



P R O V I D E R B U L L E T I N

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To: All Providers**Subject: Federal Health Care Programs Exclusion****Overview**

The purpose of this bulletin is to notify all providers of the effect of exclusion from participation in Federal health care programs. Health Care Excel's (HCE's) Surveillance and Utilization Review (SUR) department will monitor Indiana Health Coverage Programs' (IHCP's) payments related to excluded providers in conjunction with EDS Provider Enrollment.

Federal Exclusion

The Office of Inspector General (OIG) has the "authority to exclude from participation in Medicare, Medicaid, and other Federal health care programs individuals or entities who have engaged in abuse or fraud." If an individual or entity is excluded from participation, this exclusion applies to all states and all Federal health care programs. Any provider excluded by the OIG is not permitted to participate in the IHCP or other Federal health care programs. The OIG publishes names of excluded individuals and entities. Access this list from the OIG Web site at

<http://www.oig.hhs.gov/fraud/exclusions/listofexcluded.html>.

The following is from the Health and Human Services (HHS) OIG *Special Advisory Bulletin: The Effect of Exclusion from Participation in Federal Health Care Programs (September 1999)*, C. *Exclusion from Federal Health Care Programs*, available on the OIG Web site at

<http://www.oig.hhs.gov/fraud/docs/alertsandbulletins/effected.htm>.

Any items and services furnished by an excluded individual or entity are not reimbursable under Federal health care programs [including Medicaid]. In addition, any items and services furnished at the medical direction or prescription of an excluded physician are not reimbursable when the individual or entity furnishing the services either knows or should know of the exclusion. This prohibition applies even when the Federal payment itself is made to another provider, practitioner or supplier that is not excluded.

The prohibition against Federal program payment for items or services furnished by excluded individuals or entities also extends to payment for administrative and management services not directly related to patient care, but that are a necessary component of providing items and services to Federal program beneficiaries. This prohibition continues to apply to an individual even if he or she changes from one health care profession to another while excluded. In addition, no Federal program payment may be made to cover an excluded individual's salary, expenses or fringe benefits, regardless of whether they provide direct patient care.

Note: Providers found to be in violation of the Federal exclusion policy, are subject to recoupment of inappropriate reimbursement. In addition, these providers may be assessed additional fines and penalties. Providers are encouraged to review all employees for possible exclusion from participation in Federal health programs. Failure to verify this information may result in recoupment, fines, and exclusion from Federal health programs, including the IHCP. The following section provides additional information.

The following are examples of some of the types of items or services that are reimbursed by Federal health care programs, which when provided by excluded parties, violate OIG exclusions. These examples are not a complete list; however, the examples indicate reasons why IHCP providers must screen potential employees and review all current employees for OIG exclusion. These examples are excerpted from the HHS OIG *Special Advisory Bulletin: The Effect of Exclusion from Participation in Federal Health Care Programs (September 1999)* available on the OIG Web site at <http://www.oig.hhs.gov/fraud/docs/alertsandbulletins/effected.htm>.

- Services performed by excluded nurses, technicians, or other excluded individuals who work for a hospital, nursing home, home health agency, or physician practice, . . .if such services [provided] are reimbursed directly or indirectly by a Federal health care program.
- Services performed by excluded pharmacists or others . . . [such as pharmacy technicians] who input prescription information for pharmacy billing or who are involved in any way in filling prescriptions for drugs reimbursed, directly or indirectly, by any Federal health care program.
- Services performed by excluded ambulance drivers, dispatchers or other employees involved in providing transportation reimbursed by a Federal health care program.
- Services performed for . . . [members] by excluded individuals who sell, deliver or refill orders for medical devices or equipment being reimbursed by a Federal health care program.
- Services performed by excluded social workers who are employed by health care entities to provide services to . . . [members], and whose services are reimbursed, directly or indirectly, by a Federal health care program.
- Administrative services, including the processing of claims for payment, performed . . . by an excluded individual.
- Services performed by an excluded administrator, billing agent, accountant, claims processor or utilization reviewer that are related to and reimbursed, directly or indirectly, by a Federal health care program.
- Items or services provided to a . . . [member] by an excluded individual who works for an entity that has a contractual agreement with, and is paid by, a Federal health care program.
- Items or equipment sold by an excluded manufacturer or supplier, used in the care or treatment of . . . [members] and reimbursed, directly or indirectly, by a Federal health care program.

Providers are encouraged to check all current and future employees, subcontractors, and agency staff for possible exclusion from participation in Federal health programs. Failure to verify this information may result in recoupment, fines, and exclusion from Federal health programs, including the IHCP. Knowing submission of false claims in violation of the exclusion provisions may be prosecuted in State or Federal Court. Providers must ensure that they maintain and follow written internal procedures for compliance with Federal exclusion guidelines. Providers are advised to self-report any violation of the Federal Exclusion policy to the Medicaid Control Fraud Unit (MFCU) by calling 1-800-382-5516.

Contact Information

Direct questions about the guidelines and policies stated in this bulletin to the HCE SUR Department at (317) 347-4527 in the Indianapolis local area, or toll-free at 1-800-457-4515. Send written inquiries to the HCE SUR Department at the following address:

**Surveillance and Utilization Review Department
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