompass vendors and their employees, experts say. Sometimes people fall through the cracks anyway, which is why vendors are often asked to accept responsibility in their contracts for penalties stemming from excluded employees.

“With vendors, you need to arm yourself in two ways: check them for exclusions every month and include in your contracts a clause that requires them to check their employees for exclusions and notify you as soon as they know if they have an excluded person employed,” said Kim Danehower, corporate compliance officer at Baptist Memorial Health Care Corp. in Nashville, Tennessee. She added that contracts with vendors should include indemnification clauses, which shift liability to the vendor for penalties the government imposes on providers in connection with the services provided by the vendor's excluded employee. Not all vendors are champing at the bit to agree to indemnification, however, so sometimes there are hard choices to make.

#### **Exclusion Case Settled Over Vendor Employee**

According to the settlement with Thomas Jefferson University Hospitals, which was obtained through the Freedom of Information Act, OIG contends that Debra Stallings provided consulting services to Thomas Jefferson University Hospitals from Oct. 25, 2018, to March 17, 2019, under a contract with a vendor. From March 18, 2019, to May 17, 2019, Stallings was employed by the academic medical center “for the provision of items or services for which payment may be made under a Federal health care program,” the settlement stated. Stallings didn't perform patient care services, according to a statement from Deana Gamble, assistant vice president of national media strategy at Thomas Jefferson University and Jefferson Health.

When Thomas Jefferson University Hospitals learned she was excluded and told OIG in July 2020, it was accepted into the Self-Disclosure Protocol in October 2020. “The OIG contends that Respondent knew or should have known, prior to May 17, 2019, that Ms. Stallings was excluded from participation in all Federal health care programs and that no Federal health care program payments could be made for items or services furnished by Ms. Stallings,” the settlement states. OIG contends the conduct subjects Thomas Jefferson University to civil monetary penalties. The academic medical center didn't admit liability in the settlement.

Gamble added in her statement that “upon learning that a vendor failed to perform contractually required exclusion screening activities for an individual it provided to TJUH [Thomas Jefferson University Hospital] to perform certain non-patient care services, who later failed to disclose her excluded person status when she accepted a permanent position with the hospital, TJUH immediately took steps to investigate, remediate, and voluntarily disclose the issue through the Office of Inspector General's ('OIG') Voluntary Disclosure Protocol

Program. As a result of TJUH's transparency and commitment to cooperating with the OIG, the parties entered into a settlement agreement in which TJUH agreed, without admitting liability, to pay to OIG \$19,958.56 to resolve this matter and avoid any further litigation."

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