



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1612-MC

DATE: January 29, 2016

TO: Iowa Medicaid Providers

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Ownership and Control Disclosure Requirements

EFFECTIVE: Immediately

The Patient Protection and Affordable Care Act (ACA) requires State Medicaid Agencies (SMAs) to collect ownership and control information and conduct enhanced screening of all Medicaid providers. The purpose of these enhanced enrollment requirements is to reduce Medicaid fraud by assuring Medicaid and Medicare dollars are not being paid to excluded individuals or entities.

SMAs are required to collect information on ownership and control from disclosing entities, fiscal agents, and managed care entities.¹ A “disclosing entity” is defined as, “...a Medicaid provider (other than an individual practitioner or group of practitioners), or a fiscal agent.”²

SMAs are required to collect the following information from disclosing entities:

- I. The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity.
- 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 disclosing entity (or fiscal agent or managed care entity) or in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a five percent or more interest.³

The Centers for Medicare and Medicaid Services (CMS) has also provided guidance to SMAs on this subject in a document entitled, “Toolkits to Address Frequent Findings: 42 CFR 455.104 Disclosures of Ownership and Control.” A copy of this document is posted on the DHS [Program Integrity in Iowa Medicaid](#)⁴ web page.

Page four of the CMS guidance states the following:

“Disclosing entities” normally are corporations or partnerships where there are owners, board of directors, officers, partners, or managing employees who run the company.

¹ See 42 CFR §455.104.

² 42 CFR §455.101.

³ 42 CFR §455.104(b)(1).

⁴ <http://dhs.iowa.gov/ime/about/aboutime/program-integrity>

Disclosures on these individuals are captured as these parties are considered “behind the scenes” and direct how the organization will operate. They are responsible for decisions made in policies and procedures for how services will be provided and for billing. Examples of entities that would be considered “disclosing entities” include, but are not limited to:

- Hospitals
- Nursing homes
- Community Mental Health Centers
- Home Health Agencies
- Group homes
- Clinical labs
- Pharmacies

The IME recently began capturing this information at provider enrollment and reenrollment to comply with the federal requirements. The IME has additionally received a directive from CMS to obtain such ownership and control disclosures from disclosing entities.

While the IME is required to collect this information at provider enrollment, in attempts to minimize the time and effort providers will need to enroll with multiple managed care organizations (MCOs), the IME is not requiring the MCOs to also collect this information when a provider is enrolling with the MCO. The MCOs do, however, have the option of collecting this information as part of its enrollment process.

If you have any questions, please contact the IME Provider Services Unit, 1-800-338-7909, or by email at imeproviderservices@dhs.state.ia.us.