

POLICIES AND PROCEDURE MANUAL

Chapter:	Provider Network Management		
Title:	Disclosure of Ownership, Control, and Criminal Convictions		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/> Page: 1 of 3	Review Cycle: Biennial Author: Chief Financial Officer	Adopted Date: 01.05.2016 Review Date: 07.01.2025	Related Policies: Provider Network Management Provider Credentialing and Re-Credentialing Quality Monitoring and Oversight

Purpose

Federal regulations require Prepaid Inpatient Health Plans (PIHPs) to disclose information about individuals with ownership or control interests in the PIHP. These regulations also require the PIHP to identify and report any additional ownership or control interests for those individuals in other entities, as well as identify when any of the individuals with ownership or control interests have spousal, parent-child, or sibling relationships with each other.

Policy

Mid-State Health Network (MSHN) and Community Mental Health Service Providers (CMHSP) shall comply with the federal regulations to obtain, maintain, disclose, and furnish required information about ownership and control interests, business transactions, and criminal convictions as specified in 42 Code of Federal Regulations (CFR) §455 Subpart B. In addition, MSHN shall ensure that any and all contracts, agreements, purchase orders, or leases to obtain spaces, supplies, equipment, or services provided under the Medicaid agreement require compliance with 42 CFR §455.104-106.

MSHN/CMHSPs/Substance Use Disorder Service Providers (SUDSPs) may not knowingly have a relationship, as further defined in this procedure, with the following:

- An individual or entity that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation (FAR) or participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order 12549.
- An individual or entity who is an affiliate, as defined in the FAR at 48 CFR 2.101, of a person described in the bullet point above.

In order to comply with 42 Code of Federal Regulations (CFR) 438.610, Mid-State Health Network (MSHN) and its Community Mental Health Service Participants (CMHSPs) and Substance Use Disorder Service Providers (SUDSPs) may not have any of the following relationships with an individual who is excluded from participating in Federal health care programs as defined by the Social Security Act:

- Director, officer, or partner of MSHN/CMHSP/SUDSP
- A subcontractor and/or network provider of MSHN/CMHSP/SUDSP, as governed by 42 CFR 438.230.
- Excluded individuals cannot have a beneficial ownership of five percent or more of the MSHN/CMHSP/SUDSP equity; and
- Excluded individuals cannot have an employment, consulting, or other arrangement with MSHN/CMHSP/SUDSP for the provision of items or services that are significant and material to MSHNs obligations under its contract with the State.

Disclosure Statement

MSHN/CMHSPs and SUDSPs must require written disclosure from any director, officer, partner, managing employee, person with beneficial ownership of more than 5% of equity, network provider, subcontractor, or person with employment, consulting or any other contractual agreement of person(s) described above.

Time of Disclosure

MSHN/CMHSP/SUDSP are required to obtain disclosure statements from its providers and contractors at any of the following times:

- At time of initial contracting/enrollment, prior to execution of contract.
- During re-credentialing or re-contracting;
- Within 35 days of any change in ownership of a disclosing entity.

Monitoring Provider Networks

At the time of provider enrollment or re-enrollment in the MSHN/CMHSP/SUDSP provider network, MSHN/CMHSP/SUDSP must search the Office of Inspector General's (OIG) exclusions database to ensure that the provider entity, 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. Because these search activities must include determining whether any individuals with ownership or control interests in the 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 enrollment, reenrollment, or whenever a change in provider entity ownership or control takes place.

Reporting Criminal Convictions

CMHSP/SUDSPs must notify MSHN immediately of any criminal offense disclosures. MSHN designee must notify the Michigan Department of Health and Human Services (MDHHS) -Behavioral and Physical Health and Aging Services Administration (BPHASA) any disclosures are made by providers with regard to criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act. Additionally, CMHSPs must notify the MSHN Chief Quality and Compliance Officer. Those offenses include convictions of program-related crimes, patient abuse, healthcare fraud, and controlled substances.

- The ownership or control by a person that has been convicted of a criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act have been made by any internal or external employee, contractor or applicant.
- Any staff member, director, or manager of MSHN, individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with MSHN has been convicted of a criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act

Notifying MDHHS of Administrative Actions that Could Lead to Formal Exclusion

MSHN must promptly notify the MDHHS-BPHASA and MDHHS-OIG if it has taken any administrative action that limits a provider's participation in the Medicaid program, including any provider entity conduct that results in suspension or termination from its provider network.

If MDHHS learns that a contractor has prohibited relationship as described above and provided by FAR, Executive Order No. 12549, or under section 1128 or 1128A of the Act, MDHHS may continue an existing agreement with the contractor unless the Centers for Medicare and Medicaid Services (CMS) directs otherwise. MDHHS may not renew or otherwise extend the duration of the existing agreement with the contractor unless CMS provides to MDHHS and to Congress a written statement describing compelling reasons that exist for renewing or extending the agreement despite prohibited affiliations.

Delegation and Oversight

Through the Delegated Managed Care Review process outlined in the MSHN Quality Monitoring and Oversight Policy, MSHN ensures that its contractors and sub-contractors have processes for obtaining

attestation of criminal convictions and full disclosures identified in 42 CFR Part 455 Subpart B and that policies and procedures for subcontracting, employment, and credentialing include requirements to report to the PIHP any criminal convictions described under 1128 (a) and 1128 (b)(1)(2), or (3) of the Act or that have had civil monetary penalties or assessments imposed under section 1128 A of the Act.

Applies to:

- ☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☒ Policy Only ☐ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions

BPHASA: Behavioral and Physical Health and Aging Services Administration

CFR: Code of Federal Regulations

CMHSP: Community Mental Health Services Program

CMS: Centers for Medicare and Medicaid Services

FAR: Federal Acquisition Regulation

MDHHS: Michigan Department of Health and Human Services

MSHN: Mid-State Health Network

OIG: Office of Inspector General

PIHP: Prepaid Inpatient Health Plan

SUDSP: Substance Use Disorder Service Provider

References/Legal Authority

42CFR §455 Subpart B

42CFR §455.104-106

The Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s)

Social Security Act, Sections 1128(a) and 1128(b)(1)(2), or (3)

Attachments



MSHN Ownership
and Disclosure Form

Change Log

<u>Date of Change</u>	<u>Description of Change</u>	<u>Responsible Party</u>
07.2015	New policy	Director of Provider Network Management Svcs
11.2017	Annual Review, No Revisions	Director of Provider Network Management Svcs
10. 2018	Annual Review, No Revisions	Director of Provider Network Management Svcs
09.2019	Annual Review, No Revisions	Director of Provider Network Management
11.2021	Biennial Review – No Changes	Contract Specialist
12.2023	Biennial Review	Contract Specialist
4.2025	Revised	Compliance Administrator