



Policy/Procedure Functional Area: HR/Payroll: Employment

Policy/Procedure Title: Employment Verification/Background Reference Checks

Policy/Procedure Number: 018

Effective date: July 2, 2006 (*or upon Lawson implementation*)

Revised: July 1, 2012

Purpose:

To ensure that individuals who join Mercy are well-qualified and have a strong potential to be productive and successful, it is Mercy's policy to conduct background reference checks on all potential new hires regardless of the position for which they are hired. This is performed after the offer has been extended with the understanding that the offer is contingent upon the background reference check.

If applicable, current Mercy co-workers moving into different roles which may require a specific background check not previously required (see the Procedure section) will also have a background reference check conducted to meet that additional requirement. Background reference checks serve as an important part of the selection process. They allow Mercy to obtain additional APPLICANT-related information that helps determine the APPLICANT'S overall employability, and serves as a means of promoting a safe work environment and ensuring the protection of Mercy's current co-workers, patients, property and information.

Background reference checks involve determining whether an APPLICANT may be unqualified for a position due to a record of criminal conviction, motor vehicle violation, or misrepresentation regarding education or work history, as applicable to the role. Background reference checks involve contacting various agencies, as well as the APPLICANTS' former employers, supervisors, co-workers, etc., to verify previous employment and to obtain information about the individual's knowledge, skills, abilities and character.

Additionally, as part of Mercy's Compliance Program, background reference checks comply with Mercy's Code of Conduct which specifically states that Mercy does not knowingly employ individuals who are excluded from participation in government health care programs. As such, in compliance with state and federal law, Mercy is required to check the excluded lists of the Department of Health and Human Services Office of Inspector General (OIG) and the U.S. General Services Administration (GSA) on all newly hired co-workers and co-workers.

Policy:

Background reference checks is a process that implicates a broad variety of privacy and safety concerns. Mercy will ensure that background reference checks are conducted in compliance with all applicable Equal Employment Opportunity (EEO) laws.

As part of a contingent job offer, every candidate for employment, including interns will be required to consent in writing to a background reference check, regardless of the position for which they have applied. If a candidate refuses to consent to a background investigation and reference check, the offer will be rescinded and the candidate will not be considered for employment. Staffing firms who provide agency employees to Mercy will be required to submit



proof to Mercy that their workers underwent substantially the same background reference checks as Mercy requires of its co-workers.

In compliance with state and federal law, Mercy conducts ongoing background reference checks on current co-workers in some positions, such as positions regulated by the Department of Transportation requiring annual driving record checks, or positions requiring regular Office of Inspector General (OIG) checks.

In compliance with state and federal law, Mercy is required to check the excluded lists of the Department of Health and Human Services Office of Inspector General (OIG) and the U.S. General Services Administration (GSA). These checks will be conducted on all co-workers on a monthly basis by Mercy's Compliance office.

Furthermore, quarterly Employee Disqualification List (EDL) checks will be conducted via the Missouri Department of Health and Senior Services for Missouri based co-workers only. When ongoing background reference checks are completed, co-workers who have unsatisfactory results will be subject to disciplinary action up to and including discharge.

Co-workers transferring to a new position may also be required to consent to a background reference check if the position has a requirement the co-worker did not have to satisfy during his/her initial employment (e.g. the new position may require a credit check or commercial driver's license verification). In such cases, the offer will be contingent upon satisfactory completion of the position requirements, and co-workers who refuse to consent will be removed from consideration for that position.

Mercy can make inquiries regarding criminal records during the pre-employment stage; however, as part of the Title VII of the Civil Rights Act of 1964, this information cannot be used as a basis for denying employment, unless it is determined to be due to job-related issues or business necessity.

Procedure:

- When the final candidate has been selected, Human Resources will extend an offer of employment contingent upon satisfactory completion of background reference checks.
- Human Resources obtains the required checks through the services of a third party agency. Background reference check components may include but are not limited to the following:
 - Past employment verification
 - Professional and personal references
 - Educational history through verification of the highest degree attained
 - Professional license and certification verification when the position requires a license or certification
 - Criminal records search
 - Motor Vehicle (driving record) checks, when the act of driving is an ESSENTIAL FUNCTION
 - Credit check, when a position requires cash handling, certain financial responsibilities, or the use of corporate credit cards
 - Address check
 - Social Security Number verification



- Child Neglect/Elder Abuse
- Office of Inspector General
- General Services Administration
- Family Care Safety Registry
- National Practitioners Data Bank
- Immigration
- In instances where negative information is obtained, Human Resources will assess the potential risks and liabilities related to the job's requirements and determine whether the individual should be hired.
- HR will review results of the background reference check. HR will only provide the hiring leader with a "pass" or "fail" report and not the full results of the background reference check.
- The candidate's first day of work in the position must not be prior to the satisfactory completion of the background investigation and reference check.
- If HR considers not hiring an APPLICANT for employment (or promoting/moving a co-worker) based on the findings of a background reference check, Human Resources or the third party agency provides the APPLICANT with a written preliminary notice of adverse action, a copy of the report and a statement of consumer rights.
 - If the preliminary decision becomes final and an APPLICANT is denied employment based on the findings of a background reference check, Human Resources or the third party agency provides the APPLICANT with a final written notice of adverse action, a copy of the report and a statement of consumer rights.
- Human Resources or the third party agency provides a co-worker with a written preliminary notice of adverse action, a copy of the report and a statement of consumer rights if considering terminating employment or removing the co-worker from consideration for a particular position based on the findings of a background investigation and reference check
 - Human Resources or the third party agency provides the co-worker with a final written notice of adverse action, a copy of the report and a statement of consumer rights if the preliminary decision becomes final and adverse action must be taken against a current co-worker based on the findings of a background reference check.

With respect to transfers, if a co-worker seeking a transfer or promotion to a position requiring a criminal history record check is found to have falsified any information regarding conviction history, the co-worker may be immediately discharged.

Roles/Responsibilities:

Human Resources

Human Resources is responsible for ensuring that a record of each background reference check result is obtained for each new co-worker and filed appropriately. All information obtained from the background reference check process will only be used as part of the employment process and will be kept strictly confidential. Only approved Human Resources representatives will have access to this information.

Mercy will ensure that all background reference check results are held in compliance with all federal and state statutes, such as the FAIR CREDIT REPORTING ACT. In addition, Mercy will ensure that the disposal of such records meets or exceeds the requirements of the Federal



Disposal Rule; reasonable and appropriate action will be taken to ensure that disposal practices prevent the unauthorized access to – or use of – information from a consumer report.

Compliance

Mercy's Chief Compliance Officer will be notified about any applicant considered for employment and who is found on the excluded lists of the Department of Health and Human Services Office of Inspector General (OIG) and the U.S. General Services Administration (GSA).

Legal

Mercy's Legal Department will provide guidance and counsel to HR on any questions relative to this policy or process as well as any question on a person's candidacy for employment at Mercy.

Exceptions:

Mercy reserves the right to evaluate each candidate and make a determination as to the candidate's eligibility for employment based on the requirements of the position and the circumstances surrounding the background of the candidate.

Attachments:

None

Originated by: Dawn Wheeler

Date: May 17, 2005

Legal review by: Timothy J. Sarsfield, Thompson Coburn LLP

Date: February 22, 2006

Reviewed by: Steve Isenhower

Date: February 27, 2006

Reviewed by: Cynthia Mercer

Date: July 1, 2012

A handwritten signature in cursive script that reads "Cynthia L. Mercer".

Approvals _____

Date July 1, 2012