

PROCEDURE # 9.9A		EFFECTIVE DATE	REVISED DATE
TITLE:	EXCLUSION SCREENING	7/14/2014	7/22/2023
<u>ATTACHMENT TO</u>		REVIEW DATES	
POLICY #:	9.9	7/22/23	
POLICY TITLE:	EXCLUSION SCREENING		
CHAPTER:	COMPLIANCE		

I. PURPOSE

To establish a process and guidelines for performing sanction screening checks as required by federal and state agencies on Lakeshore Regional Entity (LRE) employees, temporary employees, volunteers, consultants, governing body members and vendors to ensure that the LRE does not employ, contract or partner with any individual who is designated as ineligible by a federal or state law enforcement, regulatory or licensing agency. Federal regulations prohibit health care programs from employing, or contracting with, individuals or entities that have been excluded from participation in federally funded programs. The United States Department of Health and Human Services, Office of Inspector General (OIG) has the authority to impose civil monetary penalties against excluded individuals and entities that seek reimbursement from federal health care programs and health care providers that employ or enter into contracts with excluded individuals that provide items or services to federal program beneficiaries.

II. PROCEDURES

- A. Screenings are to include but may not be limited to searches against the following lists/databases:
1. The General Services Administration (GSA) System for Award Management (SAM) list (formerly Excluded Parties List System (EPLS)) for federal sanctions <https://www.sam.gov>
 2. The Health and Human Services (HHS) Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE) for Medicare/Medicaid sanctions. <http://exclusions.oig.hhs.gov>
 3. The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons List (SDN) for individuals and/or entities involved with terrorists and/or terrorist activities. OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign states, organizations, and individuals. <https://sanctionssearch.ofac.treas.gov/>

4. Employees and vendors may also be screened against Michigan specific databases that identify individuals who have been excluded or barred by the State from participation in the State's Medicaid Program.

- a. State database screening is performed when required by state law or pursuant to a contract obligation.

https://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_42542_42543_42546_42551-16459--,00.html

- b. State licensure and/or certification boards.

<http://michigan.gov/healthlicense>

B. Responsibilities

1. The LRE employee candidates are screened prior to hire and monthly thereafter. Board members are also screened prior to appointment and on a monthly basis thereafter. All individuals with an ownership or controlling interest of five (5) percent or more in the LRE receive screening on a monthly basis.
2. Disciplinary action/sanction reports are reviewed prior to hire/contract signing and on a monthly basis to identify any employees, vendors and individuals meeting the ownership requirements as determined by the Centers for Medicare & Medicaid Services who have been excluded, as defined above. Each department is responsible for maintaining its own "Search Terms" file documenting the names and terms included in the monthly search and the results of each screening. Copies of the results of each screening must be sent to the LRE Compliance Officer (CO) or designee each month.

C. Screening

1. Staff assigned to perform screenings will:
 - a. Run the list of individuals/entities through the screening process according to the department's processes.
 - b. Conduct initial review of issues/concerns identified.
 - c. Consult with appropriate internal resources.
 - d. Check for history of similar issues/concerns and/or patterns.
 - e. If an exclusion/sanction is detected or suspected, report to LRE Compliance Officer within one (1) business day. The LRE CO is responsible for reporting to the state within twenty-five (25) business days of the discovery. Suspected fraud must be reported within five (5) business days.
2. Upon learning of a suspected "Hit", the staff conducting the screening does the following:
 - a. Confirms whether there is an exact match.
 - b. Verify any additional information in common between the LRE record and the government agency database, including name, social security number (SSN) or employer identification number/tax identification number (EIN/TIN), date of birth (DOB), driver license or state ID card, passport numbers or address information such as the country of residence or city and state of the entity.

- c. If the SSN, EIN/TIN or DOB is not available and there is no match on any other demographic information, there is no confirmation. However, when the SSN or EIN/TIN or DOB is not available but other demographics match the LRE record, the designated staff member in the department conducting the screening notes the nature of the match on the "Search Matched" report.
- d. If staff are unable to confirm whether there is a match, the staff notifies the LRE Compliance Officer or designee who may request that the individual or entity under review submit additional information/evidence that the individual or entity has not been excluded. Staff should contact the Compliance Officer with any questions or for additional guidance necessary about how to obtain the confirmation.
- e. If staff are able to confirm that there is no exact match, the transaction (contractual agreement/relationship) may proceed normally. The staff will log the transaction information, as well as the search results and the reason for processing the transaction on the "Search Matched" report.
- f. If staff confirms there is a match, see "D. Reporting."
- 3. Refusal to participate:
 - a. Any candidates for employment that refuse to participate will not be considered for employment.
 - b. Any vendor that refuses to participate will not be offered a contract.
- 4. Copies of the results of each screening must be sent to the CO or designee each month.

D. Reporting

- 1. LRE employees designated to perform the identified sanction screenings are required to report to the CO or designee in writing within one (1) business day of confirming an individual or entity is excluded and take further action as instructed by the CO and as outlined in department specific procedures. There may be obligations to report identified excluded parties to clients and oversight agencies within certain timeframes.
- 2. Those who identify a potential issue SHOULD NOT speak with the individual or entity under review unless specifically requested to do so by the CO or designee. If necessary, tell the individual or entity that there will be a short delay in processing their transaction.
- 3. The CO or his/her designee will:
 - a. Notify the party who has been identified on the Exclusion List that there is a problem with their transaction. Human Resources will be notified prior to speaking with employees or potential applicants.
 - b. Notify the relevant oversight agencies within the required timeframes. In the event that a report of any kind is required to be filed with a governmental agency related to an exclusion or fraud event, action or identification, the CO or designee shall take the lead in developing and filing such a report, with assistance from relevant business areas as requested by the CO or designee. If the match is for the OFAC SDN list, see E. OFAC Reporting Requirements.

- c. Notify the relevant agencies as required by contract or business associate agreement.
 - d. The CO or designee may also choose to contact legal counsel.
- E. When an exact match is found to the OFAC SDN list, the CO or designee will call the OFAC Compliance Hotline at the number below. The LRE Compliance Officer or designee will be prepared to give very specific information about the transaction and will follow all instructions given by the oversight agency, which may include blocking, freezing, rejecting or allowing the transaction.

Within ten (10) days of blocking or rejecting funds, a report must be filed with the Treasury Department. This type of reporting is discussed in part 501.603 & 501.604 of the regulation. there is no standard reporting form provided by the treasury department, but a standard internal document ("United States Department of the Treasury Office of Foreign Assets Control") was created for this purpose. The form will be completed "on-line" and will be printed on LRE Letterhead.

1. Make a photocopy of any relevant documents (Signature card, check presented, photocopy of ID if available, etc.)
2. Complete the Report, which will include the following information:
 - a. Customer Name
 - b. Address of customer, if available
 - c. Any Financial Institution data, including a compliance contact nam
 - d. The account number that was established to retain the funds (if applicable)
3. Complete a section on the report to indicate the name of the Compliance Officer or designee and telephone number.
4. Photocopy all documents, and file in the appropriate location.
5. Fax the report and supporting documents if directed to do so by the OFAC Compliance contact (when the violation was originally identified). If faxed, get a confirmation of fax delivery to keep with the file. Otherwise, send the report via certified mail (with return receipt) to:

**Office of Foreign Assets Control
Compliance Programs Division
US Treasury Department
1500 Pennsylvania Avenue NW – Annex
Washington, DC 20220
Toll Free Hotline 1-800-540-6322 (OFAC)**

III. CHANGE LOG

Date of Change	Description of Change	Responsible Party
7/22/22	New procedure – removed from policy	Corporate Compliance Officer