

LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH



Policy Title: Employee's Ability to Participate in Federally Funded Health Care Programs

Policy Number: 106.03

Policy Category: Administrative

Distribution Level: Directly-Operated Programs

Office Responsible for Review of this Policy: Compliance, Privacy, and Audit

I. POLICY STATEMENT

This policy prohibits employment of any individual, in any capacity, whether clinical or non-clinical, who is excluded, suspended, debarred, or otherwise made ineligible to provide services under federally funded health care programs.

This policy avoids imposition of Civil Monetary Penalty (CMP) on the County and ensures compliance with federal and State regulations regarding employment of excluded and/or suspended individuals.

This policy ensures that sanction screening is performed during the credentialing process for new hires and monthly for the Department's current employees.

II. DEFINITIONS

Civil Monetary Penalty (CMP): Any penalty, fine, or other sanction that is for a specific monetary amount or has a maximum amount provided by federal law; is assessed or enforced by an agency pursuant to federal law; and is assessed or enforced pursuant to an administrative proceeding or a civil action in the federal courts. (Public Law 101-410 Section 3(2))

Direct Service: Health and mental health care service provided for or to a client.

Employees: Any individual, paid or non-paid, whose work is under direct control of DMH, including but not limited to, full-time, part-time, temporary, and permanent staff, interns, and volunteers.

Exclusion: A determination made by a federal governing body (e.g., HHS-OIG) that an individual or entity is ineligible to render services or receive payment under any federally funded health care programs for goods and services furnished, ordered, or prescribed. This includes overhead functions (administrative and management) not directly related to client care that are a necessary component of providing services to federal program beneficiaries. This determination continues to apply if there is change from one health care profession to another while excluded.

- There is no automatic reinstatement for exclusion. The excluded individual or entity shall remain ineligible until such time as all specified reinstatement procedures are completed, regardless of whether or not the period of exclusion has ended.

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Completion of the reinstatement process is subject to the sanctioning agency's approval.

Indirect Service: Administrative or management service not directly related to client care but is a necessary component of providing services to clients, including but not limited to, management, finance, human resources, information technology, legal, general administration, and facilities support.

Sanction List: Federal, State, and County Sanction Lists used to screen all individuals and entities to ensure they are not currently excluded, suspended, debarred, or otherwise made ineligible from participation in federally funded health care programs including, but not limited to, Medicare and Medi-Cal.

Suspension: A determination made by a State governing body (e.g., DHCS) that an individual or entity is ineligible to render services or receive payment under any federally funded health care programs for goods and services furnished, ordered, or prescribed. This includes overhead functions (administrative and management) not directly related to client care that are a necessary component of providing services to federal program beneficiaries. This determination continues to apply to an individual or entity if there is change from one health care profession to another while suspended

- There is no automatic reinstatement for suspension. The suspended individual or entity shall remain ineligible until such time as all specified reinstatement procedures are completed, regardless of whether or not the period of suspension has ended. Completion of the reinstatement process is subject to the sanctioning agency's approval.

Withhold Claims: A hold placed on claims submitted by potentially excluded or suspended individuals and entities. This action allows the claims to be submitted to DMH claiming system but requires that claims be held back from being forwarded to the State for approval and payment.

III. POLICY

DMH shall not knowingly hire or continue to employ individuals who have been recently convicted of a criminal offense related to health care or are excluded, suspended, debarred, or otherwise ineligible to provide services under any federally funded health care programs.

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DMH shall review federal, State and County Sanction Lists monthly to validate that employees have not been excluded, suspended, debarred, or otherwise made ineligible to provide services under federally funded health care programs (See Authorities Section).

All employees shall attest that they are eligible to provide direct and indirect services under federally funded health care programs by signing the Statement of Ability to Provide Services under Federally Funded Health Care Programs form upon new hire or interdepartmental transfer, and on a yearly basis thereafter.

- Refusal to sign the Statement of Ability to Provide Services under Federally Funded Health Care Programs form is cause for denial of a request for new employment, interdepartmental transfer, and/or for termination of employment with DMH.

It is the responsibility of the employee to immediately disclose to their Program Manager or supervisor in writing should the employee become excluded, suspended, or debarred from providing direct or indirect services under any federally funded health care program during the course of their employment.

It is the responsibility of the employee to notify their Program Manager or supervisor should the employee become aware that another employee has become excluded, suspended, or debarred, or has been charged with a criminal offense related to health care.

IV. PROCEDURES

[Click here to view procedures.](#)

V. AUTHORITIES

[California Department of Health Care Services Annual Review Protocol for Specialty Mental Health Services and Other Funded Services Fiscal Year 2017-2018](#); [California Department of Mental Health Letter 10-05, September 3, 2010](#); [California Welfare and Institutions Code Section 14043.61](#); [California Welfare and Institutions Code Section 14123](#); [Code of Federal Regulations Title 42 Part 1003 Subpart B](#); [Code of Federal Regulations Title 42 Section 438.214](#); [Code of Federal Regulations Title 42 Section 455.436](#); [Code of Federal Regulations Title 42 Section 1001.1901](#); [Department of Health and Human Services, Office of Inspector General, Publication of the OIG's Compliance Program Guidance for Medicare+Choice Organizations Offering Coordinated Care Plans](#); [Los Angeles County Code of Ordinances Title 5 Appendix 1 Civil Service Rule 18, Suspension, Discharge, Reduction and Resignation](#); [Public Law 101-410, Federal Civil Penalties Inflation Adjustment Act of 1990 Section 3\(2\)](#); [Social Security](#)

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Act Section 1128; Social Security Act Section 1128A; United States Code Title 42 Section 1320a-7; United States Code Title 42 Section 1320a-7(b)(8); United States Department of Health and Human Services, Office of Inspector General, Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs, May 8, 2013

VI. ATTACHMENTS

DMH Policy 106.08, Graded Sanctions; DMH Policy 106.09, Removing Names of Sanctioned Individuals from the Rendering Provider List; DMH Policy 605.01, Discipline; Federal, State, and County Sanction Lists; Statement of Ability to Provide Services under Federally Funded Health Care Programs

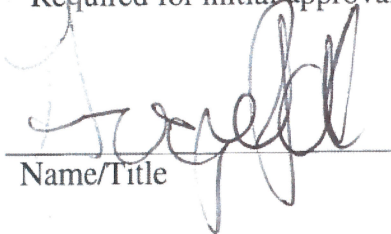
VII. EFFECTIVE DATES

This policy was effective November 1, 2004.

Review Date(s): April 1, 2006 Reviewed with Revisions
February 10, 2010 Reviewed with Revisions
November 28, 2012 Reviewed with Revisions
October 12, 2018 Reviewed with Revisions

VIII. SIGNATURE, TITLE, and DATE OF APPROVAL

Required for initial approvals and all subsequent reviews and updates.

 | CHERYL ADAMS 12/4/18
Name/Title Date

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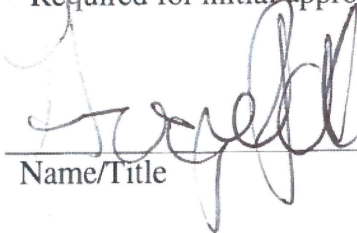
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