# PI - Deficit Reduction Act of 2005, Section 6032: Reviewing Provider Policies

## Purpose:

1. Within Iowa Medicaid, the Program Integrity (PI) Unit is responsible for monitoring provider compliance with the Deficit Reduction Act (DRA), Section 6032 requirements.

2. The Deficit Reduction Act of 2005 (DRA) amended the Social Security Act with important requirements related to Medicaid Program Integrity. Under Chapter Three of the DRA, entitled "Eliminating Fraud, Waste and Abuse," the US Congress enacted provisions regarding "Employee Education About False Claims Recovery" (Section 6032). Section 6032 of the DRA established Section 1902(a)(68) of the Social Security Act.

3. Section 6032 of the DRA (Pub. L.109-171) mandates that any provider or provider entity that receives payments, in any federal fiscal year, of at least $5,000,000 from any state Medicaid Program must have written policies for all employees, including management, and for all employees of any contractor or agent, that provide detailed information about the following:

    - The Federal False Claims Act under title 31 of the United States Code, sections 3729 through 3733;
    - Administrative remedies for false claims and statements under title 31 of the United States Code, chapter 38;
    - Any State laws pertaining to civil or criminal penalties for false claims and statements (Iowa Code 249A.8 and 714.8(10)-714.14);
    - Whistleblower protections under such laws; and
    - The provider or provider entity's policies and procedures for detecting and preventing fraud, waste, and abuse.

4. These policies may be in written or electronic form, but must be disseminated and readily available to all employees and to all employees of any contractor, or agent, and must be included in any employee handbook of the provider or provider entity. The information required regarding the Federal False Claims Act, federal administrative remedies, state laws, and whistleblower protections is limited to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs (as defined in Title 42 of the United States Code, section 1320a-7b(f)).

5. Iowa Medicaid, in Provider Informational Letter No. 547, determined it is the responsibility of providers or provider entities to make the determination as to whether they meet the $5,000,000 threshold.

6. If providers or provider entities determine they meet the threshold, they must do the following:
    - Provide the name, address, and National Provider Identification (NPI) provider number(s) associated with each provider or provider entity;
    - Submit copies of written or electronic policies of each provider or provider entity that meet the federal requirements;
    - Provide a written description of how the policies are made available and disseminated to all employees and to all employees of any contractor or agent for each provider or provider entity.
7. Provider Informational Letter No. 547 instructed affected providers to send this required information to the following address or fax number.

Iowa Medicaid Program Integrity (PI)
P.O. Box 36390
Des Moines, IA 50315
Fax for Iowa Medicaid PI Unit (515) 725-1354.

**Identification of Roles:**

| **RACI Definitions** | |
|---|---|
| **RACI** - RACI charts are a type of responsibility assignment matrices in project management. These simple spreadsheets or tables highlight the different states of responsibility a stakeholder has over a particular task or deliverable and denotes it with the letters R, A, C, or I. | |
| **(R)** | Responsible |
| **(A)** | Accountable |
| **(C)** | Consulted |
| **(I)** | Informed |

Iowa Medicaid PI Account Manager and Iowa Medicaid PI Data Team Manager - monitors provider compliance with these DRA Section 6032 requirements. **(R)**

**Performance Standard:**
Coordinate with the Iowa Medicaid Provider Services Unit, at least once per calendar year, to ensure Section 6032 requirements are met and that the Iowa Medicaid has the most current and accurate contact information for all provider entities that must comply with Section 6032 of the DRA.

**Path of Business Procedure:**
Review Provider Submissions of DRA Section 6032 Information

1. Re-index the DRA documents into OnBase. Refer to the procedure entitled "**Documents, Processing in OnBase**" for detailed instructions on processing incoming mail and faxes in OnBase.

2. The Iowa Medicaid CORE Unit Account Manager may be contacted if necessary for OnBase documentation training.

3. The information submitted by providers is reviewed by the PI Account Manager for compliance with the following:

    a. Information on the False Claims Act is included.
    b. Information on Administrative Remedies for false claims and statements is included.
    c. Information on State laws pertaining to penalties for false claims and statements is included.
    d. Information on whistleblower protection is included.
    e. Policies and procedures for detecting and preventing fraud, waste, and abuse are included.
    f. Information is noted as being included in the employee handbook.
    g. The name, address, and NPI # of providers and/or entities is included.

4. The Data Team Manager, or designee, constructs an Excel spreadsheet with a list of all providers who submitted DRA information.

5. Send certified letters requesting additional information to providers who do not appear compliant with one or more of these guidelines.

## DEFINITIONS

**ENTITY** – An "entity" includes a governmental agency, organization, unit, corporation, partnership, or other business arrangement (including any Medicaid managed care plan, irrespective of the form of business structure or arrangement by which it exists), whether for-profit or not-for-profit, which receives or makes payments, under a State Plan approved under title XIX or under any waiver of such plan, totaling at least $5,000,000 annually.

If an entity furnishes items or services at more than a single location or under more than one contract, or other payment arrangement, the provisions of Section 1902(a)(68) apply if the aggregate payments to that entity meet the $5,000,000 annual threshold.

This applies regardless of submission of claims for payment using one or more provider identification or tax identification numbers.

A governmental component providing Medicaid health care items or services for which Medicaid payments are made would qualify as an "entity" (such as a state mental health

facility or school district providing school-based health services). A government agency merely administering the Medicaid program, in whole or in part (such as managing the claims processing system or determining beneficiary eligibility) would not qualify for these purposes.

An entity will have met the $5,000,000 annual threshold as of January 1, 2007, if it received or made payments in that amount in Federal fiscal year 2006, for example. Future determinations regarding an entity's responsibility stemming from the requirements of Section 1902(a)(68) will be made by January 1 of each subsequent year, based upon the amount of payments an entity either received or made under the State Plan during the preceding Federal fiscal year (October 1 through September 30).

**EMPLOYEE** – An "employee" includes any officer or employee of the entity.

**CONTRACTOR or AGENT** – A "contractor" or "agent" includes any contractor, subcontractor, agent, or other person which or who, on behalf of the entity, furnishes, or otherwise authorizes the furnishing of, Medicaid health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by the entity.

**Forms/Reports**:
None

**Interfaces:**
Iowa Medicaid Core Unit—publishes user documentation and training materials for OnBase.
Iowa Medicaid Provider Services Unit

**Attachments**:
None