

Policy 9.1

POLICY TITLE:	CORPORATE COMPLIANCE	POLICY # 9.1		
Topic Area:	QUALITY IMPROVEMENT	ISSUED BY: Chief Executive Officer APPROVED BY: Board of Directors	REVIEW DATES	
Applies to:	LRE Staff and Operations, All CMHSP Programs		11/21/13	1/1/2015
Developed and Maintained by:	CEO and Designee		7/22/22	
			7/21/23	
Supersedes:	NA	Effective Date: January 1, 2014	Revised Date: 7/21/2023	

I. PURPOSE

- A. To ensure that the LRE conducts all aspects of service delivery and administration with honesty, integrity, in conformance with the highest standards of accountability and applicable laws, while utilizing sound business practices, through the development of and adherence to its Corporate Compliance Plan, guaranteeing the highest standards of excellence.
- B. The LRE will establish a Corporate Compliance program and related processes for the LRE and its provider network.
 1. All LRE staff will be trained in the Corporate Compliance Plan upon hire, annually thereafter, and any time changes occur to the plan. LRE staff will have an open line of communication to share any recommendations to improve the Corporate Compliance Plan and review recommended changes to the plan annually.
 2. The LRE Corporate Compliance Plan provides the framework for LRE to comply with applicable laws, regulations and program requirements, minimize organizational risk, maintain internal controls and encourage the highest level of ethical and legal behavior.
 3. The Community Mental Health Service Program (CMHSP) Members and their contracted providers shall have policies and procedures necessary to comply with the LRE Corporate Compliance Plan and shall ensure effective processes for identifying and reporting suspected fraud, abuse and waste, and timely response to detected offenses with appropriate corrective action.
 4. The CMHSP Participants shall each identify a Corporate Compliance Officer specific to their agencies.
 5. The CMHSP Participants and their contracted providers shall provide staff training in compliance with the Corporate Compliance Plan and will maintain records of staff attendance. Trainings shall include but are not limited to: Federal False Claims Act, Michigan False Claims Act and Whistleblowers Protection Act.
 6. The CMHSP Participants shall require all Board members, employees and contractors to comply with corporate compliance requirements including any necessary reporting to other agencies.

7. The CMHSP Participants shall review their own compliance activities at least annually and will participate in the annual review of the LRE Corporate Compliance Plan and provide recommendations for revisions as needed.
- C. Ethical Standards/Program Integrity:
1. All services within LRE shall be provided with commitment to appropriate business, professional and community standards for ethical behavior.
 2. LRE shall develop and maintain Standards of Conduct applicable to all LRE staff and LRE Board Members.
 3. LRE shall conduct business with integrity and not engage in inappropriate use of public resources.
 4. LRE shall ensure that services are provided in a manner that maximizes benefit to consumers while avoiding risk of physical, emotional, social, spiritual, psychological or financial harm.
 5. The interests of the persons served shall be the driving factor. Activities on behalf of persons served, whether primary or secondary, shall always be determined by their best interests and the need to acknowledge health and safety risks.
 6. All LRE staff and LRE Board Members shall conduct themselves in such a way as to avoid situations where prejudice, bias, or opportunity for personal or familial gain, could influence, or have the appearance of influencing, professional decisions.
 7. High professional standards will be maintained and promoted. The LRE staff, LRE Board members, and providers are required to conduct business based on acceptable principles and standards of practice.
 8. The CMHSP Participants and their contracted providers shall have standards of conduct that articulate organization's commitment to comply with all applicable requirements and standards under the contract, and all applicable Federal and State requirements.
 9. The LRE will require employees to report suspected compliance issues to their supervisor or Chief Compliance Officer.
 10. The LRE will require employees and network providers to report suspected compliance issues to their supervisor, local liaison, or regional Compliance Officer/QI Reporting Lead.
 11. Whistleblower Protection will be present within the LRE.
- D. **The LRE will adhere to the eight elements of an effective compliance plan ensuring that:**
1. Standards, policies, and procedures are in place;
 2. Compliance program administration is in place;
 3. Screening and evaluation of employees, physicians, vendors, and other agents occurs;
 4. Communication, education, and training on compliance issues is conducted;

5. Monitoring, auditing, and internal reporting systems are in place and utilized regularly;
6. Discipline for non-compliance standards are published and enforced;
7. Investigations and remedial measures are in place; and
8. Risk assessments are conducted.

II. POLICY

The Lakeshore Regional Entity (LRE) will deliver services in strict conformance to the highest standards of accountability for administration, programs, services, business, marketing, human services, and financial management as it pertains to compliance and regulatory management. The LRE is committed to the prevention and detection of fraud, waste, and abuse and to the adherence of all federal and state laws, rules, and regulations. The LRE shall develop and manage a Compliance Program that addresses all required elements of an effective compliance program as established by the Department of Health and Human Services/Office of Inspector General Office.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the LRE staff and its CMHSP members.

IV. MONITORING AND REVIEW

The LRE Chief Compliance Officer is responsible for the coordination of the Compliance Program. The Chief Compliance Officer works in conjunction with the Compliance Oversight Committee and the Regional Compliance Committee to maintain and improve the Corporate Compliance Plan and Compliance Program.

- A. The Regional Compliance Committee will assure that local monitoring and reviews occur and are reported to the LRE Chief Compliance Officer as required. Each member will have a Compliance Liaison who will be responsible for local monitoring and review efforts and will coordinate with the LRE Chief Compliance Officer as needed.

V. DEFINITIONS

Abuse: Means provider practices that are inconsistent with sound fiscal, business, or clinical practices, and result in unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards of care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program (42 CFR § 455.2).

Compliance Program: The compliance principles, components, and activities that guide the LRE and its provider network.

Corporate Compliance: The mechanisms that are intended to prevent and detect unethical and/or illegal business practices and violations of the law.

Code of Conduct: The descriptors that serve as the foundation of ethical practices.

Fraud: means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some

other person. It includes any act that constitutes fraud under applicable Federal or State law (42 CFR § 455.2).

Waste: means overutilization of services, or other practices that result in unnecessary costs. Generally, not considered caused by criminally negligent actions but rather the misuse of resources.

VI. RELATED POLICIES AND PROCEDURES

- A. Lakeshore Regional Entity Corporate Compliance Plan
- B. Compliance Policies and Procedures
- C. Quality Policies and Procedures
- D. Human Resource Policies and Procedures

VII. REFERENCES/LEGAL AUTHORITY:

- A. Department of Health and Human Services, Office of Inspector General, Publication of the OIG Compliance Program Guidance for Hospitals.
- B. Michigan False Claims Act (Act 72 of 1997)
- C. Michigan Whistleblowers Protection Act (Act 469 of 1980)
- D. Deficit Reduction Act of 2005
- E. MDHHS Medicaid Managed Special Supports and Service Contract
- F. Code of Federal Regulations, Section 42: 438.608 – Program Integrity Requirements

The basic legal standards directly affecting Lakeshore Regional Entity include, as applicable:

- a. Section 1909 of Title 19 of the Social Security Act (SSA), as amended;
- b. The Balanced Budget Act of 1997 (BBA), particularly as it pertains to the Medicaid program;
- c. 42 CFR Parts 400 et al. Final Rules implementing the SSA as amended by the BBA regarding Medicaid Managed Care;
- d. Patient Protection and Affordable Care Act;
- e. HITECH HIPAA Omnibus Rule;
- f. Health Care Fraud and Abuse legal prohibitions, as referenced in the above statutes, and including:
 - The Federal Anti-Kickback statute at 42 USC 1320a-7b(b), prohibiting knowing and willful solicitation, receipt, offer, or payment of remuneration in return for referring a customer or services under a federal health program;
 - The Stark Law at 42 USC Section 1395nn and as implemented by 42 CFR 411 and 424 relating to self-referrals by physicians;
 - The Federal False Claims Act;
 - The Deficit Reduction Act of 2005
 - Applicable Michigan statutes, in particular:
 - The Michigan Medicaid False Claim Act (MCL 400.601 et/ seq.), addressing such issues as:
 - Billing for Services Not Rendered;

- Billing Without Reporting Other Resources;
- Billing for a Brand Name Drug Not Dispensed;
- Billing for Unnecessary Services resulting in inappropriate or otherwise excessive payment;
- Billing a Date of Service Other Than the Actual Date the Service was Rendered;
- Receiving Kickbacks;
- Fraudulent Cost reports;
- The Michigan Social Welfare Act (MCLA 400.111d);
- The Michigan Public Health Code (MCLA 333.16226); and
- The Michigan Mental Health Code (MCLA 330.1400)

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
06/26/2014	New Policy	Chief Compliance Officer
7/22/2022	Annual Policy Update	Chief Compliance Officer
7/21/2023	Edited language of Section I. D.	Chief Compliance Officer