

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



AUG 17 2007

Paul Reinhart, Medicaid Director
Medical Services Administration
Michigan Department of Community Health
400 South Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

Dear Mr. Reinhart:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

Transmittal # 07-06 Employee Education – False Claims Act –
Effective 1/01/2007

If you have any questions, please contact Cynthia Garraway by telephone at (312) 353-8583 or
by e-mail at Cynthia.Garraway@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Verlon Johnson". The signature is fluid and cursive.

Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children's Health

cc: Nancy Bishop, Michigan Department of Community Health

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:
07 - 06

2. STATE:
Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2007

5. TYPE OF PLAN MATERIAL (Check One):
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 6032 of the DRA of 2005

7. FEDERAL BUDGET IMPACT:
a. FFY 07 _____ \$ -0-
b. FFY 08 _____ \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Pre-print page 79y and 79z; and Attachment 4.42-A

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
N/A new pages

10. SUBJECT OF AMENDMENT:
Employee Education - False Claims Act

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Paul Reinhart, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:


16. RETURN TO:
Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Nancy Bishop

13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
March 29, 2007

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: **AUG 17 2007**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:


21. TYPE NAME:
Verlon Johnson

22. TITLE:
Associate Regional Administrator

23. REMARKS:

RECEIVED
MAR 30 2007
DMCH - ARA

State of MICHIGAN

Citation 4.42 Employee Education About False Claims Recoveries

1902(a)(68)
of the Act
P.L. 109-
171(\$6032)

(a) The Medicaid agency meets the requirements regarding establishment of policies and procedures for the education of employees of entities covered by section 1902(a)(68) of the Social Security Act (the Act) regarding false claims recoveries and methodologies for oversight of entities' compliance with these requirements.

1) Definitions

A) An "entity" includes a governmental agency, organization, unit, corporation, partnership, or other business arrangement (including any Medicaid managed care organization, irrespective of the form of business structure or arrangement by which it exists), whether for-profit or not-for-profit, which receives or makes payments under a State Plan approved under title XIX or under any waiver of such plan, totaling at least \$5,000,000 annually.

If an entity furnishes items or services at more than a single location or under more than one contractual or other payment arrangement, the provisions of section 1902(a)(68) apply if the aggregate payments to that entity meet the \$5,000,000 annual threshold. This applies whether the entity submits claims for payments using one or more provider identification or tax identification numbers.

A governmental component providing Medicaid health care items or services for which Medicaid payments are made would qualify as an "entity" (e.g., a state mental health facility or school district providing school-based health services). A government agency which merely administers the Medicaid program, in whole or part (e.g., managing the claims processing system or determining beneficiary eligibility), is not, for these purposes, considered to be an entity.

An entity will have met the \$5,000,000 annual threshold as of January 1, 2007, if it received or made payments in that amount in Federal fiscal year 2006. Future determinations regarding an entity's responsibility stemming from the requirements of section 1902(a)(68) will be made by January 1 of each subsequent year, based upon the amount of payments an entity either received or made

TN NO.: 07-06

Approval Date: AUG 17 2007

Effective Date: 01/01/2007

Supersedes

TN No.: N/A new page

State of MICHIGAN

under the State Plan during the preceding Federal fiscal year.

- B) An "employee" includes any officer or employee of the entity
 - C) A "contractor" or "agent" includes any contractor, subcontractor, agent, or other person which or who, on behalf of the entity, furnishes, or otherwise authorizes the furnishing of , Medicaid health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by the entity.
- 2) The entity must establish and disseminate written policies which must also be adopted by its contractors or agents. Written policies may be on paper or in electronic form, but must be readily available to all employees, contractors, or agents. The entity need not create an employee handbook if none already exists.
 - 3) An entity shall establish written policies for all employees (including management), and of any contractor or agent of the entity, that include detailed information about the False Claims Act and the other provisions named in section 1902(a)(68)(A). The entity shall include in those written policies detailed information about the entity's policies and procedures for detecting and preventing waste, fraud and abuse. The entity shall also include in any employee handbook a specific discussion of the laws described in the written policies, the rights of employees to be protected as whistleblowers and a specific discussion of the entity's policies and procedures for detecting and preventing fraud, waste and abuse.
 - 4) The requirements of this law should be incorporated into each State's provider enrollment agreements.
 - 5) The State will implement this State Plan amendment on January 1, 2007.
- (b) Attachment 4.42-A describes, in accordance with section 1902(a)(68) of the Act, the methodology of compliance oversight and the frequency with which the State will re-assess compliance on an ongoing basis.

AUG 17 2007

TN NO.: 07-06

Approval Date: _____

Effective Date: 01/01/2007

Supersedes

TN No.: N/A new page

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Employee Education about False Claims Recoveries

The Michigan Department of Community Health (MDCH), Medical Services Administration (MSA) conducts an annual review of all enrolled Medicaid providers, Medical Care Organizations (MCOs), Pre-paid Inpatient Hospital Plans (PIHPs), Program of All-Inclusive Care for the Elderly (PACE) contractors and any other entity that provides Medicaid health care items or services under Michigan's State Plan and waivers to determine those entities meeting the criteria covered by section 1902(a)(68) of the Social Security Act (SSA). Each provider, MCOs, PIHPs, PACE contractors and any other entity that provides Medicaid health care items or services under Michigan's State Plan and waivers meeting the criteria is sent an informational packet outlining the requirements of Section 6032 of the Deficit Reduction Act (DRA) of 2005 and their obligations and responsibilities under that mandate. This is done each year for all identified providers, MCOs, PIHPs, PACE contractors and any other entity that provides Medicaid health care items or services under Michigan's State Plan and waivers whether or not they received instructions in previous years.

For calendar year 2007, initial letters outlining the entities' responsibilities and notices of the requirement to provide attestation and a 'Certification of Compliance' were sent to all identified entities during the second calendar year quarter. The initial letters were sent April 5, 2007, followed by the notice and 'Certification of Compliance' on June 27, 2007. Beginning with calendar year 08 and on an annual basis thereafter, each identified entity receives a letter outlining their obligations and a 'Certification of Compliance' to be signed by an individual within the entity with attestation authority. The certification stipulates that the entity is in full compliance with the requirements of section 6032 of the Deficit Reduction Act of 2005. The notices and 'Certification of Compliance' are sent prior to the end of the first calendar year quarter of each year. For calendar year 07 and 08 and beyond, the entities have 60 days to return their attestations. Follow up to the attestation is conducted as part of the routine, ongoing monitoring and oversight of any entity conducted by the MDCH.

TN NO.: 07-06Approval Date: **AUG 17 2007**Effective Date: 01/01/2007

Supersedes

TN No.: N/A new page