

ORGANIZATIONAL PROCEDURE

PROCEDURE TITLE: Exclusion Screening			
Topic Area: CORPORATE COMPLIANCE		REVIEW DATES	
Related Policies: Compliance, Human Resources		7/21/23	
Applies to: Lakeshore Regional Entity Staff and Operations	ISSUED BY: Chief Executive Officer APPROVED BY:		
Review Cycle: Annually			
Developed and Maintained by: LRE Chief Executive Officer & LRE Corporate Compliance Officer			
Supersedes: N/A			
	Effective Date: 7/22/22	Revised Date: July 22, 2023	

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.
 - i. 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.

- ii. If the SSN, EIN/TIN or DOB is not available and there is no match on any other demographic information, there is no confirmation. If 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.
 - b. If staff is 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.
 - c. If staff is 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.
 - d. 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.

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.

2. 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. OFAC Reporting Requirements

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 name
 - 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. APPLICABILITY AND RESPONSIBILITY

This policy applies to all LRE staff and Provider Network regardless of the role they play or responsibility they hold within the organization including:

- A. All Full, Part-time and temporary employees, and volunteers;
- B. Vendors, Contractors, Consultants;
- C. Corporate directors and officers (as applicable), and governing body members;
- D. Partners (as applicable);
- E. Any Health Professional participating in one of LRE's Provider Networks; and
- F. Any individual with an ownership or controlling interest of five (5) percent or more in LRE or one of its providers

IV. MONITORING AND REVIEW

The Compliance Officer in conjunction with the Chief Executive Officer will review this procedure on an annual basis.

V. DEFINITIONS

Employee: Any LRE per diem, temporary, part-time, or full-time Employee, corporate director, officer (as applicable) and Board of Managers for LRE.

Excluded Parties List System (EPLS): General Service Administration's (GSA) database that was replaced by System for Awards Management (SAM).

Federal Health Care Program: Any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or part, by the United States government or a State health care program.

Health and Human Services (HHS) Office of Inspector General (OIG): The Office of Inspector General was established by law as an independent and objective oversight unit of the HHS Department to carry out the mission of promoting economy, efficacy and effectiveness through the elimination of waste, abuse and fraud.

List of Excluded Individuals/Entities (LEIE): Office of Inspector General's (OIG) database that provides information to the health care industry, patients and the public, regarding individuals and entities currently excluded from participation in Medicaid and all Federal health care programs.

Office of Foreign Assets Control (OFAC): US Department of Treasury's agency that enforces the mandatory screening of all employees, vendors and providers against the database that provides information to the public regarding individuals and entities involved with terrorist and terrorist activities.

Sanction: Action taken by a federal or state government to debar or exclude an entity or individual from receiving government funding, either directly or indirectly, as a result of a government determination that the entity or individual has engaged in wrongdoing.

Specially Designated Nationals (SDN): Individuals and companies which OFAC has designated as being owned by or acting on behalf of terrorist organizations, targeted countries or narcotics traffickers. SDN assets are blocked and U.S. persons are generally prohibited from dealing with them.

System for Awards Management (SAM): database that provides information to the health care industry, patients and the public, regarding individuals and entities currently excluded from participation Medicaid and all Federal health care programs due to non-healthcare related issues.

Vendor: Any entity or individual receiving a payment from LRE for services that receives a 1099 (vs. a W-2) from LRE. This includes consultants, contractors and subcontractors (as applicable).

VII. RELATED POLICIES AND PROCEDURES

- A. 9.9 Exclusions Procedure
- B. Disclosure of Ownership, Control, and Criminal Convictions
- C. 8.5 Hiring/Background Checks
- D. LRE Corporate Compliance Plan

VI. REFERENCES/LEGAL AUTHORITY

- A. MDHHS Medicaid Provider Manual
- B. MDHHS Contract
- C. MCL 333.20173a, MCL 330.1134a, MCL 400.734b,
- D. 42 USC 1320a-7: Exclusion of certain individuals and entities from participation in Medicare and State health care programs
- E. 42 CFR 441.570

VII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
7/22/22	New procedure	Corporate Compliance Officer
7/22/23	Annual Review	CEO/Designee