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## **Promoting Workplace and Patient Safety through Intelligent Screening**

How Background Checks Help Reduce Risk for Home Health Care Providers

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### Summary

As more Americans require elder care, home health care providers must add staff to meet the demands of the market. Owners must be vigilant about complying with the changing landscape of laws because home health care companies operate in highly regulated industries. Add to that the risk of hiring employees who may have criminal backgrounds or a history of unacceptable behavior and it is easy to see why owners have a lot riding on their background checking provider.

To protect themselves from the risk of lawsuits, reduce hiring costs, and accelerate smarter hiring decisions, home health care companies are turning to intelligent background checking solutions. These solutions have made broad access to criminal, financial, and personal background data cost-effective and easy to use for small businesses. Intelligent background checking solutions extend employer visibility across state and county lines as well as internationally to accommodate foreign workers and H-1B/H-1C visa applicants. Intelligent background checking solutions are ideal for home health care companies and enable comprehensive background checking with little to no burden on hiring managers.

Employees are the lifeblood of any small business. However, hiring employees whose backgrounds are not properly checked can result in negative incidents, lost business, large fines, and even jail time.

Owners of small home health care companies are challenged with unpredictable hiring patterns. They cannot predict when people will become sick and, therefore, cannot predict how many caregivers they need to hire. In a highly competitive environment, hiring delays often result in lost business. Add to that the risk of hiring employees who may have criminal backgrounds or a history of unacceptable behavior and it is easy to see why owners have a lot riding on their background checking provider.

How can home health care companies avoid hiring people who put their business at risk without missing revenue opportunities? Is there an effective way to

reduce the cost of background checks while simultaneously increasing quality?

To meet these challenges, many small home health care companies are turning to intelligent background checking solutions. Designed to reduce cost, eliminate risk, and speed hiring times, these solutions offer online access to the broadest and most trusted information sources with just a few clicks of the mouse. Let's explore the challenges around background checks and examine the many benefits of intelligent background checking solutions.

### Trends Impacting Background Checking

Home health care sits at the intersection of three powerful market forces: the rapid growth of the senior population, an expanding shortage of nurses, and a growing epidemic of elder abuse.

## Senior Population Explosion

In the years to come, home health care will play a critical role in supporting and treating an aging Baby Boomer population. By 2030, the number of adults ages 65 and older is projected to grow from 35 million to 71.5 million.<sup>1</sup> Of this population, approximately 17 percent will require long-term assistance with activities of daily living such as eating, dressing, meal preparation, and medication.<sup>2</sup> However, 70 percent of adults who require long-term care live at home rather than in nursing homes.<sup>3</sup>

## Nursing Shortage

The United States has experienced nursing shortages over the last 50 years. The American Hospital Association reports a nursing shortage of as many as 116,000 nurses as of 2006<sup>4</sup>, and the U.S. Bureau of Labor Statistics estimates this number could rise to one million by 2020.<sup>5</sup> Personal and home health care aides represent two of the top three fastest-growing occupations over the next 10 years.<sup>6</sup> To fill the void caused by the nursing shortage, the U.S. government has eased immigration guidelines for nursing jobs. The United States usually grants up to 14,000 nurse visas annually, but that number jumped to 50,000 in 2006.<sup>7</sup>

## Elder Abuse

Estimates show that each year, approximately 2.1 million American seniors are victims of different types of abuse, such as financial, physical, and other forms of neglect.<sup>8</sup> The aging senior population and a rise in elder abuse have caught the attention of state and federal legislators.

In 2003, Congress directed the Centers for Medicare & Medicaid Services to institute a pilot program requiring background checks in long-term health care settings. In response to the results of this pilot, the U.S. Senate introduced the Patient Safety and Abuse Prevention Act of 2007 to establish a nationwide system of background checks.<sup>9</sup> The bill was reintroduced in 2009. Many state legislatures have already passed or introduced legislation requiring background checks for home health care providers.

## Challenges with Background Checking

Like most small businesses, owners of home health care companies are focused on building revenue, operating the business, and ensuring customers are satisfied. In addition, because home health care companies operate in highly regulated industries, owners must be vigilant about complying with the changing landscape of laws.

### Negligent Hiring Lawsuits

Negligent hiring is a real risk that can be devastating for small home health care companies. Employers lose 79 percent of negligent hiring cases, resulting in an average verdict of \$1.6 million.<sup>10</sup> Negligent hiring occurs when an employer fails to take reasonable precautions in hiring an employee who later causes injury or harm to a customer, patient, or another employee. In a well-known example, a New Jersey jury awarded \$40 million to the family of a 74-year-old woman who was stabbed to death by a home health care employee. The home health care company was found to be negligent because it failed to conduct an adequate background check on the employee.

Many home health care companies believe that basic background checks protect them from negligent hiring cases. Unfortunately, this is not always the case. Despite running a basic background check, an employer was found negligent by a Minnesota court for not checking out-of-state references, gaps in employment, and an early discharge from the military.<sup>11</sup>

### Turnaround Time

Home health care companies are very competitive and often compete over the same pool of workers. Customers often call multiple companies to check rates and availability of care providers, forcing employers to make quick decisions about staffing. It is often critical to the home health care owner's business to be able to obtain background reports in a few days or less.

## Vendor and Background Check Data Quality

It is very difficult for home health care companies to validate the quality and scope of background check vendors. A Google search for "background checks" presents 5.8 million search result—many from vendors offering inexpensive and "instant" results. This makes selecting a credible vendor appear daunting. By quickly or blindly selecting a background check provider, home health care companies may be increasing their exposure to hiring liabilities.

A brief examination of the history of background checking provides further insight.

## A Brief History of Background Checking

In the early 1990s, few small businesses conducted background checks. The background checking process was manual, time-consuming, and expensive. References and employment history were checked on the telephone, while state-based data was requested through facsimile (fax) or traditional mail. Data was often incomplete and out-of-date, as no national databases were accessible to most background checking providers.

In the late 1990s, background checking providers presented a web-enabled interface, making the process more manageable for small business owners. A number of laws were passed requiring background checks in many industries, including health care. However, behind the scenes, telephone calls, faxes, and traditional mail still dominated many checks, which caused them to take many days or weeks to complete and with poor quality.

Today, the Internet makes access to data quick and inexpensive. Leading background checking companies have developed direct relationships with state and federal agencies, certification boards, and even international governments. Service providers monitor and inform customers of changes in legal regulations. Fortunately, service providers have combined these advances into robust, yet affordable packages for small home health care companies.

## The Solution: Intelligent Background Checking

To protect themselves from the risk of lawsuits, reduce hiring costs, and accelerate smarter hiring decisions, home health care companies are turning to intelligent background checking solutions. These solutions enable comprehensive background checks that require little training. Intelligent background checking solutions extend employer visibility across state and county lines as well as internationally to accommodate foreign workers and H-1B/H-1C visa applicants.

Intelligent background checking solutions are accessible through any Internet browser and communicate securely through an encrypted connection. These solutions protect home health care providers from audits and legal inquiries by logging and archiving all background checks and storing them securely online. All user and applicant data is stored in compliance with applicable privacy laws.

Intelligent background checking solutions also provide detailed reports that tell the "story" behind any found incidents, thus turning hiring managers into well-informed decision-makers. Modern solutions have made broad access to criminal, financial, and personal background data cost-effective and easy to use for small businesses.

## Benefits of Intelligent Background Checking

An intelligent background checking solution offers the following unique benefits for owners of home health care companies:

- » Promotes compliance with industry benchmarks and best practices
- » Mitigates Fair Credit Reporting Act (FCRA) and negligent hiring risk by accessing only current information directly from its trusted source
- » Provides awareness of background check and privacy laws
- » Reduces hiring costs by streamlining all facets of the checking process

## What to Look for in an Intelligent Background Checking Solution Provider

When seeking a company to provide an intelligent background checking solution, be sure to examine the following critical requirements:

✓ **Health Care Experience**

Work with a provider who has a dedicated health care practice and a strong record of servicing health care companies. The provider should have specific products and services that address the unique requirements of health care background and certification checks.

✓ **Data Sources**

Look for a partner who has direct access to a broad number of relevant data sources. Vendors with broader data access can quickly identify issues that occur out-of-state or are not easily found with state-specific checks.

✓ **Turnaround Time**

Seek a solution that provides background checks quickly enough to be valuable to your business. The provider should be able to demonstrate that most results are returned within your timeframe.

✓ **Global Coverage**

Find a provider who has broad global coverage with localized language capabilities. The provider should have direct relationships with applicable government agencies in the countries from which you hire employees.

✓ **Flexible Pricing Options**

Look for a provider that offers a la carte pricing for its services. This will enable you to implement very inexpensive screens to weed out initial candidates and only invest in employees who are legitimate prospects.

✓ **Dashboard**

Find a product that provides an easy-to-understand dashboard, so hiring managers can quickly check the status of "in-process" files and access other reporting and checking features.

✓ **Archival Capability**

Ensure that the product offers the ability to archive prior background checks. The solution should provide a simple mechanism to retrieve historical files without generating hours of work.

✓ **Unable-to-Verify (UTV) Rates**

Seek a solution that provides best-in-class accuracy as measured by UTV rates. You should attempt to find a provider with UTV rates that are below five percent.

✓ **Robust Training**

Find a vendor that provides clear and detailed training—either in person or through online classes. New members of your staff will come up to speed more quickly if the vendor provides strong training options.

*(Benefits of Intelligent Background Checking, cont.)*

- » Improves decision-making skills by providing contextual explanations and details for incidents that appear on checking results
- » Simplifies the user experience by offering intuitive screens designed specifically to increase efficiency and minimize user error
- » Increases audit preparedness by archiving historical reports in a secure and easily retrievable system
- » Speeds hiring decisions by providing complete checks in approximately 1-2 days
- » Increases management's peace of mind by providing highly accurate reports

### **Case Study: Fast-Growing Home Health Care Franchise Hires Smarter and Reduces Costs**

CareMinders Home Care, one of the fastest-growing home health care companies in the United States, engaged HireRight, a global background screening provider, to address three key challenges: cost, background checking time, and poor data quality that put the company at risk. Working with HireRight, CareMinders was able to quickly regain control of its hiring process.

With a secure online solution in place, the company focused on reducing cost and implemented a phased, screening program. The first phase checked only for valid social security numbers to eliminate applicants with invalid social security numbers early. Only those with valid social security numbers were subjected to the full background check process.

They also began explaining to candidates the depth of their background checking process upfront, which made some applicants withdraw their application. Communicating your organization's screening processes can often deter candidates who have questionable job histories from applying, thereby saving time and money. In addition, by choosing HireRight, a background checking service provider with expertise in health care, CareMinders improved the quality of background check results and eliminated the need for excessive retraining of its franchise owners.

As a result of adopting the HireRight solution, the home health care company was able to reduce per-applicant background check costs by 72 percent and background checking turnaround time by 80 percent.

### **Conclusion**

An aging senior population presents a large business opportunity for home health care companies. As more Americans require elder care, home health care business owners must add staff to meet the demands of the market. At the same time, business owners must minimize hiring expenses and protect themselves from the legal and financial penalties associated with negligent hiring. Intelligent background checking solutions are available to enable comprehensive background checking with little to no burden on hiring managers. Ideal for home health care companies, intelligent background checking makes it cost-effective and efficient to minimize the risks associated with hiring in-home staff.

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### About HireRight

Employers need more than just data to successfully operate an employment screening program. As one of the world's largest screening providers focused 100 percent on employment screening, we're specialists at helping organizations of all sizes efficiently implement, manage, and control employment screening programs. We pride ourselves on understanding the complex screening needs of today's global employers and strive to provide easy-to-use, streamlined solutions that help organizations work smarter.

In fact, many of the world's most forward-thinking and successful companies trust HireRight to deliver effective, customer-focused solutions that provide increased efficiency and faster turnaround. HireRight also partners with the industry's top e-recruiting solution providers, such as Oracle, PeopleSoft, Taleo, Deploy Solutions, VirtualEdge, PeopleAdmin, and Vurv, to co-develop unique, pre-built, pre-integrated employment screening solutions that allow organizations to leverage their recruiting solution investment for background screening.

With worldwide headquarters located in Irvine, California, plus offices and affiliates around the globe, HireRight reaches 200 plus countries and territories with more than 100 unique service offerings.



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## Contact Us

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