

## NORTHCARE NETWORK

<b>POLICY TITLE:</b> Disclosure of Ownership, Control, and Criminal Convictions	<b>CATEGORY:</b> Compliance	
<b>EFFECTIVE DATE:</b> 1/1/16	<b>BOARD APPROVAL DATE:</b> 1/13/16	
<b>REVIEW DATE:</b> 9/8/22	<b>REVISION(S) TO POLICY STATEMENT:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>OTHER REVISION(S):</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>RESPONSIBLE PARTY:</b> Compliance Officer	<b>CEO APPROVAL DATE:</b> 10/4/22 Dr. Tim Kangas, CEO	

### **APPLIES TO**

NorthCare Personnel  
Network Providers

### **POLICY**

NorthCare, Contractors and Subcontractors may not knowingly have a relationship with any individual or entity that is debarred, suspended, or otherwise excluded from participating in federal health care programs or procurement activities with a director, officer or partner of the Contractor/Subcontractor; a person with beneficial ownership of 5 percent or more of the Contractor/Subcontractor's equity; or a network provider or person with an employment, consulting or other arrangement with the Contractor/Subcontractor for the provision of item and services that are significant and material to NorthCare's or the Contractor's obligations under contract with the State. NorthCare Network, Contractors and Subcontractors must comply with federal regulations to obtain, maintain, disclose, and furnish required information about ownership, control interests, business transactions, and criminal convictions as specified in 42 CFR 455.104-106. In addition, NorthCare ensures that any and all contracts and sub-contracts, agreements, purchase orders, or leases to obtain space, supplies, equipment or services provided with Medicare or Medicaid funds require compliance with 42 CFR 455.104-106. NorthCare Network will report criminal offenses specific in 1128(a) and 1128(b)(1), (2), or (3) of the Social Security Act; these offenses include convictions of program-related crimes, patient abuse, healthcare fraud, and controlled substances. The Michigan Department of Health and Human Services (MDHHS) Behavioral Health and Developmental Disabilities Administration (BHDDA) Division of Program Development, Consultation and Contracts will be notified when disclosures are made by providers with regard to those offenses as detailed in 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.

### **PURPOSE**

The purpose of this policy is to ensure NorthCare, Contractors and Subcontractors do not have a relationship with an individual or entity that is debarred, suspended, or otherwise excluded from participating in any Federal health care program or procurement activities.

## **DEFINITIONS**

1. **Conviction or Convicted** means that a judgment of conviction has been entered by a Federal, State, or local court, regardless of whether an appeal from that judgment is pending.
2. **Disclosing Entity** means a Medicaid provider (other than an individual practitioner or group of practitioners), or a fiscal agent.
3. **Exclusion or Excluded** means that items or services furnished by a specific provider who has defrauded or abused the Medicaid program will not be reimbursed under Medicaid.
4. **Family Members** for the purpose of this policy include spouse, parent, child, or sibling.
5. **Fiscal Agent** means a contractor that processes or pays vendor claims on behalf of the Disclosing Entity.
6. **Managing Employee** means, with respect to an entity, an individual, including a general manager, business manager, administrator, and director, who exercises operational or managerial control over the entity, or who directly or indirectly conducts the day-to-day operations of the entity and those in a position of influence or authority.
7. **Other Disclosing Entity** means any other Medicaid disclosing entity and any entity that does not participate in Medicaid but is required to disclose certain ownership and control information because of participation in any of the programs established under title V, XVIII, or XX of the Act. This includes:
  - a. Any hospital, skilled nursing facility, home health agency, independent clinical laboratory, renal disease facility rural health clinic, or health maintenance organization that participates in Medicare (title XVIII);
  - b. Any Medicare intermediary or carrier; and
  - c. Any entity (other than an individual practitioner or group of practitioners) that furnishes or arranges for the furnishing of health-related services for which it claims payment under any plan or program established under title V or title XX of the Act.
8. **Person with an ownership or control interest** means with respect to an entity, a person who: (a) has directly or indirectly (as determine by the Secretary in regulations) an ownership interest of 5 per centum or more in the entity; or is the owner of a whole or part interest in any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by the entity or any of the property or assets thereof, which whole or part interest is equal to or exceed 5 per centum of the total property and assets of the entity; or (b) is an officer or director of the entity or a partner in the entity, if the entity is organized as a corporation.

## **REFERENCES**

- 42 CFR 455 Subpart B
- 42 CFR 455.104-106
- Social Security Act, Sections 1128(a) and 1128 (b)(1)(2), or (3)
- MDHHS/PIHP Contract
- Social Security Number Privacy Policy
- Disclosure – NC Financial Interest Statement Form
- Disclosure – NC Entity Form
- Disclosure – NC Entity Form Instructions
- Disclosure – NC Individual-Practice Provider Form
- Disclosure – NC Individual-Practice Provider Instructions
- Disclosure – MDHHS Provider Screening\_Section A

- Disclosure – MDHHS Provider Screening\_Section B-CFO
- Disclosure – MDHHS Provider Screening\_Section C-CEO
- Disclosure – MDHHS Provider Screening\_Section D-CIO
- Disclosure – MDHHS Provider Screening\_Section E-BOD

## **HISTORY**

NEW POLICY 1/1/16

REVISION DATE: 6/8/17, 5/1/18, 1/21/20, 11/18/20, 9/23/21, 6/23/22, 9/8/22

REVIEW DATE: 10/19/16, 6/8/17, 5/1/18, 3/25/19, 1/21/20, 11/18/20, 9/23/21, 6/23/22, 9/8/22

CEO APPROVAL DATE: 1/11/16, 11/1/16, 9/12/17, 5/10/18, 4/1/19, 2/4/20, 12/1/20, 10/5/21, 7/12/22, 10/4/22

BOARD APPROVAL DATE: 1/13/16

## **PROCEDURES**

A. **Disclosures** – Disclosures must be made regarding:

- 1) Ownership, controlling interest and management authority or influence in the disclosing entity or in any subcontractor in which the disclosing entity has a direct or indirect ownership of 5 percent or more; including family members.
- 2) The ownership of any contractor or sub-contractor with whom the provider has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request.
- 3) Any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor, during the 5-year period ending on the date of the request.
- 4) Information on persons convicted of crimes must be disclosed before entering or renewing a provider agreement or upon written request.

B. **Disclosure Statement** – Disclosure statements will include the following required information:

- 1) Name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent). The address for corporate entities must include primary business address, every business location, and P.O. Box location.
- 2) Date of Birth and Social Security Number of each person with an ownership or control interest in the disclosing entity.
- 3) Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent) or in any subcontractor in which the disclosing entity has five percent or more interest.
- 4) Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent) is related to another person with ownership or control interest in the disclosing entity as a family member or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the disclosing entity (or fiscal agent) has five percent or more interest, is related to another person with an ownership or control interest in the disclosing entity as a family member.
- 5) The name of any other disclosing entity (or fiscal agent) in which the owner of the disclosing entity (or fiscal agent) has an ownership or control interest.
- 6) The name, address, date of birth, and Social Security number of any managing employee of the disclosing entity (or fiscal agent).
- 7) The identity of any individual who has an ownership or control interest in the provider or is an agent or managing employee of the provider and has been

convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the Title XX services program since the inception of those programs.

C. **Managing Employee** – NorthCare Network requires each contractor and subcontractor to identify their “managing employees” in policy. NorthCare Network's managing employees include, at minimum: CEO, CFO, CIO, Governing Board of Directors, and SUD Advisory Board Members.

D. **Time of Disclosure** –

- 1) Disclosures from any provider or disclosing entity is due at any of the following times:
  - i. Upon submission of the provider application
  - ii. Upon execution of the provider agreement or contract
  - iii. When a managing employee is being vetted for employment
  - iv. Upon appointment to the Board of Directors or NorthCare SUD Policy Board
  - v. During re-credentialing, re-contracting, or reappointment
  - vi. Within 35 days after any change in the ownership of a disclosing entity
- 2) Disclosures from fiscal agents are due at any of the following times:
  - i. Upon the fiscal agent submitting the proposal in accordance with applicable procurement process(es).
  - ii. Upon the fiscal agent executing the contract.
  - iii. Upon renewal or extension of the contract.
  - iv. Within 35 days after any change in ownership of the fiscal agent.
- 3) NorthCare Network will collect and submit to MDHHS as requested a completed Provider Screening Collection Tool for NorthCare's CFO, CEO, CIO, and members of the Governing Board. This is required annually at time of contract renewal.

E. **Contract Language** – NorthCare Network requires contractors and subcontractors, through written agreements, to have processes for obtaining attestation of criminal convictions and full disclosure statements identified in 42 CFR Part 455 Subpart B and that policies and procedures for subcontracting, employment, and credentialing include requirements to report to NorthCare Network any individuals with criminal convictions described under 1128 (a) and 1128 (b)(1)(2) or (3) of the Act or individuals that have had civil monetary penalties or assessments imposed under section 1129 A of the Act.

F. **Monitoring** – NorthCare and Network Providers will conduct an OIG Exclusion database search at time of hire or contract and monthly thereafter for as long as the individual or entity is employed or under contract. The OIG database search will also be performed monthly on all disclosing entities and on any individuals with ownership or control interest identified on the disclosure form. Network Providers will communicate all OIG database search matches to NorthCare immediately; and provide evidence of monthly searches and findings upon request and at least annually as part of the annual performance and compliance review. NorthCare Network ensures all contractors and subcontractors have a process for obtaining attestation of criminal convictions and full disclosers (identified in 42CFR Part 455 Subpart B) from managing employees; board of directors; individuals with beneficial ownership; and individuals with an employment, consulting or other arrangement with the contractor or subcontractor. Pursuant to 42 CFR 455.104, the State and/or NorthCare Network

will review ownership and control disclosures submitted by the Contractor and any of the Contractor's Subcontractors.

## G. Reporting Criminal Convictions

- 1) Network providers will promptly notify NorthCare Network within two business days of receiving the disclosure or Provider Notification if:
  - i. Any disclosures are made by providers with regard to 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 and 42CFR 455.106, or that have had civil money penalties or assessments imposed under section 1128A of the Act. (See 42 CFR 1001.1001 (a)(1): or
  - ii. Any staff member, director, or manager of the PIHP, individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with the PIHP has been convicted of a criminal offense described under sections 1128(a) and 1128(b)(1), (2), or (3) of the Act, and 42CFR 455.106, or that have had civil money penalties or assessments imposed under section 1128A of the Act. (See 42 CFR 1001.1001(a)(1))
- 2) Criminal Offense Notification
  - i. Notification to the Inspector General – NorthCare Network will notify the Office of Inspector General of the Department of any disclosures made within 10 business days from the date information is received.
    - a. NorthCare Network may refuse to enter into or renew an agreement with a provider if any person who has an ownership or control interest in the provider, or who is an agent or managing employee of the provider, has been convicted of a criminal offense related to that person's involvement in any program established under Medicare, Medicaid or the title XX Services Program.
    - b. NorthCare Network may refuse to enter into or may terminate a provider agreement if it determines that the provider did not fully and accurately make any disclosure required under 42 CFR 455.106.
    - c. NorthCare will notify state licensing agency and MDHHS Provider Enrollment of any person(s) with an ownership or controlling interest in a facility that has been convicted of a criminal offense related to their involvement in any programs under Medicare, Medicaid, or Social Services Block Grants.

H. **Failure to Comply** – Failure to fully complete the disclosure form as required or the submission of false or misleading information to NorthCare Network or a contractor will be subject to contractual sanctions up to and including immediate suspension of funding and termination of the contractual agreement or termination as a member of the Board(s).