

LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH



**Policy Title: Contractor's Eligibility to Participate in and Secure
Federally Funded Health Care Program Contracts**

Policy Number: 106.04

PROCEDURES

A. DMH Contract Management

1. Contract Management shall ensure that all contracts contain provisions clearly stating that all contractors; contractor owners, officers, directors, agents, or managing employees; contractor staff; and subcontractors shall remain eligible to provide goods and services under federally funded health care programs during the term of the contract.
2. Contract Management shall ensure that all federally funded contracts contain provisions requiring each contractor to certify that no contractors; contractor owners, officers, directors, agents, or managing employees; contractor staff; and subcontractors are excluded or suspended from providing goods and services under any federal health care programs. This certification shall be documented by completing the [Attestation Regarding Federally Funded Programs](#) form and [Contractor's Attestation that It nor any of Its Staff Members Is Restricted, Excluded, or Suspended from Providing Goods or Services under any federal or State Health Care Program](#) upon contract execution, renewal, or annual amendment, if applicable.
3. Contract Management shall complete a query of [Federal, State, and County Sanction Lists](#) prior to contract execution or annual amendments, if applicable, and yearly for contracts that are within their contract terms at the beginning of the fiscal year.
4. The queries shall be conducted as follows:
 - a. Sole Proprietorships: Name of the principal, owner, and/or entity and any known "doing business as" (DBAs), shall be reviewed against the Federal, State and County Sanction Lists.
 - b. Legal Entity, Corporation, Partnership, or Limited Liability Corporation (LLC): Name of owners, officers, partners, directors, board members, principals, and any known DBAs, shall be reviewed against the sanction lists.
5. Query results shall be entered into Contract Management documentation checklist; initialed and dated by the Contract Administrator completing the query; and filed in the contractor's contract management record.
6. Contract Management shall retain all query results in accordance with document retention procedures in [Policy 401.02 Clinical Records Maintenance, Organization, and Contents](#).

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B. DMH Administrative Services Bureau

1. Consistent with County procurement requirements, Administrative Services Bureau (ASB) shall use service agreement contractors as the primary sources for services and supplies. Those agreements are managed by Los Angeles County - Internal Service Department (LAC-ISD), and each one includes an attestation entitled [Contractor's Attestation that It nor any of Its Staff Members Is Restricted, Excluded, or Suspended from Providing Goods or Services under any federal or State Health Care Program.](#)
 - a. Contractor must notify LAC-ISD (the Buyer) within 30 calendar days in writing of 1) any mandatory exclusion from participation in a federally funded health care program; and 2) any federal or State government exclusion and/or suspension against the contractor or one or more contractor staff barring it or the contractor staff from participation in a federally funded health care program.
 - i. ASB shall notify Compliance, Privacy, and Audit Services (CPAS) in the event that LAC-ISD notifies them of a change in status for any contractor that requires a stop notice to any supply or service order due to a sanction related action. CPAS shall notify involved DMH units as needed to complete a corrective action
 - b. Contractor shall indemnify and hold County harmless against any and all loss or damage it may suffer as a result of any federal, State, or County exclusion, suspension or restriction from participation in a federally funded health care program placed on the entity itself or any contractor staff.
2. ASB shall ensure that all procurements contain provisions requiring each contractor to sign a copy of Contractor's Attestation that It nor any of Its Staff Members Is Restricted, Excluded, or Suspended from Providing Goods or Services under any federal or State Health Care Program. This certification shall be documented by requiring all non-master agreement vendors to sign a copy of the attestation and submitting it to the ASB procurement office within 30 calendar days.
 - a. ASB shall notify CPAS in the event that a contractor notifies them of a change in status that requires a stop to any supply or service order due to a sanction related action. CPAS will notify involved DMH units as needed to complete a corrective action.
 - b. ASB shall coordinate with CPAS and other units to ensure that special procurement projects are subject to sanction screening prior to implementation including, but not

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limited to: training services provided by professionally licensed clinical staff, locum tenen agreements, and specialized client assessments.

C. Mental Health Services Contractors

1. At the time of contract execution, each contractor must certify that neither it nor any of its staff members, officers, directors, partners, or principals are excluded and/or suspended from 1) providing services under any health care program funded by the federal government or 2) participation in federally funded contracts.
2. It is the responsibility of all contractors to ensure eligibility of all contractor staff to provide goods or services under federal health care programs. This eligibility shall be reported on the [Attestation Regarding Federally Funded Programs \(for Mental Health Contractors\)](#) forms at the time of initial contract execution and each annual contract amendment, if applicable.
 - a. Each contractor shall verify that contractor staff licenses are current and have no exclusion/restrictions prior to hiring.
 - b. Each contractor shall review all contractor staff eligibility, including administrative and rendering providers, against [Federal, State and County Sanction Lists](#) as required and shall maintain records of such activity.
 - i. Monthly Screenings:
 - Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE)
 - Medi-Cal Suspended and Ineligible (S&I) List
 - System for Award Management (SAM)
 - ii. Annual Screenings:
 - California Secretary of State (SOS)
 - Los Angeles County Contractors Debarment List
 - Listing of Contractors Debarred in Los Angeles County
 - c. Sanction list review records shall be made available upon request by DMH or its authorized auditors and/or reviewers. Such records may include the following:
 - i. List of all staff
 - ii. Sanction list (federal and State)

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- iii. List of researched information to eliminate closely matching names.
- d. Failure to immediately (within three [3] business days) provide sanction list review records upon request shall be cause for contract termination.
3. It is the responsibility of the contractor to notify DMH within 30 calendar days in writing of:
 - a. Any event that would require the contractor or its staff member's mandatory exclusion or suspension under a federally funded health care program, or federally funded contract, (examples may include a loss or revocation of professional license(s), revoked facility license, conviction of a health care related crime, etc.), or
 - b. Any federal or State exclusion or suspension barring the contractor or one or more contractor staff from providing goods or services under federally funded health care programs or contracts, regardless of whether such restriction is direct or indirect, in whole or in part.
4. It is the responsibility of the contractor to notify DMH immediately if at any time the contractor learns that its Medi-Cal certification is not valid or has become invalid because of changed circumstances.
5. Should a contractor notify Contract Management of the events discussed in Section 3, Contract Management shall review the circumstances and notify the responsible Deputy, Mental Health Clinical Program Manager, and Compliance Officer.
6. In the event that direct or indirect services are discovered to have been claimed for reimbursement for an excluded or ineligible individual, all associated costs are subject to repayment to DMH. All such direct services must be removed or voided from DMH data system in accordance with the applicable system requirements and procedure. Consistent with such reimbursement for repayment includes the original amount paid to a contractor plus any associated civil monetary penalties specified by federal or State agencies.

D. DMH Compliance, Privacy, and Audit Services

7. CPAS, with assistance from the Chief Information Office Bureau, shall coordinate with an authorized vendor to conduct a monthly sanction screening of all contractors' rendering providers listed in the Department's Integrated Behavioral Health Information System

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(IBHIS) against all Federal, State and County Sanction Lists as a secondary measure to verify that none are excluded, suspended, debarred, or otherwise ineligible to provide services or receive payments under federally funded health care programs.

- a. Each contractor shall verify that contractor staff licenses are current and have no exclusion/restrictions prior to hiring. Contractors have **primary** responsibility to sanction screen their entire staff each month and must not rely on the outcomes of the CPAS sanction screening project.
8. If a search of sanction screening lists results in a closely matching name with an excluded and/or suspended individual, authorized vendor shall notify CPAS about potential matches. CPAS shall send an email requesting essential personnel data to the chief executive of the impacted entity. Designated CPAS staff shall obtain and provide vendor with additional information to resolve false matches and ensure closely matching names found on the sanction lists are not contractors.
 - a. In such a case, CPAS will request identification data to be provided by the entity that may include the full legal name (first, middle, and last), clinical license number, California Driver License number, social security number (all nine (9) digits), date of birth, or other data as needed to 1) identify a distinguishing element that will result in clearing the closely matching name or 2) confirm the identity is the same as the sanctioned individual. The information will be provided to the authorized vendor to complete the sanction screening process.
 - i. Authorized vendor shall provide CPAS with monthly detailed and summary reports documenting the screening and resolution process. CPAS shall retain reports for 10 years.
 - b. The contractor is required to provide requested identification detail to CPAS within three (3) business days with the full assurance that the data will be treated as confidential and will be secured. Moreover, this data will be used exclusively for the clearance or verification process noted herein.
 - c. Entities that refuse to provide specified identification detail in a timely manner will be subject to disciplinary action up to, and including, termination of the contract.
9. All confirmed sanctioned individuals shall be subject to immediate follow-up actions to ensure that all billing activities are stopped immediately.

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10. CPAS will coordinate collection processes with the Finance in the event any reimbursements are discovered to have been made for an excluded or suspended individual. Such collection process will be for the entire amount paid plus any associated civil monetary penalties specified by federal or State agencies.