

Provider Enrollment: Disclosure of Ownership and Control Snapshot

Provider enrollment is the first line of defense in program integrity.[1] When applying for enrollment, providers are required to furnish information that State Medicaid agencies (SMAs) can use to prevent fraudulent providers from enrolling. In 2011 CMS adopted regulations under the Affordable Care Act that require providers (other than individual practitioners or groups of practitioners) wanting to enroll in Medicaid or the Children's Health Insurance Program (CHIP) to disclose additional information about individuals and entities that have an ownership interest in 5 percent or more of the provider.[2]

The information that providers must furnish about individuals with ownership interests includes name, address, date of birth, and social security number. Providers must also disclose information about family relationships between persons with ownership or control interests in the provider or in certain subcontractors. If corporations or other entities have an ownership or control interest in a provider, they must disclose their primary business address, every business location, any P.O. Box address, and their tax identification number.[3] It is a best practice for SMAs to screen identity and ownership information by comparing it to data available from State business licensure boards.[4]

Providers must disclose ownership interests not only upon submission of an application for enrollment, but also when signing the provider agreement, when the SMA requests such information on revalidation, and within 35 days after any change in ownership of the disclosing entity.[5] While Medicare obtains disclosures at the time of enrollment, SMAs must obtain their own disclosures.[6]

The Office of Inspector General for the Department of Health and Human Services (HHS-OIG) has noted issues with SMA implementation of the disclosure and verification requirements.[7] To help SMAs address these issues, CMS published guidance for SMAs in the form of a toolkit and a compendium. The toolkit, published in December 2014 and updated in January 2016, explains the background of the rule on ownership disclosure, breaks it down into subparts, and provides examples.[8] The compendium consolidates guidance to the SMAs on implementing the ownership disclosure requirements.[9]

The new ownership disclosure requirements have been in place for fee-for-service providers since 2011. These requirements will be phased in for managed care network providers by July 1, 2018.[10]



For More Information

To see the electronic version of this and other E-Bulletins and the forthcoming “Medicaid Provider Enrollment Toolkit” posted to the Medicaid Program Integrity Education page, visit <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website. SMAs should consult guidance contained in the Medicaid Provider Enrollment Compendium, posted to <https://www.medicaid.gov/affordablecareact/provisions/downloads/mpec-032116.pdf> on the CMS website.

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References

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- 7 U.S. Department of Health and Human Services, Office of Inspector General. (2016, May). Medicaid: Vulnerabilities Related to Provider Enrollment and Ownership Disclosure (pp. 8-10). Retrieved June 9, 2016, from <http://oig.hhs.gov/oei/reports/oei-04-11-00590.pdf>
- 8 Centers for Medicare and Medicaid Services, Center for Program Integrity. (2014, December). Medicaid Program Integrity: Toolkits to Address Frequent Findings: 42 CFR 455.104, Disclosures of Ownership and Control. Retrieved June 9, 2016, from <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforProfs/Downloads/fft toolkit-ownership-control.pdf>
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- 10 42 C.F.R. § 438.600(c)(2). Retrieved July 19, 2016, from http://www.ecfr.gov/cgi-bin/text-idx?SID=25700a23419046947bf6c7e7e1227545&mc=true&node=se42.4.438_1600&rgn=div8

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