

Medicaid Services Special Terms and Conditions

1. Duty to Disclose

- a. Pursuant to 42 CFR §455.104, the Contractor is required to provide disclosures from individuals with ownership interest, managing employees, and those with a controlling interest. The State must obtain certain disclosures from providers and complete screenings to ensure the State does not pay federal funds to excluded person or entities. Contractor must complete and submit a Medicaid Provider Disclosure Statement, DSHS Form 27-094. According to 42 CFR 455.104(c) (1), disclosures must be provided:
 - (1) When the prospective Contractor submits their initial application;
 - (2) When the prospective Contractor signs the contract;
 - (3) Upon request of the Department at contract revalidation/renewal;
 - (4) Within thirty-five (35) days after any change in ownership of the Contractor entity.
- b. Failure to submit the requested information may cause the Department to refuse to enter into an agreement or contract with the Contractor or to terminate existing agreements. The State will recover any payments made to a disclosing entity that fails to disclose ownership or control information, as required by 42 CFR 455.104.
- c. Pursuant to 42 CFR §455.105(b), within thirty-five (35) days of the date of a request by the Secretary of the U.S. Department of Health and Human Services or DSHS, Contractor must submit full and complete information related to Contractor's business transactions that include:
 - (1) The ownership of any subcontractor with whom the Contractor has had business transactions totaling more than \$25,000 during the twelve (12) month period ending on the date of the request; and
 - (2) Any significant business transactions between the Contractor and any wholly owned supplier, or between the Contractor and any subcontractor, during the five (5) year period ending on the date of the request.
- d. Failure to comply with requests made under this term may result in denial of payments until the requested information is disclosed. See 42 CFR §455.105(c).

2. Provider Screenings.

- a. The State must ensure the Department does not pay federal funds to excluded persons or entities. States are also required to check for the death of an individual provider, agency owner or authorized official prior to contracting. The required ownership and control information for individuals with ownership interest of 5% or more, officers and managing employees will be obtained from the Medicaid Provider Disclosure Statement and checked against all required federal exclusion lists, and the Social Security Death Master List, prior to finalizing a contract.
- b. The Contractor will report any change in ownership, managing employees, and/or those with a controlling interest to the Department within 35 days of such a change so that these individuals can be screened against the required federal exclusion lists as well as the Social Security Death Master List.

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3. State or Federal Audit Requests.

- a. The Contractor is required to respond to State or Federal audit requests for records or documentation, within the timeframe provided by the requestor. The Contractor must provide all records requested to either State or Federal agency staff or their designees.

4. False Claims Act Education Compliance.

- a. Federal law requires any entity receiving annual Medicaid payments of \$5 million or more to provide education regarding federal and state false claims laws for all of its employees, contractors and/or agents. If Contractor receives at least \$5 million or more in annual Medicaid payments under one or more provider identification number(s), the Contractor is required to establish and adopt written policies for all employees, including management, and any contractor or agent of the entity, including detailed information about both the federal and state False Claims Acts and other applicable provisions of Section 1902(a)(68) of the Social Security Act. The law requires the following:
 - (1) Contractor must establish written policies to include detailed information about the False Claims Act, including references to the Washington State False Claims Act;
 - (2) Policies regarding the handling and protection of whistleblowers;
 - (3) Policies and procedures for detecting and preventing fraud, waste, and abuse;
 - (4) Policies and procedures must be included in an existing employee handbook or policy manual, but there is no requirement to create an employee handbook if none already exists.