

**NORTHERN MICHIGAN REGIONAL ENTIT
ADMINISTRATIVE MANUAL**

PROCEDURE NAME: DISCLOSURE OF OWNERSHIP PROCEDURE
CHAPTER: FIVE – PROVIDER NETWORK & CONTRACT MANAGEMENT
PROCEDURE #: 05-02-002
EFFECTIVE DATE: April 18, 2016

PURPOSE

The PIHP shall comply with all requirements to obtain, maintain, disclose and furnish required information about ownership and control interests, business transactions, and criminal convictions. The PIHP shall assure that all contracts, agreements, purchase orders, or leases to obtain space, equipment, or services are also compliance with federal and State requirements.

APPLICATION

This procedure applies to the PIHP, NMRE Substance Use Disorder Services provider panel and five Member Community Mental Health Services Programs (CMHSPs).

DEFINITIONS

1. *Disclosing Entity* means a Medicaid provider (other than an individual practitioner or group of practitioners), or a fiscal agent.
2. *Family Members* for the purpose of this policy include spouse, parent, child, or sibling.
3. *Fiscal Agent* means a contractor that processes or pays vendor claims on behalf of the Disclosing Entity.
4. *Managing Employee* means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an institution, organization, or agency.

PROCEDURE

- I. The PIHP will require disclosure statements for any NMRE Contractor who receives \$25,000 or more per year. NMRE requires each applicable contractor to identify their “managing employees” in policy or procedure. NMRE defines their managing employees as: CEO and CFO. NMRE Board Members will also be required to submit disclosure statements to the PIHP.
- II. Disclosure statements will be required for all applicable disclosing entities.
 - A. **Disclosure Statement for Individuals and/or Entities with 5% or more Direct and/or Indirect Ownership** 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. 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 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 is related to another person with an ownership 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 has five percent or more interest, is related to another person with an ownership or control interest as a family member.
 - 5) The name of any other disclosing entity in which the owner of the disclosing entity 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.
 - 7) The identify 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.
- B. **Disclosure Statement for Entities without Ownership** (e.g. PIHP & CMHSPs) will include the following required information:
- 1) Name and address of the disclosing entity. The address must include primary business address, every business location, and P.O. Box location.
 - 2) Other tax identification number of the disclosing entity, if applicable.
 - 3) The name, address, date of birth, and Social Security number of all managing employees and Board of Directors of the disclosing entity.
 - 4) Disclosure of ownership or controlling interest in any other provider entity, subcontractor, or wholly owned supplier.
 - 5) Disclosure of criminal convictions, sanctions, exclusions, debarment and termination.
- C. **Time of Disclosure** – Any disclosing entity must furnish a disclosure statement at any of the following times:
- 1) When the provider submits a provider application;
 - 2) Upon execution of the provider agreement or contract;
 - 3) During re-credentialing or re-contracting;
 - 4) Within 35 days of any change in the ownership of a disclosing entity.
- III. **Contract Language** – NMRE requires contractors, through written agreements, to have processes for obtaining attestation of criminal convictions and full disclosure of ownership statements identified in 42 CFR Part 455 Subpart B. Contractors must also have procedures to report to NMRE 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.
- IV. **Monitoring** –NMRE and/or Network Providers will conduct search of all required databases at time of hire or contract and monthly thereafter for as long as the individual or entity is employed or under contract. The database searches 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 database search matches to NMRE within 3 business days of discovery. Network Providers shall demonstrate evidence of monthly searches and findings, upon request, and at least annually as part of the annual performance and compliance review. NMRE ensures all contractors 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. The PIHP will monitor for compliance at least annually.

- V. **Reporting Criminal Convictions** –Contract providers will notify NMRE within three business days when disclosures are made by subcontractors 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. NMRE will notify the Michigan Department of Health and Human Services (MDHHS) Behavioral Health and Developmental Disabilities Administration (BHDDA) Division of Program Development, Consultation and Contracts of any applicable disclosures within 3 business days.

- VI. **Failure to Comply** – Failure to fully complete the disclosure form as required within 35 days of request, or the submission of false or misleading information to NMRE, or a Network Provider, will be subject to contractual sanctions up to and including immediate suspension of funding and termination of the contractual agreement.

REFERENCE

42 CFR 455 Subpart B

42 CFR 455.104-106

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

State of Michigan Medicaid Provider Manual, Chapter 2

MDHHS/PIHP Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program Contract, Section 34.0 PIHP Ownership and Control Interests

ATTACHMENTS

Exhibit A - Disclosure Statements

REVISED:

REVIEWED:

APPROVED: April 19, 2016

Signed copy is on file with NMRE

Dave Schneider
Chief Executive Officer
Northern Michigan Regional Entity

Date