

Policy and Standards

Product Applicability: (For Health Insurance Marketplaces, policies and procedures are the same, unless contractual requirements dictate a more stringent variation in which case customized documents are created.)

<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Medicaid	<input checked="" type="checkbox"/> Medicare Part: C (Medicare Advantage)	<input checked="" type="checkbox"/> Medicare Part D	<input checked="" type="checkbox"/> Federal <small>(applies to Magellan Healthcare, non-Medicaid or Medicare, federal contracts)</small>
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Business Division and Entity Applicability:

Magellan Healthcare						
<input checked="" type="checkbox"/> Magellan Healthcare [Behavioral](B)	<input checked="" type="checkbox"/> Magellan Complete Care(C) <input checked="" type="checkbox"/> MCC Florida (CFL) <input checked="" type="checkbox"/> MCC Virginia (CVA) <input checked="" type="checkbox"/> MCC The Management Group (CTMG)	<input checked="" type="checkbox"/> Magellan Healthcare Provider Group(G)	<input checked="" type="checkbox"/> Alpha Care of New York(L)	<input checked="" type="checkbox"/> National Imaging Associates(N)	<input checked="" type="checkbox"/> HealthPeaksMD (P)	
Magellan Rx Management						
<input checked="" type="checkbox"/> Magellan Rx Pharmacy(I)	<input checked="" type="checkbox"/> Magellan Medicaid Administration(A)	<input checked="" type="checkbox"/> Magellan Pharmacy Solutions (S)	<input checked="" type="checkbox"/> Magellan Method (formerly CDMI) (D)	<input checked="" type="checkbox"/> Magellan Rx Management (R)	<input checked="" type="checkbox"/> Magellan Administrative Services(O)	<input checked="" type="checkbox"/> Magellan Rx Medicare (K)

Corporate Policy:

Policy Number:	HR.1502.06.B-C(CFL,CVA,CTMG)-G-L-N-P-I-A-S-D-R-O-K		
Policy Name:	Employment Background Investigations		
Date of Inception: June 25, 2001	Previous Annual Review Date: September 19, 2016	Current Annual Review Date: January 18, 2018	
Review Type:	<input type="checkbox"/> New Policy <input type="checkbox"/> No Changes <input type="checkbox"/> Non-substantive <input checked="" type="checkbox"/> Substantive (material changes or initial documentation of current)		
Previous Corporate Approval Date: September 19, 2016	Current Corporate Approval Date: January 19, 2018	Unit Effective Date: February 19, 2018	

Corporate Policy Approvals:

Donna Positano	<i>Approval on file</i>	January 17, 2018
Magellan Health, Senior Vice President, Human Resources		Date
John J. DiBernardi, Jr., Esq.	<i>Approval on file</i>	January 19, 2018
Magellan Health, Senior Vice President & Chief Compliance Officer		Date
Dan Gregoire, Esq.	<i>Approval on file</i>	January 19, 2018
Magellan Health, Executive Vice President, General Counsel		Date

EMPLOYMENT BACKGROUND INVESTIGATIONS

Cross Reference(s)

Excluded Individuals and Entities; Information Sensitivity; Credentialing for Magellan Staff who Provide Indirect Clinical Services; Credentialing for Magellan Staff who Provide Direct Clinical Services; Drug Free Workplace Policy

Policy Statement

Any offer for employment with Magellan Health (Magellan) its subsidiaries and affiliates, is contingent upon the successful completion of a satisfactory background investigation.

Purpose

To provide understanding of the background investigation process. Magellan conducts background investigations for every prospective employee before employment begins. Credit investigations may also be conducted for designated positions.

Scope

<input checked="" type="checkbox"/> Account Management	<input checked="" type="checkbox"/> Claims (Service Ops)	<input checked="" type="checkbox"/> Clinical Operations
<input checked="" type="checkbox"/> Compliance	<input checked="" type="checkbox"/> Corporate Physical Security	<input checked="" type="checkbox"/> Credentialing/Re-cred
<input checked="" type="checkbox"/> EAP	<input checked="" type="checkbox"/> Federal and State Affairs	<input checked="" type="checkbox"/> Finance
<input checked="" type="checkbox"/> Human Resources	<input checked="" type="checkbox"/> Information Systems Security	<input checked="" type="checkbox"/> Information Technology
<input checked="" type="checkbox"/> Legal	<input checked="" type="checkbox"/> Marketing/Comm/Sales	<input checked="" type="checkbox"/> Network
<input checked="" type="checkbox"/> Operations (Member Services)	<input checked="" type="checkbox"/> Quality Improvement	<input checked="" type="checkbox"/> Special Investigations Unit

Key Terms

Personnel Security

The Personnel Security team is responsible for managing distinct aspects of Magellan's compliance with legal and security related matters, including applying background investigation adjudication standards and identifying outliers for further review with Human Resources (HR) Employee Relations and Legal.

HR Talent Acquisition

A HR team member responsible for Magellan's recruiting, staffing and selection program, and confirming that all necessary new hire and internal transfer and promotion requirements are met prior to a candidate starting in the new position.

HR Employee Relations

A HR team member acting as liaison between HR Talent Acquisition and Security to ensure consistent application of policy and adjudication decisions.

Master Services Provider (MSP)

Magellan's integrated contingent staffing solutions vendor.

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Risk Designation

System used to determine and designate position risk levels to determine which background check elements must be completed satisfactorily prior to hire.

Additional *Policy Terms & Definitions* are available should the reader need to inquire as to the definition of a term used in this policy.

To access the *Policy Terms & Definitions Glossary* in MagNet, click on the below link: (*internal link(s) available to Magellan Health employees only*)

[Policy Terms & Definitions Glossary](#)

Standards

I. Application

- A. This policy applies to the following individuals:
 - 1. All prospective employees working at any Magellan location;
 - 2. Persons rehired or reinstated after an absence longer than three (3) months; and
 - 3. Interns and cooperative education students.
- B. At the discretion of management, this policy may also include trainees and other non-employees:
 - Magellan's Master Service Provider (MSP) conducts background investigations in accordance with this policy prior to assigning contingent workers to any Magellan location.

II. Guidelines

- A. Inquiries are conducted in a professional manner and in accordance with all state and federal laws.
 - Any vendor conducting the inquiry must meet all applicable license or certification requirements.
- B. Magellan's background investigation process respects the privacy and dignity of the prospective employee.
 - 1. Information obtained from the background investigation is shared only with the Human Resources (HR) and Security representatives involved in the hiring process.
 - 2. Any additional consultation is done on a case-by-case basis and only involves individuals who have a need to know. Need to know is determined by Security and Human Resources.
- C. All inquiries are job and role-related
 - 1. Every role at Magellan has a Risk Designation of Sensitive given the nature of work and access to personal, private or confidential data. As a result, all background checks contain baseline background check elements which must be completed satisfactorily prior to hire.
 - 2. Some roles pose additional risk based on access to strategic, financial, or other company or customer data, and therefore include additional background check elements in order to protect the information and assets of the organization.

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3. Risk designations and appropriate background elements are reviewed annually during the policy review process.
 4. Magellan rescreens individuals periodically, consistent with the risk designation of the position.
 5. When an employee moves from one position to another, the risk level is identified and additional elements checked as appropriate for the role.
- D. Final approval of an applicant's eligibility to occupy the position applied for is based on meeting Magellan's minimum adjudication standards.
1. Security adjudicates all background investigations on an individual basis.
 2. Where a determination to hire cannot be achieved, the case is escalated to the Sr. Director Security Investigations, the Sr. Director Employee Engagement, and Legal for review.
- E. If a decision not to hire or promote a candidate is made based on the results of a background investigation, there may be Fair Credit Reporting Act (FCRA) requirements that will be handled by HR in conjunction with the background check vendor.
- III. Role-Based Background Checks
- A. Magellan Standard Background Check (includes baseline background check elements required for all Magellan employees):
1. Social Security Number (SSN) and Address Verification, Address History, SSN Validation;
 2. Seven (7)-year Federal and County Criminal Search (based upon the resident address history for that timeframe for all names associated with applicant);
 3. National Criminal Database Search (Multi-jurisdictional database search covers criminal, sex offender and violation records collected from across the country including state databases);
 4. Seven (7)-year Employment Verification;
 5. Education Verification (highest level achieved);
 6. **Prior** to employment of any prospective employee and no less than monthly thereafter, Magellan conducts checks against the U.S. Department of Health and Human Services (HHS) Office of Inspector General (HHS-OIG) List of Excluded Individuals/Entities (LEIE), the U.S. General Services Administration's (GSA) web-based System Award Management (SAM) Exclusion Database, U.S. Treasury Department Office of Foreign Assets List of Specially Designated Nationals and Blocked Persons and applicable state exclusion/terminated/ineligible lists for names of excluded/terminated/ineligible employees barred from participation in Medicare, Medicaid, other federal health care programs, federal contracts, and state health programs;
 7. National Sexual Offender Database;
 8. Pre-Employment Drug Test (as defined in the Drug Free Workplace policy); and
 9. Other Federal and State databases searches as may be required by law or contract.
- B. Magellan Clinical Background Check (for direct and indirect clinical staff members whose job profile requires clinical licensure and/or certification) includes everything in the Standard Background Check plus:

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1. National Practitioner Data Bank; and
 2. Professional Licensing and/or Certification.
- C. Magellan Executive Background Search (for Vice President and above) includes everything in the Standard Background Check plus:
1. Minimum of two (2) Professional Reference interviews;
 2. Federal District Search (seven (7) year residence, up to three (3) districts); and
 3. Securities and Exchange Commission (SEC) Search.
- D. Magellan Director Background Search (Board of Directors) includes everything in the Executive Background Check plus:
- Executive Background Profile Application Addendum and Questionnaire completed.
- E. Per contractual requirements, employees are investigated and re-investigated per National Industrial Security Program Operating Manual (NISPOM) and Office of Personnel Management (OPM) requirements.
- F. Management at their discretion may include other elements or increase the frequency of element checks per specific contract requirements, role-based needs, and merger and acquisition agreements.
- IV. Responsibilities
- A. Talent Acquisition Responsibilities
1. Inform the candidate in advance that Magellan will conduct a background investigation, including a criminal background check and drug screen, as a condition of employment:
 - Identify and initiate any background check elements requiring verification upon internal transfer or promotion of current employees.
 2. Administer the processes and systems used to initiate background investigations; and
 3. Ensure the applicant does not begin employment or transfer/promote into new internal role until the results of the background investigation are cleared.
- B. Security Department Responsibilities
1. Review results of all background investigations;
 2. Adjudicate background investigations against Magellan minimum adjudication standards; and
 3. Identify background investigations containing derogatory information for consultation with the HR Employee Relations team, Legal and/or others with a need to know.
- C. HR Employee Relations Responsibilities
1. Consult with Security and Legal regarding background investigations containing derogatory information;
 2. Initiate the final notification process in accordance with FCRA requirements when adverse action is anticipated based upon the results of the background investigation; and

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3. In conjunction with Security, notify Talent Acquisition on hiring decisions based on the background investigation results as required.

Associated Corporate Forms & Attachments (internal link(s) available to Magellan Health employees only)

See the HR Department for the following forms:

Background Search Release Authorization and Fair Credit Reporting Act Disclosure

Executive Background Profile Application Addendum

Questionnaire for Director Candidates

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