Health Care Spotlight

From the HireRight Employment Screening Benchmarking Survey
2013 Edition

HireRight®

Introduction

This HireRight Health Care Spotlight provides an analysis of employer screening practices of the 162 respondents who selected "health care" as their primary industry and answered both general survey questions and those specific to health care screening in the HireRight 2013 Employment Screening Benchmarking Survey. For information on the general study, download the complete HireRight 2013 Employment Screening Benchmarking Report.

Purpose, Methodology, and Considerations

The HireRight Health Care Spotlight addresses common screening practices and policies, and explores issues and trends affecting screening programs. Its purpose is to help organizations evaluate their own screening policies and procedures, and to identify both strengths and potential areas for improvement.
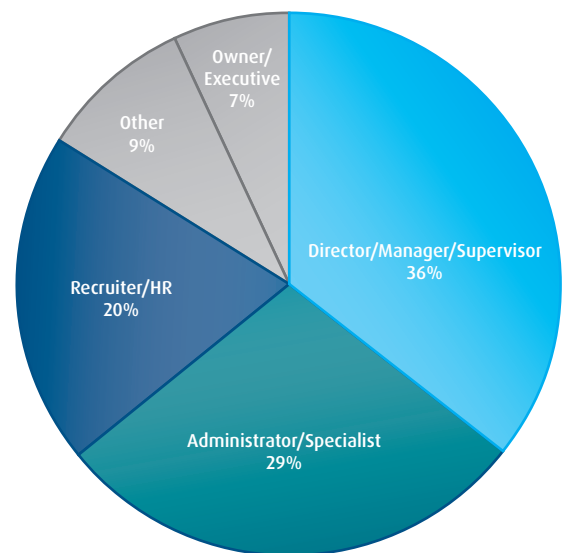
The survey was conducted using an online questionnaire, and results were combined and reported anonymously. In interpreting the results, figures may not add up to 100% due to rounding or may exceed 100% when multiple responses were allowed. Sections with charts include results from respondents who indicated that their organizations perform those activities.
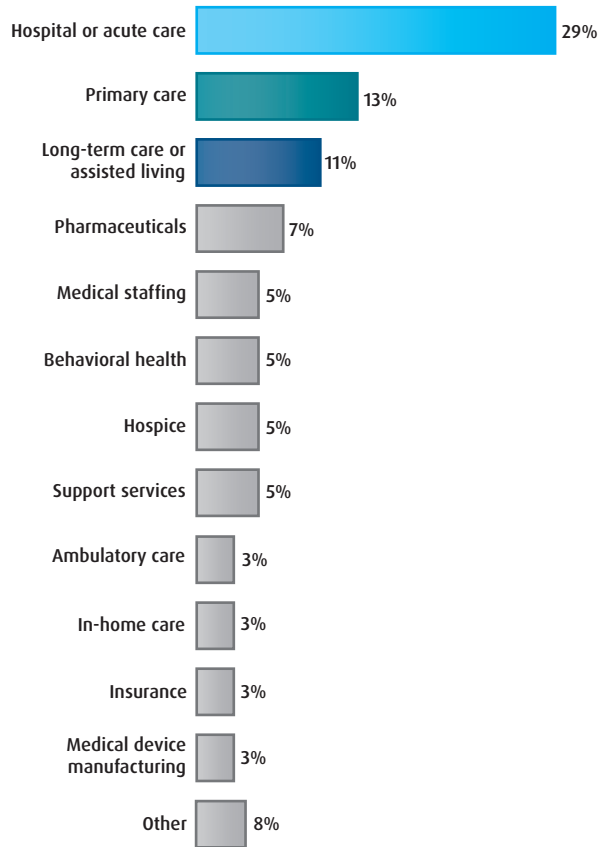
Respondent Profile

Survey respondents were primarily human resources, talent management, recruiting, security, and safety professionals, including HireRight customers and non-customers, in organizations of all sizes ranging from fewer than 49 to more than 25,000 employees. A majority of respondents (79%) were with organizations that provide direct patient care. Many types of organizations were represented in the survey, with the largest percentage in hospital or acute care organizations (29%), followed by primary care (13%) and long-term care or assisted living (11%). The greatest percentage of respondents (43%) identified themselves as a manager, i.e., executive, owner, director, manager, or supervisor. Over half of respondents (57%) belonged to organizations that were either accredited by The Joint Commission or are planning to be.
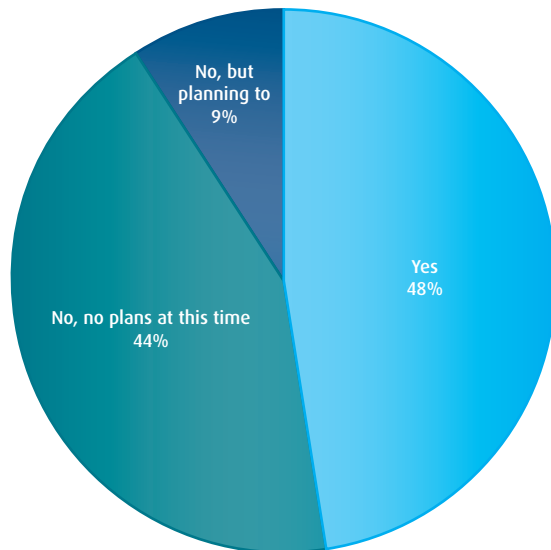
Respondent Role

- Director/Manager/Supervisor 36%
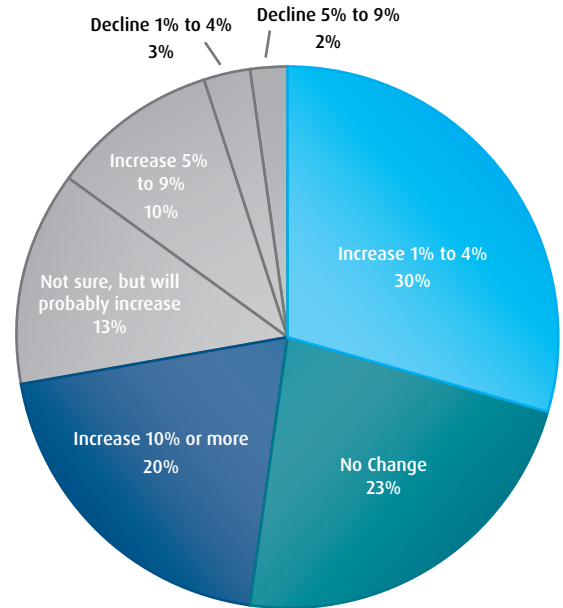- Administrator/Specialist 29%
- Recruiter/HR 20%
- Other 9%
- Owner/Executive 7%

Organization Type

Organization Type	Percentage
Hospital or acute care	29%
Primary care	13%
Long-term care or assisted living	11%
Pharmaceuticals	7%
Medical staffing	5%
Behavioral health	5%
Hospice	5%
Support services	5%
Ambulatory care	3%
In-home care	3%
Insurance	3%
Medical device manufacturing	3%
Other	8%

Organization Accredited by The Joint Commission

- Yes 48%
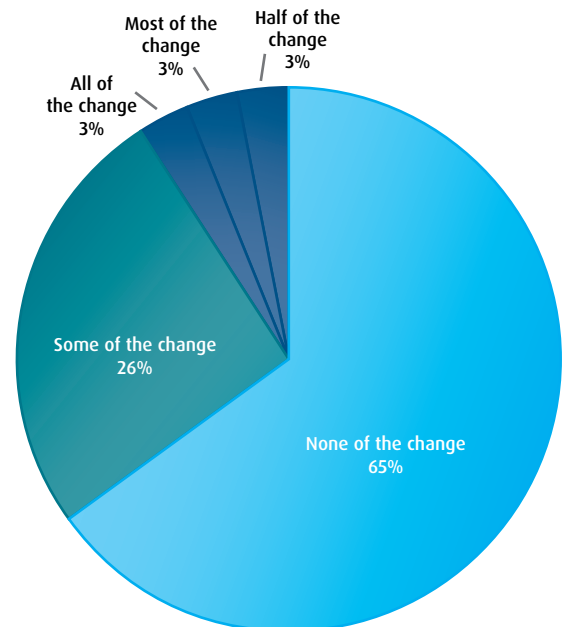- No, no plans at this time 44%
- No, but planning to 9%

Optimistic Employment Outlook

According to an Altarum Institute analysis of 2012 U.S. Department of Labor, Bureau of Labor Statistics (BLS) data, private health care worker demand grew by more than 337,000 jobs, representing a 2.4% increase.[1] This year's respondents had an optimistic hiring outlook for 2013, with the majority (73%) either expecting an increase in workforce size in the next 12 months or believe it is likely. This result is within one percent of how respondents answered the same question in last year's survey. Over a third of respondents (35%) expect to support employee needs with an extended workforce of contingent or temporary workers, which is also similar to last year's results.

Expected Change to Workforce in 2013

- Decline 1% to 4% — 3%
- Decline 5% to 9% — 2%
- Increase 5% to 9% — 10%
- Not sure, but will probably increase — 13%
- Increase 1% to 4% — 30%
- Increase 10% or more — 20%
- No Change — 23%

Degree This Change Can Be Attributed to Extended Workforce

- Most of the change — 3%
- Half of the change — 3%
- All of the change — 3%
- Some of the change — 26%
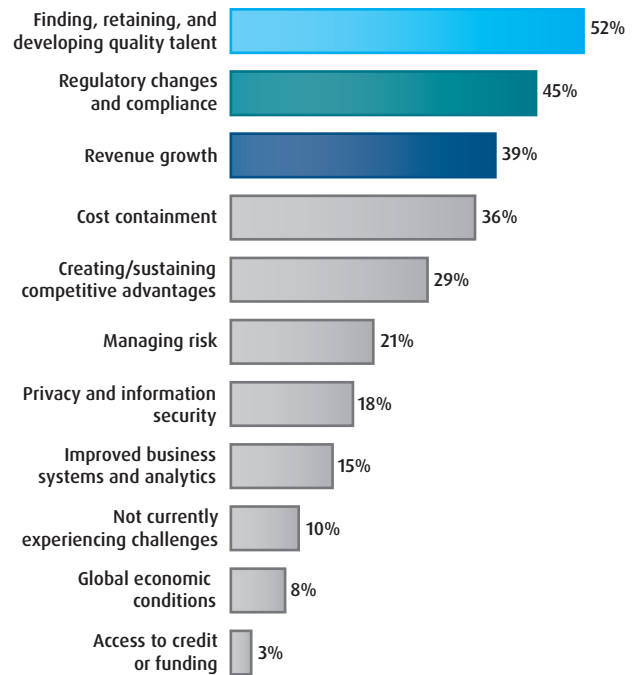- None of the change — 65%

[1]Altarum Institute Labor Brief #13-01, January 4, 2013

Competing for Talent and Meeting Regulations Are Top Business Challenges, Followed by Revenue Growth and Cost Containment
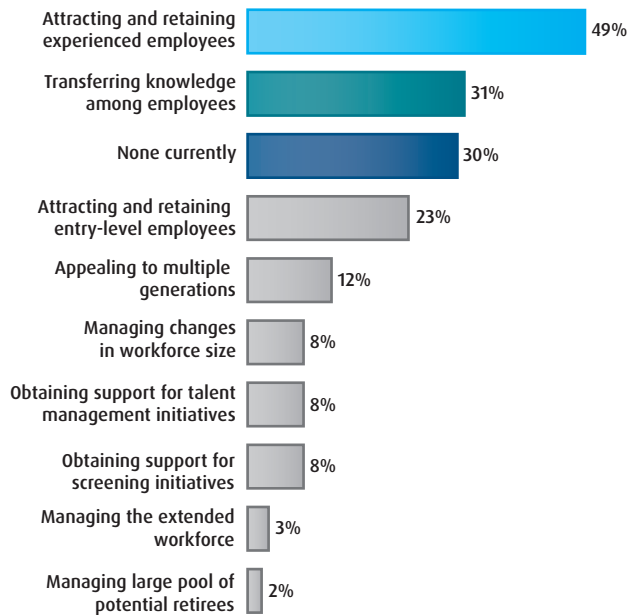
With the competition for talent in the health care industry being quite strong, it follows that the majority of respondents (52%) believed that finding and retaining quality talent was the top business challenge for their organization. Furthermore, health care employment screening is governed by a complex, changing regulatory environment, so it's predictable to see regulatory changes and compliance being the second highest business challenge reported by nearly half of respondents (45%).

What's revealing are the next three respondent challenges—revenue growth (39%), cost containment (36%), and creating and sustaining competitive advantages (29%). As the different requirements of the Patient Protection and Affordable Care Act (PPACA) are implemented, health care providers expect increased revenue from more patients seeking medical services, but they also anticipate contending with lower profit margins and a need to hire additional staff to meet the demand. Add the result of the PPACA to an already competitive market for health care talent and the complex regulatory environment, and it becomes clear that the 2013 business environment will require organizations to find unique screening solutions to be successful under these difficult conditions.

Top Business Challenges

Challenge	%
Finding, retaining, and developing quality talent	52%
Regulatory changes and compliance	45%
Revenue growth	39%
Cost containment	36%
Creating/sustaining competitive advantages	29%
Managing risk	21%
Privacy and information security	18%
Improved business systems and analytics	15%
Not currently experiencing challenges	10%
Global economic conditions	8%
Access to credit or funding	3%

Top Talent Management Challenges

Challenge	Percentage
Attracting and retaining experienced employees	49%
Transferring knowledge among employees	31%
None currently	30%
Attracting and retaining entry-level employees	23%
Appealing to multiple generations	12%
Managing changes in workforce size	8%
Obtaining support for talent management initiatives	8%
Obtaining support for screening initiatives	8%
Managing the extended workforce	3%
Managing large pool of potential retirees	2%

Key Initiatives Planned in 2013

Initiative	Percentage
Review employment screening program	33%
Nothing significant	32%
Expand education and employment verification	32%
Evaluate drug and alcohol screening solutions	24%
Evaluate employment eligibility/I-9 solutions	15%
Evaluate applicant tracking systems (ATS)	13%

Competition for Staff Is the Top Talent Management Challenge and Improving Employment Screening Is the Way to Compete

Attracting and retaining experienced employees was the top talent management challenge reported by nearly half of respondents (49%), but attracting and retaining entry-level employees was confronted by nearly a quarter of respondents (23%). Besides being a top business challenge, the competition for talent was also the top talent management challenge. When asked for their top 2013 talent management initiative, a third of respondents (33%) selected employment screening programs and policies—a way that organizations are likely meeting these competitive challenges head-on.

Nearly a third of respondents said that education and employment verification (32%) was the second highest talent initiative. Those verification processes are critical to qualifying applicants but they take significant time to do well. The longer it takes, the higher the risk in losing the applicant to a competing organization.

Nearly a quarter of respondents believed that drug/alcohol screening solutions (24%) was a top initiative. Employers that have poor drug screening programs face an increased risk of hiring drug users, which may result in lower productivity, increased turnover, increased insurance costs, and decreased safety in the workplace. Many organizations are partnering with on-demand drug/alcohol screening providers that offer convenient collection sites, laboratory testing and analysis, and a Medical Review Officer (MRO) to support pre-employment and random programs. Drug/alcohol test providers offer custom, compliance-focused solutions that help mitigate hiring risks and raise overall workforce quality. Such partnerships allow HR managers to worry less about drug-related risks and focus instead on attracting and retaining high-quality talent. Drug/alcohol testing practices are analyzed later in this report.
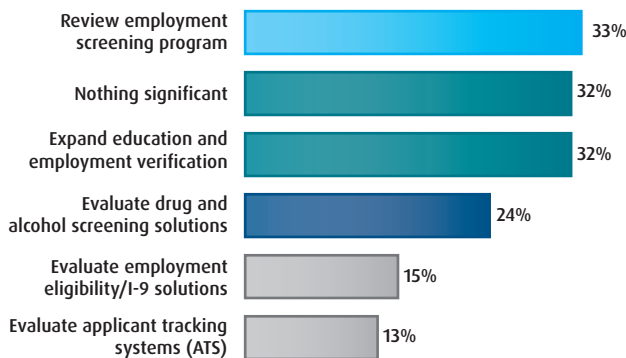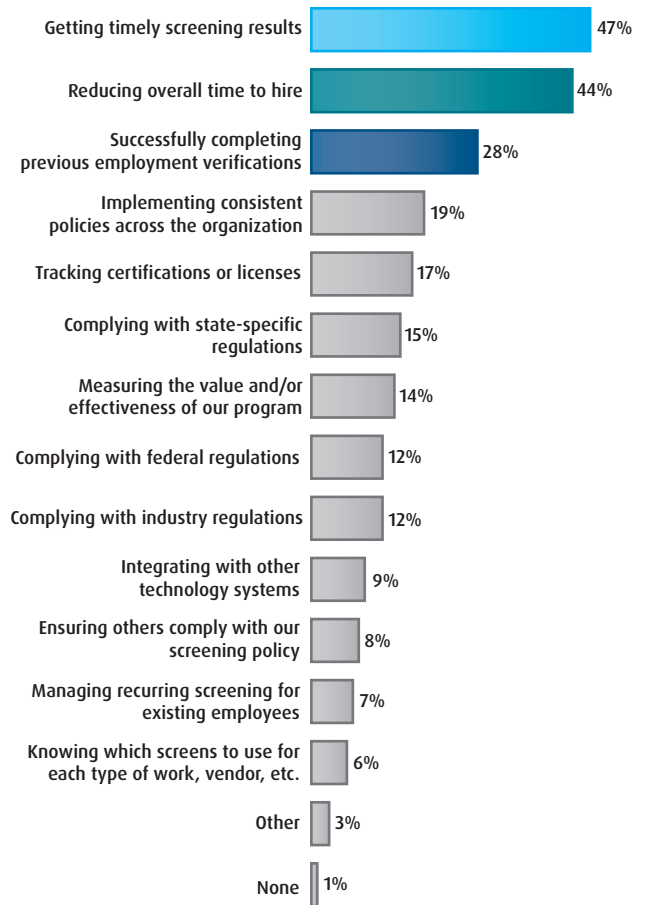
Faster Employment Screening Is the Top Challenge

The top two screening challenges faced by nearly half of respondents were getting timely screening results (47%) and reducing overall time to hire (44%). Organizations believe faster employment screening is better because it helps them compete for talent. To increase efficiency, organizations should consider outsourcing their processes to an expert screening provider, integrating screening with an applicant tracking system, and carefully reviewing and modifying screening procedures and policies that are causing delays.

Top Employment Screening Challenges

Challenge	Percentage
Getting timely screening results	47%
Reducing overall time to hire	44%
Successfully completing previous employment verifications	28%
Implementing consistent policies across the organization	19%
Tracking certifications or licenses	17%
Complying with state-specific regulations	15%
Measuring the value and/or effectiveness of our program	14%
Complying with federal regulations	12%
Complying with industry regulations	12%
Integrating with other technology systems	9%
Ensuring others comply with our screening policy	8%
Managing recurring screening for existing employees	7%
Knowing which screens to use for each type of work, vendor, etc.	6%
Other	3%
None	1%

New Criminal Check Limitations Have Forced Changes to Most Screening Programs

New Equal Employment Opportunity Commission (EEOC) guidance on using criminal history reports and state laws restricting criminal checks were introduced in 2012. A majority of respondents (61%) have changed their criminal check policies due to the EEOC legislative guidance or are planning to do so. But many respondents (39%) are doing nothing. One reason may be that organizations feel that they are compliant when they may or may not be. Another reason could be that although screening practices are regulated by federal and state government, employers may think they are already going beyond what's required and are therefore lulled into thinking they're already compliant. Inaction may also be caused by conflicting regulations—the EEOC guidance states that organizations cannot automatically deny employment to an applicant who had a criminal history, whereas a state law may require such action.

Changed Criminal Check Policy in 2012 in Light of Regulation

| Category	Percentage
Yes	54%
No, and no plans at this time	39%
No, but plan to	7%
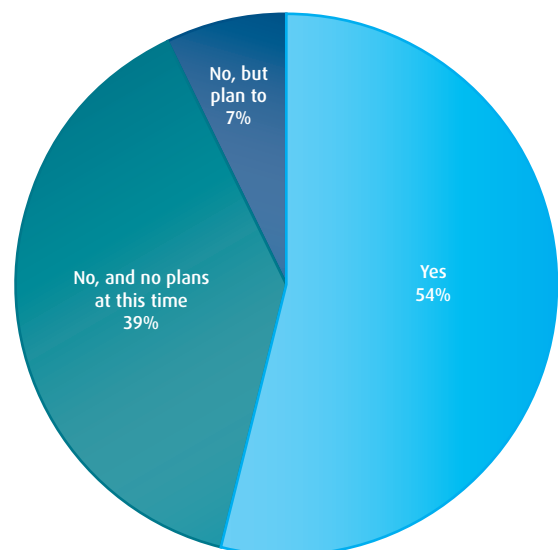
Infrequent Screening Program Reviews May Lead to Security and Compliance Gaps

The majority of respondents (80%) review their screening program once a year or more often. Screening program reviews take considerable time and effort, but they are an excellent investment. Unfortunately, over a fifth of respondents (21%) perform this crucial task less frequently. With constantly changing laws and regulations, it is wise for organizations to reevaluate their screening programs a minimum of once a year as a best practice to identify security gaps and maintain compliance. For example, an evaluation of recent EEOC rulings and state laws on the use of criminal and credit history and marijuana legalization may require a program or policy change. An annual review would also create an opportunity to confirm that screening policies meet the requirements of the Fair Credit Reporting Act (FCRA) and their organization. Small unauthorized changes to screening policy can sneak their way into an organization's screening process and may make it non-compliant, especially if screening is decentralized. Identifying program discrepancies will also mitigate the risk of security gaps.

Frequency of Screening Program Review

Less than once a year
21%

Once a year
50%

More than once a year
30%
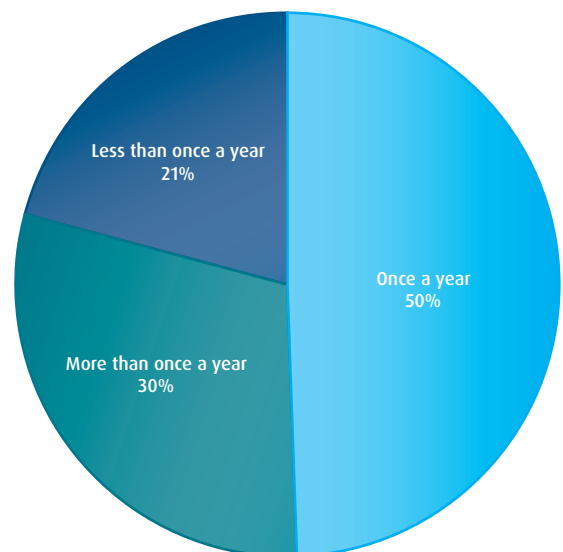
Employment Screening Improves Quality of Hire, Compliance, and Safety

Employment screening is invaluable to health care organizations in several ways. A majority of respondents (56%) believed that screening improves the quality of hire. Choosing an individual who is highly qualified and eligible to work in the health care industry will generally improve both the services delivered and the organization's brand in a positive way. Over two-fifths of respondents (44%) felt that screening improved regulatory compliance, followed by those who believed it improved safety and security (40%), reduced negligent hiring risk (24%), and improved reputation (17%). Health care respondents understand that effective screening will help the organization maintain regulatory compliance. Furthermore, organizations are typically risk adverse—hiring an individual who is ineligible to work in the health care industry may pose a risk to patient and employee safety, resulting in fines, litigation, and brand damage. One approach is to carefully examine the screening process and policies to ensure they mitigate those risks. Additionally, screening's goal should be to ensure the accuracy of applicant-supplied information. That's important because over two-thirds of respondents (67%) found a person who lied on their resume, nearly a tenth (9%) know someone who has lied, and most respondents (89%) believed that 1% to 10% of applicants lie.
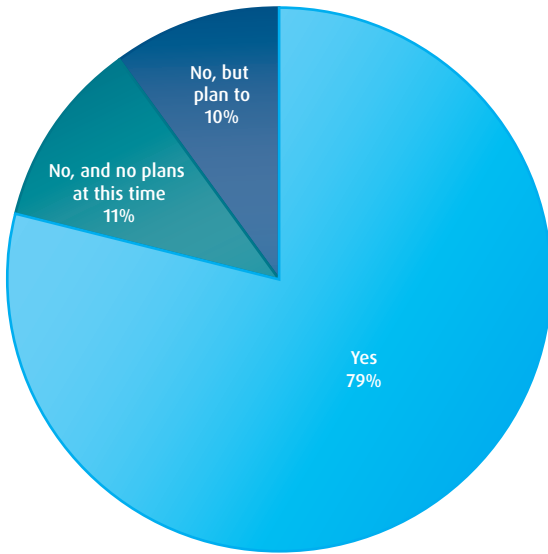
Benefits of Conducting Employment Screening

Benefit	Percentage
Improved quality of hire	56%
Improved regulatory compliance	44%
Improved safety and security	40%
Reduced negligent hiring risks	24%
Improved reputation	17%
Reduced employee turnover	16%
Reduced illicit drug use	8%
Reduced absenteeism	7%
Reduced employee theft	6%
Reduced workplace violence	5%
Reduced workplace accidents	5%
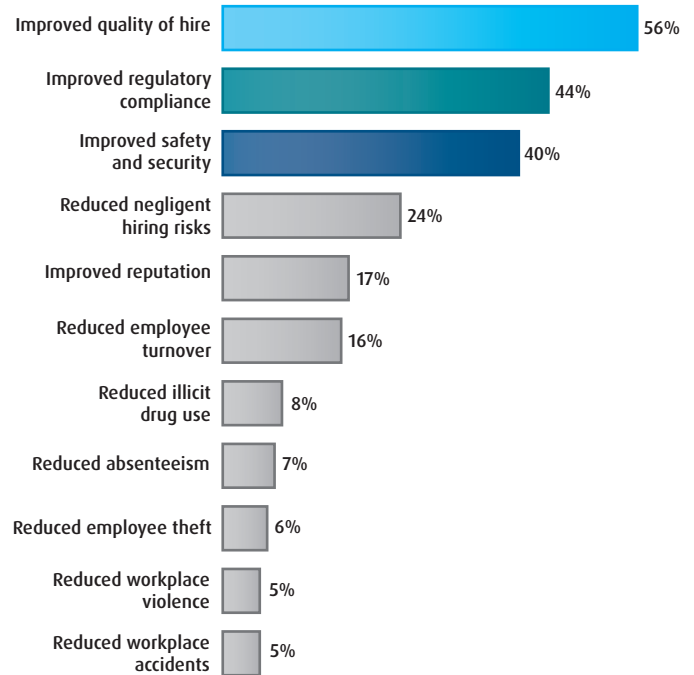
Frequency That Candidates Misrepresent Information

- 11% to 20%: 4%
- 21% or More: 1%
- None: 6%
- 1% to 10%: 89%
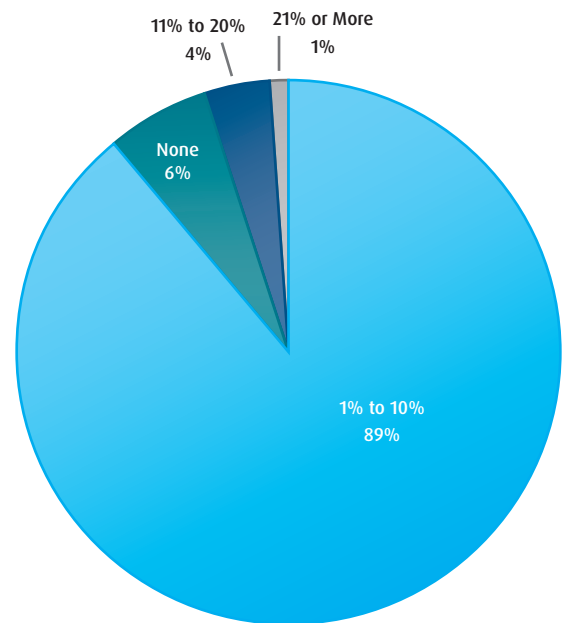
Taken Steps to Improve Applicant Experience in 2012

- No, but plan to 10%
- No, and no plans at this time 11%
- Yes 79%

Metrics Tracked to Measure Program Success

|	
Candidate quality	45%
Hiring costs	40%
Time to hire	35%
Policy adherence	29%
Applicant	16%

Improving the Applicant Experience Helps an Organization Win the War for Talent

In the past year, nearly all respondents (89%) have either taken steps to improve their job applicants' experience or are planning to do so. In the background industry, there is much stronger alignment between employers, applicants, and background screening companies. Applicant satisfaction may lead an applicant to choose one organization over another. Giving control of and visibility into the background check process promotes satisfaction. Full-featured screening solutions that offer an applicant the ability to interact on their terms (smartphone, mobile, text, chat, or person), to see a status of a background report and all pending activities, to electronically sign documents, and to upload documents from any device provide control and visibility. A convenient means for the applicant to provide needed documentation and a consolidated view of all communications makes the process more efficient and improves turnaround time on verifications. These features help organizations to overcome their top screening challenges: getting timely screening results and reducing overall time to hire.

Although organizations have improved the applicant experience, few respondents (16%) are using applicant satisfaction data to measure their employee screening program success. Part of the reason is that it's difficult to contact applicants who have not been hired to check on their experience. However, a background screening provider has the ability as a third party to measure applicant satisfaction and report it to an organization. This will provide organizations with visibility into the recruitment process to ensure it has a competitive edge in the war for talent.
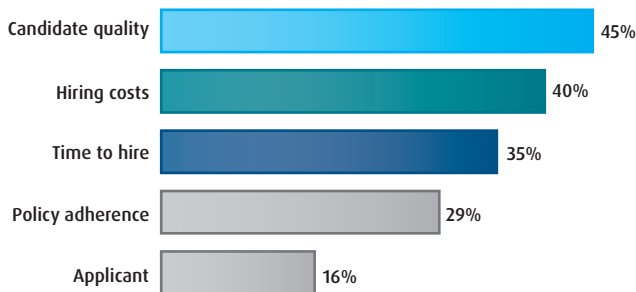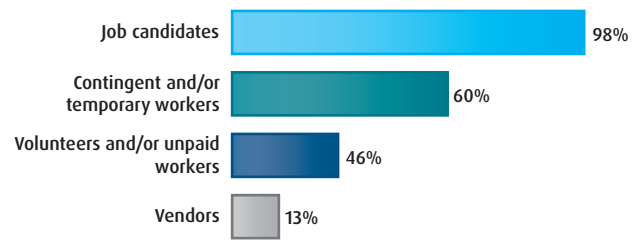
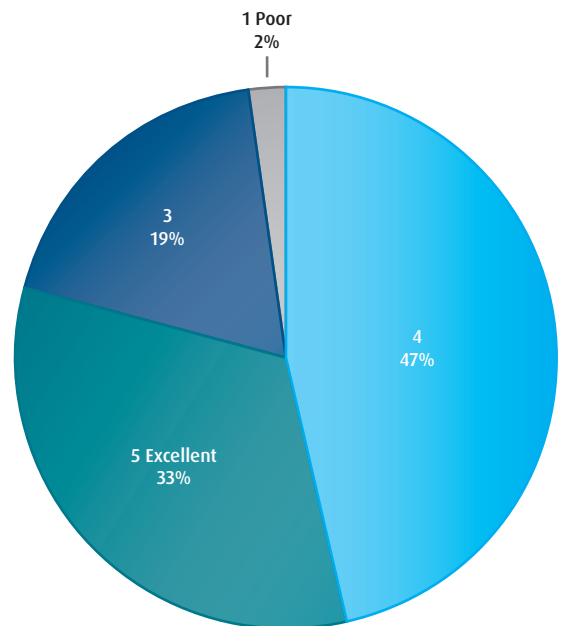## Inadequate Extended Workforce Screening Creates Security Gaps

While nearly all respondents (98%) screen job candidates before hire, many in the extended workforce that includes contingent or temporary workers, volunteers, and vendors do not undergo a background check. More than half of respondents (60%) check contingent or temporary workers, while fewer than half of respondents (46%) check volunteers, and a much smaller number of respondents (13%) screen vendors. Patient and employee safety, as well as an organization's reputation, is placed at risk when background screening isn't performed on the extended workforce at the same standard as the employee base.

According to nearly three-quarters of respondents (74%), nonemployees are hired through agencies or contracted third parties. Of those who do use agencies or third parties, a large percentage of those respondents (80%) are confident that these third parties meet the organization's screening policy by giving them a four rating or higher, with five being excellent. To ensure that agency screening is consistent with organizational policies, nearly half of respondents (47%) reviewed third party screening results. The next likely action by fewer than a quarter of respondents (19%) is to perform a sample audit of agency or third party screening results, followed by making a verbal request but no contract terms (10%) and having contract terms (10%). Although it involves extra work, an organizational best practice is to both trust and verify that their agency or third party properly screens workers to mitigate the risk of a security gap.
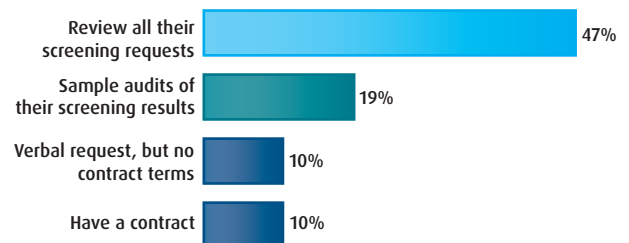
Individuals Screened Pre-Hire

Category	Percent
Job candidates	98%
Contingent and/or temporary workers	60%
Volunteers and/or unpaid workers	46%
Vendors	13%

Degree to Which Agency/Third Party Meets Organization's Screening Policies

- 1 Poor: 2%
- 3: 19%
- 4: 47%
- 5 Excellent: 33%

Methods Used to Ensure Agency/Third Party Meets Organization's Screening Policies

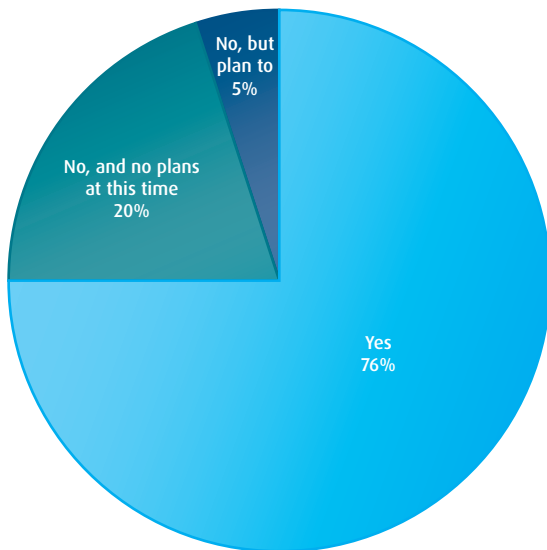| Method	Percent
Review all their screening requests	47%
Sample audits of their screening results	19%
Verbal request, but no contract terms	10%
Have a contract	10%

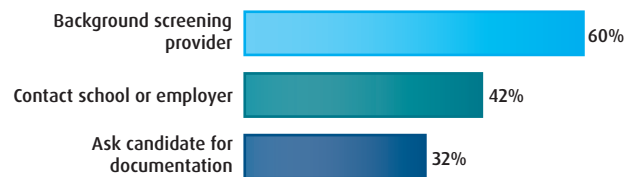## Recruit Candidates with Foreign Work or Education History

No
29%

Yes
71%
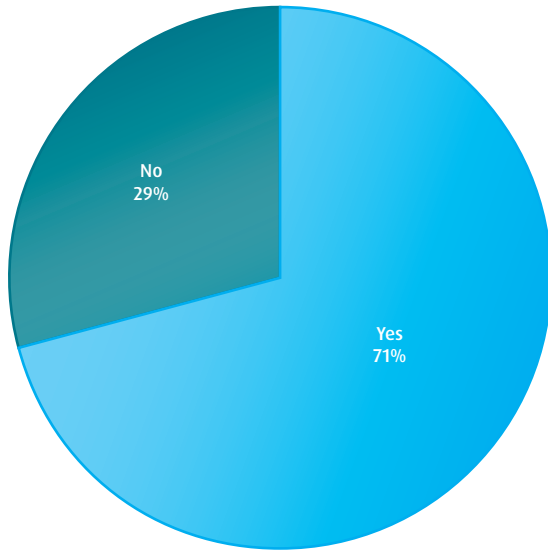
Suspect Foreign Work/Education History Verifications May Increase Risk of an Unqualified Hire and Delay Time to Hire

Increasingly, industry experts believe there's a current skills gap and impending physician and nurse shortage. Therefore, it follows that nearly three-quarters of respondents (71%) recruit candidates with foreign employment or education history. Most respondents (81%) must verify this information or plan to do so. Over half (60%) of respondents use a background screening provider, followed by those who contact the verifying source (42%) and ask the candidate for documentation (32%). Verifying foreign work and education history can be time-consuming and difficult for a variety of reasons. Verification sources may be unresponsive, communicate in a different language, or be unavailable due to time zone differences. The applicant might employ a local representative to misrepresent himself/herself as the applicant's manager or submit education credentials from a diploma mill. If verifications are managed by the organization, the quality of the information received and the time it takes to verify employment and education history varies based on the skills and resourcefulness of each researcher. Using a background screening provider that is skilled in global verifications may provide quality data much faster, which often expedites time to hire and mitigates the risk of an unqualified employee.

Required to Verify Foreign Work or Education History

No, but
plan to
5%

No, and no plans
at this time
20%

Yes
76%

Methods Used to Verify Foreign Work or Education History

Background screening provider — 60%

Contact school or employer — 42%
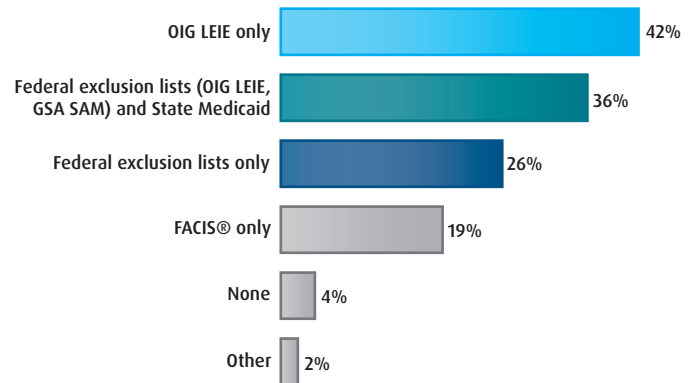
Ask candidate for documentation — 32%

Medical Sanction Checking Practices Meet Requirements But May Expose Organizations to Many Risks

Organizations check state and federal data sources to confirm their applicants and employees are licensed and free of medical sanctions. To check sanctions, more respondents (42%) use only the Office of Inspector General's (OIG) List of Excluded Individuals/ Entities (LEIE), followed by those who check federal exclusion lists and state Medicaid lists (36%) or both the OIG LEIE and the General Services Administration (GSA) System for Award Management (SAM) (formerly Excluded Parties List System (EPLS)) (26%). Furthermore, a large number (84%) check for sanctions as often as required, followed by few who check more often (16%).

Although executives work diligently to monitor medical staff for disciplinary and adverse actions, there is no single reliable government source for sanction data for the United States. This means either manually checking thousands of sources for each employee or taking shortcuts and hoping for the best. Moreover, state and federal data sources are often incomplete or inaccurate— making it difficult to authenticate and verify the identity of sanctioned individuals. Add to this the burden of monitoring employees for new sanctions published after the date of hire, and it's easy to see how the riskiest professionals can slip through the cracks and pose a compliance risk.

Only a minority of respondents (19%) are screening with the Fraud and Abuse Control Information System (FACIS®), which is often a more accurate and comprehensive search. Solutions like this combine sanctions data from federal, state, and local agencies into a single, consolidated database. This level of visibility helps compliance executives avoid hiring high-risk staff before they can become a problem. With so much at stake—monetary fines, legal risks, brand damage, and reduced fundraising campaigns—it's surprising to see so many organizations operating from a blind spot when it comes to sanctioned, excluded, debarred, and disciplined health care employees.
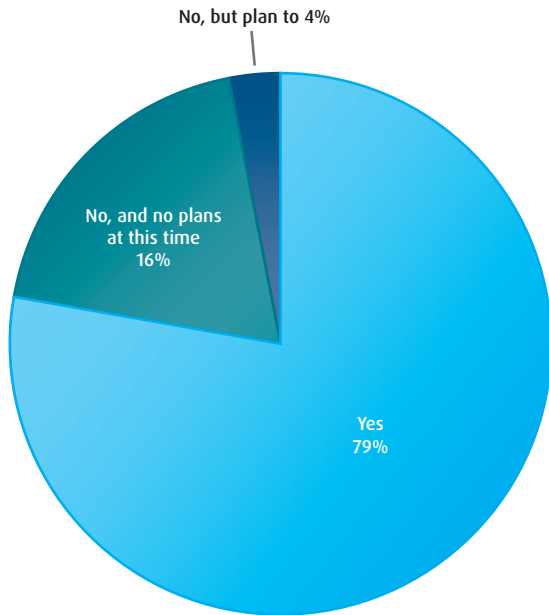
Medical Sanction Lists Checked

Category	Percentage
OIG LEIE only	42%
Federal exclusion lists (OIG LEIE, GSA SAM) and State Medicaid	36%
Federal exclusion lists only	26%
FACIS® only	19%
None	4%
Other	2%

Frequency that Medical Sanction Lists Are Checked

- More often than required: 16%
- As often as required: 84%
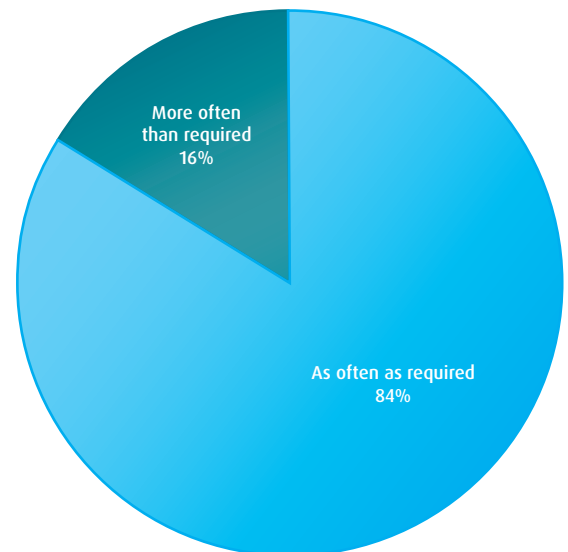
Organization Conducts Drug/Alcohol Testing

- No, but plan to 4%
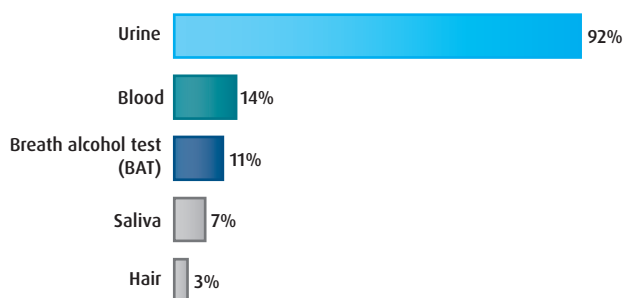- No, and no plans at this time 16%
- Yes 79%

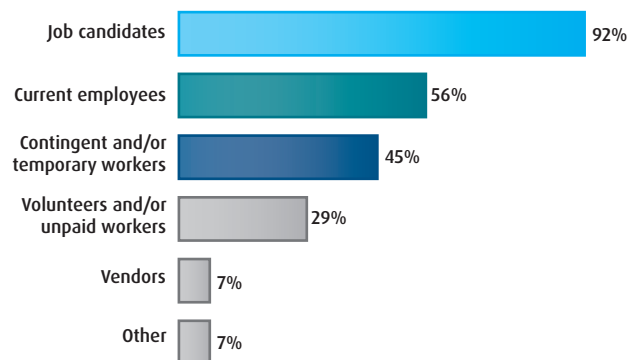## Drug/Alcohol Screening Practices Expose Gaps and Inefficiencies that Increase Administrative Costs

Employment screening in the health care industry is regulated, but drug and alcohol tests are not required by law. Most respondents (83%) conduct drug/alcohol tests or are planning to do so. Urine tests are predominately used by respondents (92%), and tests are conducted on job candidates by nearly all respondents (92%). Only a little more than half of respondents (56%) perform a drug test on current employees, which exposes a security gap. Fewer respondents conduct drug/alcohol tests on contingent/temporary workers (45%) and volunteers (29%), leaving much of the extended workforce unscreened for drugs and alcohol.

Drug and alcohol screening is vital because an individual with patient contact who abuses drugs or alcohol may put employee and patient safety at risk and increase the frequency of negligence or malpractice claims. Additionally, health care workers often have access to powerful prescription drugs, increasing the risk of onsite drug theft and abuse. Health care organizations that work with a trusted screening provider can quickly get their drug and alcohol screening programs up-to-date. Expert providers can help design a program that works in compliance with state and federal laws concerning medical marijuana, discrimination, and privacy.
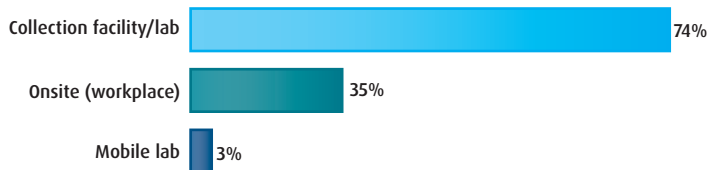
Drug/Alcohol Tests Performed

- Urine 92%
- Blood 14%
- Breath alcohol test (BAT) 11%
- Saliva 7%
- Hair 3%

Individuals Subject to Drug/Alcohol Testing

- Job candidates 92%
- Current employees 56%
- Contingent and/or temporary workers 45%
- Volunteers and/or unpaid workers 29%
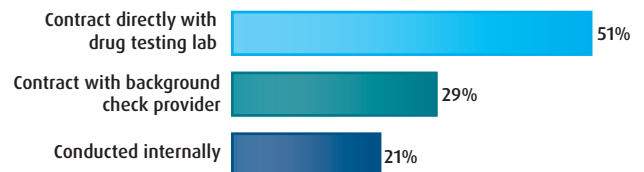- Vendors 7%
- Other 7%

Nearly three-quarters of respondents (74%) use a collection facility and over one-third of respondents (35%) collect onsite. Samples are sent to a drug test lab by over half of the respondents (51%), while some respondents use a background screening provider (29%) or use an onsite lab (21%). Common reasons a health care organization may not perform drug/alcohol screening is the complexity of properly administering the tests, concerns about the individual's legal rights, and the time it takes to obtain results when competing for available talent. Additionally, many employers are uncomfortable administering a urine test, and if the test is not performed properly, a worker may try to adulterate the urine analysis using other substances or false samples. Some substances may become undetectable in the urine after 48 hours, and this leaves ample time for substance users to delay testing and avoid detection. Integrating drug/alcohol tests into a background screening solution may promote efficiency and reduce the complexity, which lowers the administrative cost and reduces time to hire.

Facility Where Drug/Alcohol Tests Are Conducted

Collection facility/lab 74%
Onsite (workplace) 35%
Mobile lab 3%

How Drug/Alcohol Tests Are Managed

Contract directly with drug testing lab 51%
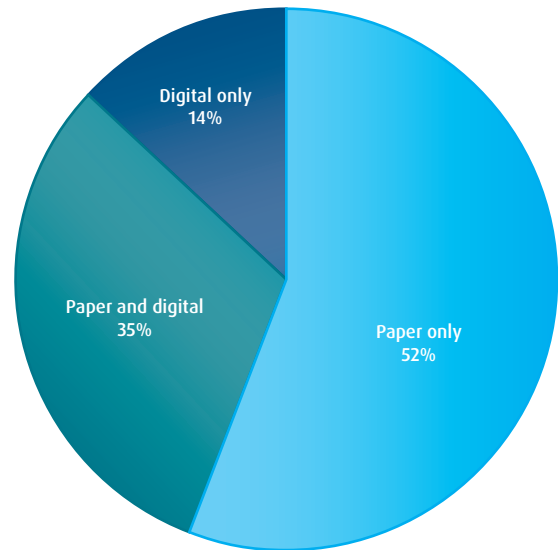Contract with background check provider 29%
Conducted internally 21%

Paper-based I-9 Employment Eligibility Practices and a False Sense of Security Are a Major Concern
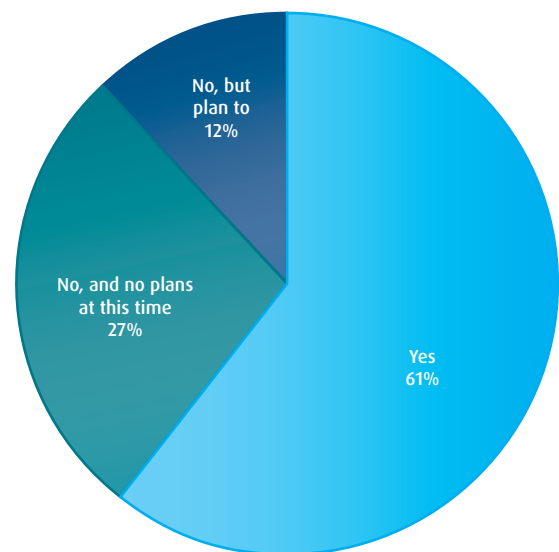
Most health care respondents (87%) are still committed to the creation of a "paper trail" in their employment eligibility (I-9) program and use E-Verify (73%) or are planning to do so. Despite the predominant use of paper files and a large number of respondents (44%) that have never experienced an I-9 audit, many respondents (73%) believe they are completely or very prepared to respond to a U.S. Immigration and Customs Enforcement (ICE) Notice of Inspection (NOI) within three days. Those employers that rely on paper-based processes could be unprepared in the event of an audit.

Upgrading to an electronic Form I-9 solution allows an organization to move away from time-consuming and error-prone manual processes. A paper I-9 process can be time-consuming and increase the risk of human error. Just one mistake on an I-9 form can result in heavy fines, and in the event of an ICE audit, an organization could be fined for every mistake on every form. An electronic I-9 solution can help to prevent mistakes and facilitate compliance by providing error messages for incomplete or incorrect paperwork and issuing automatic reminders prior to employment authorization expiring. With the emphasis on auditing employers' Form I-9 programs by ICE on the rise, employers should avoid making common Form I-9 mistakes and should ensure that they are prepared to respond to a Form I-9 audit. Employers can also leverage leading electronic I-9 providers to assist with the management of their I-9 program to facilitate compliance.
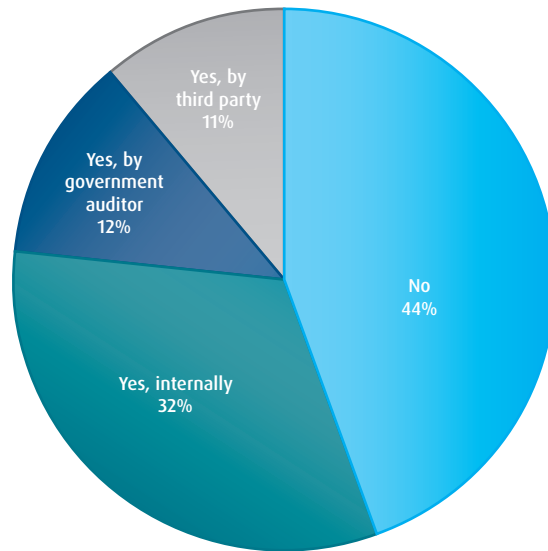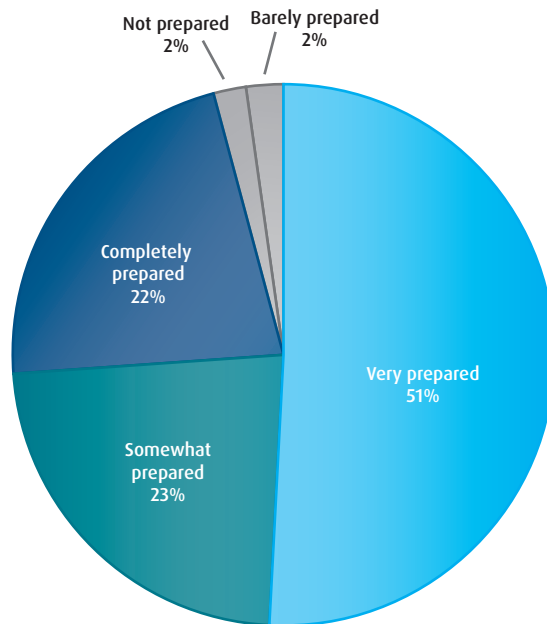
Storage of Completed I-9 Forms

Digital only
14%

Paper and digital
35%

Paper only
52%

Organization Uses E-Verify

No, but plan to
12%

No, and no plans at this time
27%

Yes
61%

Have Been Through an I-9 Audit

Yes, by third party
11%

Yes, by
government
auditor
12%

No
44%

Yes, internally
32%

Preparedness for an ICE Notice of Inspection within Three Days

Not prepared
2%

Barely prepared
2%

Completely
prepared
22%

Very prepared
51%

Somewhat
prepared
23%

More Information

HireRight is a leading provider of on-demand employment background screening, drug and health screening, and I-9 employment eligibility solutions that help employers automate, manage, and control screening and related programs. For more information, go to www.hireright.com.

About HireRight

HireRight, a leading provider of innovative, online background checks, serves more than 2,000 health care organizations with more than one million annual screens. HireRight leverages technology to deliver fast, accurate criminal history checks, sanction checks/monitoring, identity checks, credentialing, drug tests, and extended workforce screening. Comprehensive, cost-effective screening packages are custom-designed to meet an organization's needs and changing regulatory compliance requirements. An exclusive web-based applicant portal and mobile communication features improve recruiter and applicant satisfaction to help organizations streamline their background checks. Our expertise in integrating screening solutions with application tracking systems (ATS) delivers unmatched efficiency that helps your organization win the competition for talent.

HireRight Solutions

- **Background Screening**

- **Drug and Alcohol Testing and Health Screening**

- **I-9 Management and E-Verify Employment Eligibility Verification Solutions**

Contact Us

HireRight Sales and Information: 800.400.2761

Media and Analyst Contact:

Lindsay Thompson
Strategies for HireRight
lindsay@strategiesadpr.com
714.957.8880, ext. 128

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