



Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

www.dmas.virginia.gov

MEDICAID MEMO

TO: Virginia Medicaid Participating Providers
and Managed Care Organizations

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

MEMO: Special

DATE: 4/7/09

SUBJECT: Excluded Individuals/Entities from State/Federal Healthcare Programs

The purpose of this memorandum is to (1) notify all Virginia Medicaid providers, contractors, and Managed Care Organizations of Federal Regulations restricting payment of any Federal money to an individual or entity excluded from participation in Federal programs, and (2) inform you of your role in screening and reporting employees and contractors to ensure excluded individuals or entities are not participating in any Federally funded healthcare program.

Background

The U.S. Department of Health and Human Services' Office of Inspector General (HHS-OIG) can exclude individuals and entities from participating in Medicare, Medicaid, and all other Federal healthcare programs based on the authorities contained in the Social Security Act, sections 1128, 1128A, 1128B (f) & 1156. When the HHS-OIG has excluded a provider, the Virginia Medicaid program is prohibited from paying for any items or services furnished, ordered, or prescribed by that provider. This includes payment for administrative and management services not directly related to patient care.

Provider Responsibilities to Identify Excluded Individuals and Entities

In order to comply with Federal Regulations and Virginia Medicaid policy, providers are required to ensure that Medicaid is not paying for any items or services furnished, ordered, or prescribed by excluded individuals or entities.

Medicaid payments cannot be made for items or services furnished, ordered, or prescribed by an excluded physician or other authorized person when the individual or entity furnishing the services either knew or should have known about the exclusion. This provision applies even when the Medicaid payment itself is made to another provider, practitioner, or supplier that is not excluded, yet affiliated with an excluded provider. A provider who employs or contracts with an excluded

individual or entity for the provision of items or services reimbursable by Medicaid may be subject to overpayment liability as well as civil monetary penalties.

All providers are required to take the following three steps to ensure Federal and State program integrity:

1. Screen all new and existing employees and contractors to determine whether any of them have been excluded.
2. Search the HHS-OIG List of Excluded Individuals and Entities (LEIE) website monthly by name for employees, contractors and/or entities to validate their eligibility for Federal programs. See below for information on how to search the LEIE database.
3. Immediately report to DMAS any exclusion information discovered. Such information should be sent in writing and should include the individual or business name, provider identification number (if applicable), and what, if any, action has been taken to date. The information should be sent to:

DMAS
Attn: Program Integrity/Exclusions
600 E. Broad St, Ste 1300
Richmond, VA 23219

-or-

E-mailed to: providerexclusions@dmass.virginia.gov

Medicaid Memorandums are considered official DMAS policy. DMAS has begun updating its Provider Manuals to reflect this Federal mandate as a condition of participation.

How to Check for Excluded Individuals and Entities

HHS-OIG maintains the LEIE. This database is accessible to the general public and provides information about parties excluded from participation in Medicare, Medicaid, and all other Federal healthcare programs. The LEIE is available as a downloadable file, or as an online searchable database and is located at <http://www.oig.hhs.gov/fraud/exclusions.asp>. This on-line search engine identifies currently excluded individuals or entities and should be checked monthly for any new and existing employees or contractors.

DMAS has developed a WebEx recorded training that can be viewed at <https://dmass.webex.com>. DMAS is also offering live WebEx Q&A sessions for providers to better understand the impact of this Federal mandate. Please visit the DMAS Learning Network at http://www.dmass.virginia.gov/LN-upcoming_events.htm for the dates and times of these trainings as well other DMAS training opportunities.

Additional information on the HHS-OIG exclusion program, regulatory authorities, and Frequently Asked Questions (FAQs) can be found at <http://www.dmass.virginia.gov/pr-exlsm.htm> or <http://www.oig.hhs.gov>.