

March 30, 2015

«Billing\_Provider\_Name»  
DIRECTOR OF FINANCE  
«Address»  
«City», «State» «Zip»

**National Provider  
Identifier (NPI):**  
**«Billing\_Provider\_NPI»:**  
**Contractor ID:** «Contractor\_ID»

Dear Medicaid Provider:

This letter is to inform you that pursuant to Section 1902(a)(68) of the Social Security Act, your organization is required to comply with Section 6032 of the Deficit Reduction Act (DRA) of 2005 based on Medicaid claims paid to you for the calendar year of January 1, 2014 through December 31, 2014.

As part of the oversight mandated by the Centers for Medicare and Medicaid Services (CMS), the Michigan Department of Community Health (MDCH) is required to have each entity that has made or received at least \$5,000,000 in Medicaid payments for the time period stated above, submit a document to MDCH which certifies that they are in compliance with Section 6032 of the DRA of 2005.

Attached is the "Certification of Compliance with Section 6032 of the Deficit Reduction Act (DRA) of 2005 (Employee Education About False Claims Recovery)" document. The Certification of Compliance document should be completed, signed (by an individual in your organization who has the authority to sign such documentation), and returned to MDCH within 60 days of the date of this letter. The Certification of Compliance document will be valid for the calendar year 2014.

If you have any questions concerning this letter or the certification form, please contact the Office of Health Service Inspector General at DCH-OIG@michigan.gov or (855) 643-7283.

Sincerely,



Office of Health Services Inspector General  
Michigan Department of Community Health

Enclosures

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH  
CERTIFICATION OF COMPLIANCE WITH  
SECTION 6032 OF THE DEFICIT REDUCTION ACT (DRA) OF 2005  
(EMPLOYEE EDUCATION ABOUT FALSE CLAIMS RECOVERY)**

I hereby certify that «Billing\_Provider\_Name» and/or Contractor ID# «Billing\_Provider\_NPI», «Contractor\_ID» has complied with all requirements of Section 6032 of the DRA of 2005, as codified by section 1902(a)(68) of the Social Security Act, for the calendar year of January 1, 2014 through December 31, 2014.

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Printed Name

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Title

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Signature

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Date

Once signed, please return this certification within 60 days of the date of this letter to the following address:

[DCH-OIG@michigan.gov](mailto:DCH-OIG@michigan.gov)

OR

Michigan Department of Community Health  
Office of Inspector General  
P.O. Box 30062  
Lansing, MI 48909

If you have any questions concerning this letter or the certification form, please contact the Office of Health Services Inspector General at (855) 643-7283.

The Michigan Department of Community Health is an equal opportunity employer, services and programs provider.

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

SMDL #06-024

December 13, 2006

Dear State Medicaid Director:

We are writing to offer guidance to State Medicaid agencies on the implementation of section 6032 of the Deficit Reduction Act of 2005. This provision establishes section 1902(a)(68) of the Social Security Act (the Act), and relates to “Employee Education About False Claims Recovery.”

The following definitions are included in the accompanying State Plan Preprint, although additional guidance in this letter further clarifies the Preprint:

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 under the State Plan during the preceding Federal fiscal year.

An “employee” includes any officer or employee of the entity.

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 monitoring of health care provided by the entity.

It is the responsibility of each entity to 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. Although section 1902(a)(68)(C) refers to “any employee handbook,” there is no requirement that an entity create an employee handbook if none already exists.

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. The Centers for Medicare & Medicaid Services (CMS) is not providing model language, though States may elect to do so.

The provisions of section 1902(a)(68) of the Act must be implemented no later than January 1, 2007, except as provided in the section 6034(e) delayed effective date of the Deficit Reduction Act of 2005. To the extent a State determines that it requires legislation to implement this section and wishes to avail itself of the section 6034(e) delayed effective date, it must request through CMS that the Secretary concur with the determination that legislation is required.

The requirements of this law should be incorporated into each State’s provider enrollment agreements. Each State must also determine the manner by which it will ensure an entity’s compliance with section 1902(a)(68), which information each State must include in its State Plan along with a description of the methodology of compliance oversight and the frequency with which the State will re-assess compliance on an ongoing basis. Each State shall so amend its State Plan not later than March 31, 2007, or by the end of the quarter in which the effective date of delayed implementation occurs, as described in section 6034(e). CMS may, at its discretion, independently determine compliance through audits of entities or other means. CMS may also review a State’s procedures through its routine oversight of States.

If you have any questions on this guidance, please direct them in writing to: Mr. Robb Miller, Centers for Medicare & Medicaid Services, Center for Medicaid and State Operations, Medicaid Integrity Group, 7500 Security Boulevard, Mailstop B2-15-24, Baltimore, MD 21244 or Ms. Claudia Simonson, Centers for Medicare & Medicaid Services, Center for Medicaid and State Operations, Medicaid Integrity Group, Division of Field Operations, 233 North Michigan Avenue, Suite 600, Chicago, IL 60601 or [robb.miller@cms.hhs.gov](mailto:robb.miller@cms.hhs.gov) or [claudia.simonson@cms.hhs.gov](mailto:claudia.simonson@cms.hhs.gov).

Sincerely,

/s/

Dennis G. Smith  
Director

Enclosure

Page 3 – State Medicaid Director

cc:

CMS Regional Administrators

CMS Associate Regional Administrators  
for Medicaid and State Operations

Martha Roherty  
Director, Health Policy Unit  
American Public Human Services Association

Joy Wilson  
Director, Health Committee  
National Conference of State Legislatures

Matt Salo  
Director of Health Legislation  
National Governors Association

Jacalyn Bryan Carden  
Director of Policy and Programs  
Association of State and Territorial Health Officials

Christie Raniszewski Herrera  
Director, Health and Human Services Task Force  
American Legislative Exchange Council

Lynne Flynn  
Director for Health Policy  
Council of State Governments

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid and State Operations**

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March 22, 2007

**SMDL #07-003**

Dear State Medicaid Director:

We are writing to offer additional guidance to State Medicaid agencies on the implementation of section 6032 of the Deficit Reduction Act of 2005. This provision establishes section 1902(a)(68) of the Social Security Act (the Act), and relates to “Employee Education About False Claims Recovery.”

The enclosed Frequently Asked Questions will supplement the guidance the Centers for Medicare & Medicaid Services (CMS) provided in State Medicaid Director Letter #06-024, issued on December 13, 2006. States had also requested an official description of the Federal False Claims Act for purposes of uniformity. The Department of Justice has provided that description and it is also enclosed.

We hope this information is helpful to you. CMS considers this final guidance effective immediately. Please feel free to contact Robb Miller, Director, Medicaid Integrity Group, at 410-786-8705, if there are questions.

Sincerely,

/s/

Dennis G. Smith  
Director

Enclosures

Page 2 – State Medicaid Director

cc:

CMS Regional Administrators

CMS Associate Regional Administrators,  
Division of Medicaid and Children's Health

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