

Policy 9.1

POLICY TITLE: CORPORATE COMPLIANCE PLAN		POLICY #	REVIEW DATES	
Topic Area: COMPLIANCE Applies to: LRE Staff and Operations, Programs Developed and Maintained by: Compliance Officer Supersedes: N/A		ISSUED BY: Chief Executive Officer	11/21/13	1/1/2015
			7/22/22	7/21/23
			7/14/26	
		APPROVED BY: Chief Executive Officer		
		Effective Date: January 1, 2014	Revised Date: 5/1/2025	

I. PURPOSE

To ensure that Lakeshore Regional Entity (LRE) conducts and monitors all aspects of service delivery and administration with honesty, integrity, and in conformance with the highest standards of accountability to applicable laws and sound business practices, LRE shall develop and adhere to a Corporate Compliance Plan that guarantees the highest standards of excellence.

II. POLICY

Lakeshore Regional Entity (LRE) shall 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. 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. 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. PROCEDURE

- A. LRE's Corporate Compliance Plan shall establish the parameters of the LRE's Corporate Compliance program and related processes.
 1. All LRE staff shall receive training regarding the Corporate Compliance Plan upon hire, annually thereafter, and any time changes occur to the plan. Training shall minimally include discussion of the Federal False Claims Act, Michigan False Claims Act, and Whistleblowers Protection Act.
 2. LRE staff shall have an open line of communication to share any recommendations to improve the Corporate Compliance Plan and review recommended changes to the plan annually.
 3. The Corporate Compliance Plan shall provide the framework to ensure that LRE complies with applicable laws, regulations and program requirements, minimize

organizational risk, maintain internal controls and encourage the highest level of ethical and legal behavior.

4. LRE Executive staff shall demonstrate commitment to promoting compliance among employees and responding to reports of non-compliance through the following duties and responsibilities:
 - a. Creating an environment in which compliance and ethical business conduct is expected,
 - b. Exemplifying ethical business conduct,
 - c. Providing means for employees, persons receiving services, providers of services, and the community to gain unfettered access to the Compliance Officer to make a complaint or report suspected fraud, waste, or abuse,
 - d. Ensuring Whistleblower protections are upheld and enforced,
 - e. Refraining from impeding compliance inquiries on the part of LRE's Special Investigations Unit or the MDHHS-OIG,
 - f. Allowing the Compliance Officer unfettered access to the CEO and Board of Directors,
 - g. Providing ongoing training for staff,
 - h. Providing accountability to the Compliance Officer for the implementation of the Corporate Compliance Plan.
 5. LRE's contract with Community Mental Health Service Program (CMHSP) members shall require that the CMHSP have plans, policies, and procedures necessary to:
 - a. Identify a Corporate Compliance Officer,
 - b. Comply with requirements outlined in the contract with LRE,
 - c. Ensure effective processes for identifying and reporting suspected fraud, abuse and waste,
 - d. Respond timely to detected offenses with appropriate corrective action,
 - e. Ensure contracted providers implement effective corporate compliance plans, policies and procedures,
 - f. Ensure staff receive training regarding corporate compliance including, but not limited to: Federal False Claims Act, Michigan False Claims Act, and Whistleblowers Protection Act,
 - g. Ensure timely required reporting to other agencies, including LRE,
 - h. Complete a review of their compliance activities at least annually.
- B. Ethical Standards/Program Integrity:
1. All activities 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 persons served 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 shall be maintained and promoted. 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. LRE shall require employees to report suspected compliance issues to their supervisor or to the Compliance Officer.
 10. LRE shall require network providers to report suspected compliance issues to their supervisor, local liaison, or regional Compliance Officer/QI Reporting Lead.
 11. Whistleblower Protection shall be adhered to within LRE.
- C. LRE shall adhere to the seven elements of an effective compliance plan ensuring that:
1. Written policies, procedures, and codes of conduct are in place;
 2. Compliance program leadership is in place;
 3. Compliance training and education regularly occurs;
 4. Effective lines of communication with Compliance Officer;
 5. Enforcement of standards, consequences, and incentives;
 6. Risk Assessment, auditing and monitoring;
 7. Responding to detected offenses and developing corrective action initiatives.

IV. APPLICABILITY AND RESPONSIBILITY

This policy applies to the LRE staff.

V. MONITORING AND REVIEW

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

The Compliance Regional Operations Advisory Team (ROAT) shall assure that local monitoring and reviews occur and are reported to the LRE Compliance Officer as required. Each member shall have a Compliance Liaison who will be responsible for local monitoring and review efforts and will coordinate with the LRE Compliance Officer as needed.

VI. DEFINITIONS

Abuse: Means 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: the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment (or potential detriment) of the U.S. government. Waste also includes incurring unnecessary costs resulting from inefficient or ineffective practices, systems, or controls. (<https://oig.usaid.gov/node/221>).

VII. REFERENCES AND SUPPORTING DOCUMENTS

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

VIII. RELATED POLICIES AND PROCEDURES

- Lakeshore Regional Entity Corporate Compliance Plan
- Compliance Policies and Procedures
- Quality Policies and Procedures
- Human Resource Policies and Procedures

IX. 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
2/5/2025	Edited language; changed control of CMHSP compliance	Compliance Officer

	programs from LRE policy to LRE/CMHSP contract	
5/1/2025	Updated language; updated definitions	Compliance Officer
7/14/2026	Annual Review	Compliance Officer