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ADMINISTRATIVE OPERATIONS
(Manual Section)

DISCLOSURE OF OWNERSHIP – POLICY 2900

Approval of Policy:	Dated
Original Policy Inception:	October 10, 2016
Policy Last Reviewed:	June 18, 2025
Last Revision of Policy Approved:	October 10, 2016

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•1 POLICY

The Agency shall comply with all requirements to obtain, maintain, disclose and furnish required information about ownership and control interests, business transactions and criminal convictions. The Agency shall ensure all contracts, agreements, purchase orders or leases to obtain space, supplies, equipment or services provided with federal and State healthcare funds are compliant with applicable federal and State regulations.

The Agency shall comply with all requirements to:

- Collect, maintain and disclose information about individuals with ownership or control interests in a disclosing entity;
- Identify and report any additional ownership or control interests by those individuals in other entities, including family members with ownership or control interests;
- Report disclosures of all applicable criminal offenses and convictions of federal health care program-related crimes; and
- Ensure contractors have policies and processes in place to be in compliance with these regulations.

•2 APPLICATION

Managing employees and all contractors

•3 DEFINITIONS:

Disclosing Entity means a Medicaid provider (other than an individual practitioner or group of practitioners) or a fiscal agent.

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

Fiscal Agent means a contractor processing or paying vendor claims on behalf of the Disclosing Entity.

Managing Employee means a general manager, business manager, administrator, director or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operations of an institution, organization or agency. Designated individuals are defined in Agency procedures.

•4 CROSS-/REFERENCES:

42 CFR 455 Subpart B
42 CFR 455.104-106
Social Security Act, Sections 1128(a) and 1128 (b) (1), (2) or (3)
State of Michigan Medicaid Provider Manual, Chapter 2
MDHHS/CMHSP Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver
Program Contract, Section 34.0 CMHSP Ownership and Control Interests

•5 FORMS AND EXHIBITS:

Administrative Approval of Procedure:	Dated:
_____	October 10, 2016

• 6 PROCEDURE:

Disclosure of Ownership

• 6.1 APPLICATION:

Managing employees and all contractors

• 6.2 OUTLINE / NARRATIVE:

The PIHP requires each applicable contractor to identify their "managing employees" in policy or procedure. Northeast Michigan Community Mental Health Authority defines its managing employee(s) at the Executive Director, the Chief Operations Officer and the Finance Director. Board members of the Agency will follow their respective policy and requirements for submission of disclosure statements.

Disclosure statements will be required for all applicable disclosing entities. The forms associated with each individual or entity are exhibits to this procedure. The completed forms will be kept in confidential files with limited access by designated Agency staff. The disclosure statements will only be viewed or shared to meet State or federal regulations; i.e, representative(s) of the PIHP, MDHHS or other state/federal agencies.

Time of Disclosure
Disclosure statements must be furnished at any of the following times:

- When the provider submits a provider application;
- Upon execution of the provider agreement or contract;
- During re-credentialing or re-contracting; or
- Within 35 days of any change in the ownership of a disclosing entity.

Contract Language
Through written agreements and contracts, the Agency will obtain attestation of criminal convictions and full disclosure of ownership statements identified in 42 CFR part 455 Subpart B from its contractors who meet the threshold of significant business transaction(s) within the designated time period. Contractor's disclosure statements will be reviewed at least annually by designated Agency staff.

Monitoring
The Agency, or its designee, will conduct searches of all required databases at time of hire or contract and monthly thereafter for as long as the individual or entity is employed or under contract. The database searches will also be performed monthly on all disclosing entities and on any individuals with ownership or control interest identified on the disclosure form. The Agency will communicate all database search matches to the PIHP within three (3) business days of discovery.

Reporting Criminal Convictions

The Agency will notify the PIHP within three (3) business days when disclosures are made by subcontractors with regard to those offenses as detailed in sections 1128(a) and 1128(b)(1), (2) or (3) of the Social Security Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act. The PIHP will then notify the Michigan Department of Health and Human Services (MDHHS) Behavioral Health and Developmental Disabilities Administration (BHDDA) Division of Program Development, Consultation and Contracts of any applicable disclosures within three (3) business days.

Failure to Comply

Failure to fully complete the disclosure form as required within 35 days of request or the submission of false or misleading information to the Agency will be subject to contractual sanctions up to and including immediate suspension of funding and termination of the contractual agreement.

• 6.3 CLARIFICATIONS:

• 6.4 CROSS-/REFERENCES:

• 6.5 FORMS AND EXHIBITS:

Exhibit A – Managing Employee Disclosure of Ownership
Exhibit B – Contractors [non-client services] Disclosure of Ownership
Exhibit C – Entity Provider Disclosure of Ownership