POLICY TITLE:	DISCLOSURE OF OWNERSHIP, CONTROL, AND CRIMINAL CONVICTIONS	POLICY # 9.12	REVIEW DATES	
Topic Area:	CORPORATE COMPLIANCE	**ISSUED BY:** Compliance Officer	7/22/22	7/21/23
Applies to:	LRE Board Members, LRE Staff		5/1/25	7/20/26
Developed and Maintained by:	LRE Compliance Officer	**APPROVED BY:** Chief Executive Officer		
Supersedes:	N/A	**Effective Date:** October 20, 2016	**Revised Date:** 7/1/2025	

I. PURPOSE

To ensure compliance with federal regulations that require Managed Care Entities such as LRE, the LRE provider network and Fiscal Agents (if applicable) disclose information about individuals with ownership or control interests in those respective entities; to identify and report any additional ownership or control interest by those individuals in other entities, as defined in this Policy, including Family Members with ownership or control interests; to report criminal convictions as required under this Policy; and, to ensure LRE and Community Mental Health Service Provider (CMHSP) members and sub-contractors comply with these regulations and have policies and processes in place to also ensure compliance with these regulations.

II. POLICY

A. Lakeshore Regional Entity (LRE) complies with federal regulations to obtain, maintain, disclose, and furnish required information about ownership, control interests, business transactions, and criminal convictions as specified in 42 CFR §455.104-106. In addition, LRE ensures that any and all of its contracts and sub-contracts, agreements, purchase orders, or leases to obtain space, supplies, equipment or services provided with Medicare or Medicaid funds require compliance with 42 CFR §455.104-106. LRE will report known convictions of criminal offenses related to a person's involvement in programs under Medicare Title XVIII, Medicaid Title XIX and Title XX of the Social Security Act [42 CFR §455.106(a)(2)], including convictions of program-related crimes, patient abuse, healthcare fraud, and controlled substances (Criminal Offenses). The Michigan Department of Health and Human Services (MDHHS), Behavioral Health and Developmental Disabilities Administration (BHDDA) Division of Program Development, Consultation and Contracts will be notified of those Criminal Offenses and any civil monetary penalties or assessments imposed under section 1128A of the Act.

B. LRE may not knowingly have a relationship of the type described in paragraph (c) of 42 CFR 436.610 with the following:

1. An individual or entity that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549.
2. An individual or entity who is an affiliate, as defined in the Federal Acquisition Regulation at 48 CFR 2.101, of a person described in 42 CFR 436.610, paragraph (a)(i).
3. An individual or entity that is excluded from participation in any Federal health care program under Section 1128 or 1128A of the Act.

C. LRE must notify the MDHHS OIG immediately using the approved OIG reporting form and process if search results indicate that any of its Member CMHSPs, Network Providers, or individuals or entities with ownership or control interests in a provider entity are on the OIG exclusions database. LRE must also provide notification to MDHHS OIG if it has taken any administrative action that limits a provider's (organizational or individual) participation in the Medicaid program.

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to LRE.

IV. MONITORING AND REVIEW

This policy by the CEO or designee annually.

V. DEFINITIONS

Act means the Social Security Act of 1935, as amended.

Disclosing Entity means a Medicaid Provider (other than an individual practitioner or group of practitioners), or a Fiscal Agent and, for purposes of this Policy, a Managed Care Entity

Family Members for the purpose of this policy include spouse, parent, child, or sibling.

Fiscal Agent means a contractor that processes or pays vendor claims on behalf of the Medicaid Agency (MDHHS).

Managing Employee means an individual, including a general manager, business manager, administrator, director, or other individual, who exercises operational or managerial control over the entity, or who directly or indirectly conducts the day-to-day operations of the entity.

Managed Care Entity means a prepaid inpatient health plan (PIHP) as well as other entities listed in 42 CFR §455.101.

Medicaid Agency means the single State agency administering or supervising the administration of a State Medicaid Plan, which in Michigan is MDHHS**.** [42 CFR §400.203]

Other Disclosing Entity means any other Medicaid disclosing entity and any entity that does not participate in Medicaid but is required to disclose certain ownership and control information because of participation in any of the programs established under title V, XVIII, or XX of the Act. This includes:

a. Any hospital, skilled nursing facility, home health agency, independent clinical laboratory, renal disease facility rural health clinic, or health maintenance organization that participates in Medicare (title XVIII);
b. Any Medicare intermediary or carrier; and
c. Any entity (other than an individual practitioner or group of practitioners) that furnishes or arranges for the furnishing of health-related services for which it claims payment under any plan or program established under title V or title XX of the Act.

Person with an ownership or control interest means with respect to the Disclosing Entity, a person who: (a) has directly or indirectly (as determined by the Secretary in regulations) an ownership interest of 5 per centum or more in the Disclosing Entity; owns an interest of 5% or more of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by the Disclosing Entity if that interest is equal to or exceeds five percent of the value of total property or assets of the Disclosing Entity; or (b) is an officer or director of the Disclosing Entity, if the Disclosing Entity is organized as a corporation, or a partner of a Disclosing Entity that is organized as a Partnership.

Relationship means

i. A director, officer, or partner of Contractor.
ii. A subcontractor of Contractor, as governed by 42 CFR 438.230.
iii. A person with beneficial ownership of five percent (5%) or more of Contractor's equity.
iv. A network provider or person with an employment, consulting, or other arrangement with Contractor for the provision of items and/or services that are significant and material to Contractor's obligations under its Contract with the State.

VI. RELATED POLICIES AND PROCEDURES

A. LRE Corporate Compliance Plan
B. Corporate Compliance Policy and Procedures
C. Quality Policies and Procedures
D. Ownership Interest Procedure
E. Human Resource Policy and Procedures

VII. REFERENCES/LEGAL AUTHORITY

A. 42 CFR§§455.104-106
B. Social Security Act
C. MDHHS Medicaid Managed Specialty Supports and Services Contract
D. LRE Ownership, Control and Criminal Conviction Disclosure Form

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
06/26/2014	New Policy	Chief Compliance Officer