



COUNTY OF YOLO
HEALTH AND HUMAN SERVICES AGENCY

POLICIES AND PROCEDURES

SECTION 5, CHAPTER 4, POLICY 017

DISCLOSURE OF OWNERSHIP, CONTROL, AND RELATIONSHIP INFORMATION

POLICY NUMBER:	5-4-017
SYSTEM OF CARE:	BEHAVIORAL HEALTH
FINALIZED DATE:	03.24.2021
EFFECTIVE:	03.01.2021
SUPERSEDES # :	Supersedes Policy #'s: N/A

- A. PURPOSE:** This policy addresses the Federal and State requirements for collecting the disclosure of ownership, control, and relationship information from Yolo County Health and Human Services Agency Behavioral (HHS) Healthcare providers and managing employees, including agents and managing agents.
- B. RELATED DOCUMENTS:**
1. Provider Disclosure Statement Form
- C. DEFINITIONS:**
1. **Ownership interest:** means the possession of equity in the capital, the stock, or the profits of the applicant or provider.
 2. **Indirect ownership interest:** means an ownership interest in any entity that has an ownership interest in the applicant or provider.
 3. **Disclosing entity:** means a Medicaid provider (other than an individual practitioner or group of practitioners), or a fiscal agent.
 4. **Person with an Ownership or Control interest:** means a person or corporation that:

- a. Has an ownership interest totaling five percent or more in a disclosing entity;
 - b. Has an indirect ownership interest equal to five percent or more in a disclosing entity;
 - c. Has a combination of direct and indirect ownership interests equal to five percent or more in a disclosing entity;
 - d. Owns an interest of five percent or more in any mortgage, deed of trust, note, or other obligation secured by the disclosing entity if that interest equals at least five percent of the value of the property or assets of the disclosing entity;
 - e. Is an officer or director of a disclosing entity that is organized as a corporation;
 - f. Is a partner in a disclosing entity that is organized as a partnership.
- 5. Other disclosing entity:** means any other Medicaid disclosing entity and any entity that does not participate in Medicaid, but is required to disclose certain ownership and control information because of participation in any of the programs established under title V, XVIII, or XX of the Act. This includes:
- a. Any hospital, skilled nursing facility, home health agency, independent clinical laboratory, renal disease facility, rural health clinic, or health maintenance organization that participates in Medicare (title XVIII);
 - b. Any Medicare intermediary or carrier; and
 - c. Any entity (other than an individual practitioner or group of practitioners) that furnishes, or arranges for the furnishing of, health-related services for which it claims payment under any plan or program established under title V or title XX of the Social Security Act.
- 6. Agent:** means any person who has been delegated the authority to obligate or act on behalf of a provider.
- 7. Fiscal agent:** means a contractor that processes or pays vendor claims on behalf of the Medicaid agency.
- 8. 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 operation of an institution, organization, or agency.
- 9. Supplier:** means an individual, agency, or organization from which a provider

purchases goods and services used in carrying out its responsibilities under Medicaid.

10. Wholly owned supplier: means a supplier whose total ownership interest is held by a provider or by a person, persons, or other entity with an ownership or control interest in a provider.

D. POLICY: In accordance with Federal regulations and the California Department of Health Care Services (DHCS) requirements, this policy establishes procedures to ensure that it collects the disclosure of ownership, control, and relationship information for persons who have an ownership or control interest in Yolo County HHSAs, if applicable, in addition to providers and managing employees, including agents and managing agents, subcontractors and network providers. Criminal background checks and fingerprints shall be required, when applicable or as required by DHCS or by the level of screening based on risk of fraud, waste or abuse as determined for that category of provider.

1. Prohibited Affiliations: Yolo County HHSAs shall provide DHCS with written disclosure of any prohibited affiliation by Yolo County HHSAs or any of its subcontractors. Yolo County HHSAs and its subcontractors shall not have a relationship with:

- a. An individual or entity that is excluded from participation in any Federal Health Care Program under section 1128 or 1128A of the Act.
- b. An individual or entity that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549.
- c. An individual or entity who is an affiliate, as defined in the Federal Acquisition Regulation at 48 CFR 2.101, of a person described below:
 - i. Director, officer, or partner of Yolo County HHSAs
 - ii. A subcontractor of Yolo County HHSAs, as governed by 42 CFR §438.230.
- d. A person with beneficial ownership of five percent or more of Yolo County HHSAs equity
- e. A network provider or person with an employment, consulting, or other arrangement with Yolo County HHSAs.

2. Federal Financial Participation (FFP): FFP shall be withheld from Yolo County HHSAs by DHCS if it fails to disclose ownership or control information as required.

Additionally, Yolo County HHSA shall have the authority to withhold FFP from subcontractors in the same instances.

E. PROCEDURE: Disclosing entities, including providers and managing employees, including agents and managing agents shall complete the Provider Disclosure Statement Form and submit the completed forms to Yolo County HHSA Behavioral Health (BH) Compliance Officer ("Compliance Officer".)

1. Disclosure of 5% or More Ownership Interest:

- a. Yolo County HHSA shall collect the disclosure of ownership, control, and relationship information from its providers and managing employees, including agents and managing agents.
 - i. The Compliance Officer shall ensure that all providers and managing employees complete the Disclosure of Ownership and Control Interest Statement required by DHCS for Medi-Cal providers. The Compliance Officer will verify disclosure of ownership, control and relationship information from individual providers, agents, and managing employees.
 - ii. The Compliance Officer shall be responsible to monitor, track and obtain the required information from contracted providers, and internal programs regardless of for-profit or non-profit status.
 - iii. Medicaid managed care entities must disclose certain information related to persons who have an ownership or control interest in the managed care entity. Since Yolo County is a political subdivision of the State of California, there are no persons who meet such definition and therefore there is no information to disclose.
 - iv. In the event that, in the future, any person obtains an interest of 5% or more of any mortgage, deed of trust, note or other obligation secured by the Mental Health Plan (MHP) and/or the Drug Medi-Cal Organized Delivery System (DMC-ODS), and that interest equals at least 5% of property or assets, then Yolo County HHSA will make the disclosures set forth below in subsection below.
- b. All organizational and network providers subcontracting with Yolo County HHSA, to furnish Medi-Cal specialty mental health services (SMHS) and Drug Medi-Cal substance use disorder (SUD) services shall be required to submit the disclosures below to Yolo County HHSA Compliance Officer regarding the providers' (disclosing entities') ownership and control. The providers are required to submit updated disclosures to Yolo County HHSA Compliance Officer upon submitting the provider application, before entering into or renewing contracts with Yolo County HHSA, within 35

days after any change in the provider's ownership, annually and upon request during the provider certification and re-certification process. Disclosures to be Provided:

- i. The name and address of any person (individual or corporation) with an ownership or control interest in the organizational or network provider. The address for corporate entities shall include, as applicable, a primary business address, every business location, and a P.O. Box address;
 - ii. Date of birth and Social Security Number (in the case of an individual);
 - iii. Other tax identification number (in the case of a corporation with an ownership or control interest in the provider with a 5 percent or more interest);
 - iv. Whether the person (individual or corporation) with an ownership or control interest in the provider is related to another person with ownership or control interest in the same or any other organizational or network provider of Yolo County HHSAs as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the provider has a 5 percent or more interest is related to another person with ownership or control interest as a spouse, parent, child, or sibling;
 - v. The name of any other disclosing entity in which Yolo County HHSAs or subcontracting network provider has an ownership or control interest; and
 - vi. The name, address, date of birth, and Social Security Number of any managing employee of the managed care entity.
- c. Providers must submit disclosures and updated disclosures to Yolo County HHSAs and DHCS including information regarding certain business transactions within 35 days, upon request and includes any changes in ownership. The following information must be disclosed:
- i. The ownership of any subcontractor with whom the provider has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and
 - ii. Any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor, during the 5-year period ending on the date of the request.
- d. For each Yolo County HHSAs organizational or network provider, Yolo County HHSAs shall provide DHCS with all disclosures before entering into a contract with the provider and annually thereafter and upon

request from DHCS during the provider certification or re-certification process.

2. Disclosures Related to Persons Convicted of Crimes:

- a. Yolo County HHSA shall require providers, or any person with a 5 percent or more direct or indirect ownership interest in the provider to submit a set of fingerprints, when applicable. This requirement will be enforced through contracts with all providers and monitored by the Compliance Officer.
- b. Yolo County HHSA shall terminate the provider certification and Medi-Cal enrollment of any provider where any person with a 5 percent or greater direct or indirect ownership interest in the provider did not submit timely and accurate information and cooperate with any screening methods required in CFR, title 42, section 455.416.
- c. Yolo County HHSA shall deny or terminate provider certification Medi-Cal enrollment of any provider where any person with a 5 percent or greater direct or indirect ownership interest in the provider has been convicted of a criminal offense related to that person's involvement with the Medicare, Medicaid, or title XXI program in the last 10 years.
- d. Yolo County HHSA shall submit the following disclosures to DHCS regarding Yolo County HHSA's management:
 - i. The identity of any person who is a managing employee of Yolo County HHSA or a provider who has been convicted of a crime related to federal health care programs.
 - ii. The identity of any person who is an agent of Yolo County HHSA or a provider who has been convicted of a crime related to federal health care programs.
- e. Yolo County HHSA shall supply the disclosures before entering a contract and at any time upon DHCS' request.
- f. Yolo County HHSA shall require organizational and network providers to submit the same disclosures to Yolo County HHSA regarding the network providers' owners, persons with controlling interest, agents, and managing employees' criminal convictions. Providers must supply the disclosures before entering into the contract and at any time upon Yolo County HHSA or DHCS' request. These requirements shall be monitored by the Compliance Officer.

F. REFERENCES:

1. 42 CFR § 455.101,
2. 42 CFR § 455.104
3. 42 CFR § 455.416
4. 42 CFR § 455.434
5. 42 CFR §438.606
6. Yolo County's Mental Health Plan (MHP)
7. Yolo County's Intergovernmental Agreement (IA)
8. DHCS Program Oversight and Compliance Annual Review Protocol for Specialty Mental Health Services and Other Funded Services, Element 7, Program Integrity

Approved by:



Karen Larsen, Director
Yolo County Health and Human Services Agency

3/30/2021

Date