



THE COST OF EMPLOYING EXCLUDED INDIVIDUALS? WE TELL YOU THE ANSWER.

How much money can it cost a health care entity to employ an excluded individual?

To answer this question, we reviewed data from the OIG False and Fraudulent Claims Archives for the years 2008 through 2011 pertaining to CMP settlements reached after an entity self-reported that it employed excluded individuals. We also did some simple number crunching. In each of these cases reported by the OIG, the settling party contested the OIG's allegations and denied liability. Nevertheless, they wrote big checks.

The table below summarizes the data.

YEAR	2011	2010	2009	2008
TOTAL AMOUNT OF CMP SETTLEMENTS	\$3,226,000	\$4,006,000	\$2,631,000	\$1,661,000
NO. OF CASES	21	29	17	11
TOTAL NO. OF EXCLUDED EMPLOYEES*	31	36	18	25
AVG. SETTLEMENT AMOUNT PER CASE	\$153,619	\$138,138	\$154,764	\$151,000
AVG. SETTLEMENT AMOUNT PER EMPLOYEE	\$104,065	\$111,277	\$146,167	\$66,440
NO. SETTLEMENTS OF \$100K OR MORE PER EMP'EE	7	13	5	3
LARGEST SETTLEMENT FOR A SGL EMP'EE	\$945,021	\$308,709	\$1,053,774	\$562,021

(*Some cases involved more than one excluded employee.)

The average settlement per employee ranged from \$66,440 to \$146,167. If we divide the total amount of CMPs paid over the four year period by the total number of excluded employees we can determine the average amount paid per employee. That number is \$104,763.

So, if someone asks you how much you can expect to pay in CMPs for an excluded provider if you self-report, you can now respond confidently: **\$104,763**. Of course, so that your answer is complete, you will need to add: that's based on a historical average. It could be less. Then again, it could be more than \$1,000,000.