

POLICIES AND PROCEDURE MANUAL

Chapter:	Provider Network Management		
Title:	Background Checks		
Policy: <input type="checkbox"/> Procedure: <input checked="" type="checkbox"/> Page: 1 of 4	Review Cycle: Biennial Author: Provider Network Mgmt. Committee; Deputy Director	Adopted Date: 04.2015 Review Date: 07.01.2025	Related Policies: Provider Network Management Provider Network Credentialing and Re-Credentialing Disclosure of Ownership, Control, and Criminal Conviction Compliance: Disqualified Providers

Purpose

The purpose of the procedure is to assure that access to and services performed for consumers are provided by individuals who are permitted by law to perform the services and that background checks are conducted in accordance with federal and state law.

Procedure

Community Mental Health Service Programs (CMHSPs) and Substance Use Disorder Service Providers (SUDSPs) must have documented procedures for assigned responsibility and processes for conducting background checks for each employee, subcontractor, subcontractor employee, or volunteer (including students and interns). At minimum, CMHSPs and SUDSPs must conduct the following background checks as outlined in this procedure.

- Criminal background checks (CBC)
- Michigan Department of Health and Human Services (MDHHS) Central registry checks for staff members working directly with children
- Federal Medicare/Medicaid exclusion/sanction ongoing checks; and
- Federal and State Sex Offender Database checks

Criminal Background/Criminal History (MSHN, CMHSP, SUDSP)

Criminal background checks (CBCs) must be completed by an organization, service, or agency that specializes in gathering the appropriate information to review the complete history of prospective employees, non-employee subcontractors or agents. CBC must be conducted as a condition of employment. An offer of employment may be made contingent on a CBC and should expressly note that there is to be no consumer contact until all criminal background checks are complete.

Criminal background searches must reveal information substantially similar to the information found on an Internet Criminal History Access Tool (ICHAT) check for each new employee, subcontractor, subcontractor employee, or volunteer.

ICHAT: <https://apps.michigan.gov/>

Use of the state of Michigan Offender Tracking Information System (OTIS) or a county level service that provides information on individuals involved with the court system are not appropriate resources to use for criminal background checks.

MSHN and its provider network shall not employ, contract with, authorize services for, reimburse services for, or seek reimbursement for services delivered, prescribed or ordered by an individual that is excluded from a federal and state healthcare program as outlined in the MSHN Disqualified Providers Policy.

For CMHSPs:

For licensed individuals, criminal background checks must also be conducted at time credentialing or recredentialing.

In instances where a Financial Management Service (FMS) is used for self-determination arrangements, the consumer/family is the employer of record. If the FMS is providing a service to two or more persons using the same staff, the CBC must be completed for each new employment situation unless the CBC was completed on the same date for each employment situation.

State of Michigan Central Registry [Michigan Department of Health and Human Services (MDHHS) (MSHN, CMHSP, SUDSP) MDHHS Central Registry checks must be conducted for each new employee, subcontractor employee, or volunteer (including students and interns) working directly with children. Central Registry: https://www.michigan.gov/mdhhs/0,5885,7-339-73971_7119_50648_48330-180331--,00.html

Federal and State Medicare/Medicaid Exclusions/Sanctions (MSHN, CMHSP, SUDSP) Prior to employment (direct hire, contracted, consulting arrangement or any other contractual agreement) MSHN, CMHSP, and SUDSP must conduct checks to ensure individuals or organizations are not debarred, suspended or otherwise excluded from a public healthcare MSHN/CMHSP/SUDSP must search the Office of Inspector General's (OIG) exclusions and United States General Services Administration (GSA), and MDHHS sanctioned provider databases to ensure that the prospective employees/contractors, provider entities, and any individuals with ownership or control interests in the provider entity (direct or indirect ownership of five percent or more or a managing employee), have not been excluded from participating in federal health care programs.

Ongoing Exclusion/Sanction Checks (MSHN/CMHSP/SUDSP)

MSHN/CMHSP Participant/SUDSP shall search the OIG exclusions and MDHHS sanctions databases monthly to capture exclusions and reinstatements that have occurred since the last search, or at any time providers submit new disclosure information. CMHSP Participant/SUDSP shall notify MSHN of any exclusion/sanction findings for existing individual or organizational providers, as outlined in the MSHN Disqualified Providers Policy. MSHN shall immediately notify the Michigan Department of Health and Human Services (MDHHS) Behavioral and Physical Health and Aging Services Administration (BPHASA) Division of Program Development, Consultation and Contracts and the MDHHS-OIG (using the approved OIG form and process) immediately if search results indicate that any of their network's provider entities, or individuals or entities with ownership or control interests in a provider entity are on the OIG exclusions database. MSHN will provide notification to MDHHS-OIG if it has taken any administrative action that limits the provider's participation in the Medicaid program.

Appropriate exclusion/sanctions sites:

The United States Office of Inspector General (OIG): <http://exclusions.oig.hhs.gov>

The United States General Services Administration (GSA): www.sam.gov

The MDHHS sanctioned list is at: <https://www.michigan.gov/mdhhs/doing-business/providers/providers/billingreimbursement/list-of-sanctioned-providers>

Because these search activities must include determining whether any individuals with ownership or control interests in a provider entity appear on the OIG's exclusions database, MSHN/CMHSP/SUDSP must mandate provider entity disclosure of ownership and control information at the time of provider application, re-application, or whenever a change in provider entity ownership or control takes place. The search must ensure that the provider entity and any individuals with ownership or control interests in the provider entity (direct or indirect ownership of 5% or more or a managing employee. This verification process shall also occur at the time of re-credentialing or contract renewal at least every three years. *Refer to MSHN Policy and procedure: Disclosure of Ownership, Control, and Criminal Conviction.*

Federal and State Sex Offender Registry (MSHN, CMHSP, SUDSP)

Sex offender registry checks must be conducted for each new employee, subcontractor employee, or volunteer (including students and interns).

Michigan Public Sex Offender Registry: <https://mspsor.com/>

National Sex Offender Registry: <http://www.nsopw.gov>

CMHSP Ongoing Federal and State Sex Offender Checks

CMHSPs must conduct sex offender registry checks for licensed staff at time of hire and when completing credentialing or recredentialing activities.

Notification and Reporting Requirements (CMHSP, SUDSP)

CMHSPs and SUDSPs must have a policy in place that states each new employee, subcontractor employee, or volunteer (including students and interns) working directly with consumers, or who has access to enrollee information must notify the employer in writing of criminal convictions (felony or misdemeanor) pending felony charges or placement on the Central Registry as a perpetrator at hire or within ten (10) days of the event after hiring.

As outlined in the MSHN Disqualified Provider Policy, CMHSP Participants and SUDSPs shall have a process to notify MSHN of any convictions that disqualify the provider from state or federal public health care programs identified. Notice shall include the nature of the conviction and relevant employment action taken.

Should a CMHSP Participant, SUDSP or direct service contract provider receive a CBC with a negative outcome and wish to proceed with hiring the candidate, the hiring party must document, in writing, their rationale for waiving the CBC findings and confirmation that the criminal history was reviewed to ensure the provider was not disqualified from providing services within a federal and/or state healthcare program.

Record Retention

All criminal background check documentation must be retained in accordance with the MSHN Record Retention Policy.

Applies to:

☒ All Mid-State Health Network Staff

☐ Selected MSHN Staff, as follows:

☒ MSHN CMHSP Participants ☐ Policy Only ☒ Policy and Procedure

☒ Other: Sub-contract Providers

Definitions:

BPHASA: Behavioral and Physical Health and Aging Services Administration

CBC: Criminal Background Check

CMHSP: Community Mental Health Services Program

Direct Access: Access to a consumer or a consumer's property, financial information, medical records, treatment information, or any other identifying information.

FMS: Financial Management Service for Self-Determination arrangements.

GSA: General Services Administration

ICHAT: Internet Criminal History Access Tool

MDHHS: Michigan Department of Health and Human Services

MSHN: Mid-State Health Network

Network Providers: Individuals or organizations directly contracted with MSHN or with a MSHN contracted CMHSP or SUDSP and providing services to beneficiaries.

OIG: Officer of Inspector General

OTIS: Offender Tracking Information System

Provider: Organizations and individuals contracted or directly employed, providing any services to eligible individuals under MSHN contract.

Subcontractor: An individual, provider, CMHSP, or other organization that provides any function or service on behalf of MSHN/CMHSP/SUDSP related to securing or fulfilling MSHN/CMHSP/SUDSP obligations under the MSHN contract. Subcontractor does not include a network provider, unless the network provider is responsible for services other than those that could be covered in a network provider agreement related only to the provision of covered services to beneficiaries.

Subcontractor employee: Any individuals employed a subcontractor, as defined.

SUDSP: Substance Used Disorder Service Provider

References/Legal Authority:

MDHHS: Policy Credentialing & Re-credentialing Processes

MDHHS SUD Credentialing and Qualifications Policy

MDHHS Medicaid Provider Manual

MDHHS Contract

[MCL 333.20173a](#), [MCL 330.1134a](#), [MCL 400.734b](#),

42 USC 1320a-7

Change Log

Date of Change	Description of Change	Responsible Party
04.09.2015	New	PNMC
05.2016	Annual Review	PNMC
09.28.2016	Annual Review	PNMC
08.2017	Annual Review	Director of Provider Network Management Systems
09.2018	Annual Review	Director of Provider Network Management Systems
09.2019	Annual Review – removed PSV to new credentialing procedures	Director of Provider Network Management Systems
11.2021	Biennial Review – removed attachment references to MDHHS contract	Contract Manager
05.2023	Revised based on MDHHS contract language updates	Compliance Administrator/Deputy Director
12.2023	Biennial Review Update	PNMC, Contract Specialist
05.2024	Updated to include OIG feedback	Chief Compliance and Quality Officer/Compliance Administrator
1.2025	Revised language to align with updates to MDHHS FY25 contract and MDHHS Credentialing and Recredentialing Processes revision 11.18.24	Compliance Administrator