



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

**Informational Letter No. 547**

**January 23, 2007**

**To:** All Iowa Medicaid Participating Providers

**From:** The Iowa Department of Human Services, Iowa Medicaid Enterprise

**RE:** Employee Policies Regarding Prevention and Detection of Medicaid Fraud and Abuse

**Effective Date:** January 1, 2007

If you are a provider or part of a provider entity that receives payments, in any federal fiscal year (October 1 to September 30), of at least \$5,000,000 from Iowa Medicaid, this notice applies to you. The definition of a provider "entity" has been established by the Centers for Medicare and Medicaid Services (CMS) in a December 13, 2006 letter to all State Medicaid Directors, and can be found at: <http://www.cms.hhs.gov/smdl/downloads/SMD121306.pdf>

Section 6032 of the Deficit Reduction Act of 2005 (Pub. L.109-171), (see bill text at: <http://www.ime.state.ia.us/docs/DefRedAct.pdf>) mandates that any provider or provider entity that receives payments, in any federal fiscal year, of at least \$5,000,000 from any state Medicaid program must have written policies for all employees, including management, and for all employees of any contractor or agent, that provide detailed information about the following:

- The Federal False Claims Act under title 31 of the United States Code, sections 3729 through 3733;
- Administrative remedies for false claims and statements under title 31 of the United States Code, chapter 38;
- Any State laws pertaining to civil or criminal penalties for false claims and statements (Iowa Code 249A.8 and 714.8(10)-714.14);
- Whistleblower protections under such laws; and
- The provider or provider entity's policies and procedures for detecting and preventing fraud, waste, and abuse.

These policies may be in written or electronic form, but must be disseminated and readily available to all employees and to all employees of any contractor, or agent, and must be included in any employee handbook of the provider or provider entity. The information required regarding the Federal False Claims Act, federal administrative remedies, state laws, and whistleblower protections is limited to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs (as defined in title 42 of the United States Code, section 1320a-7b(f)).

Compliance with these requirements is mandatory for providers or provider entities receiving at least \$5,000,000 from the Iowa Medicaid program in any federal fiscal year. The \$5,000,000 amount, for Iowa Medicaid purposes, will be based on paid claims, net of any adjustments to those claims.

The Iowa Medicaid Enterprise (IME) SURS Unit will monitor compliance with these new federal requirements. In doing so, **it will be the responsibility of providers or provider entities to make the determination as to whether they meet the \$5,000,000 threshold.**

If providers or provider entities determine that they meet the threshold, they must do the following:

- 1) Provide the name, address, and NPI provider number(s) associated with each provider or provider entity;
- 2) Submit copies of written or electronic policies of each provider or provider entity that meet the federal requirements;
- 3) Provide a written description of how the policies are made available and disseminated to all employees and to all employees of any contractor or agent for each provider or provider entity.

**This information will initially be required to be provided by March 31, 2007.** In future years, the information will be required to be provided **annually** in the quarter following the end of each federal fiscal year (October to December), but before January 1 of the following year.

The required information, initially to be provided by March 31, 2007, should be sent to:

IME Surveillance and Utilization Review (SURS)  
P.O. Box 36390  
Des Moines, IA. 50315

Or, faxed to the IME SURS Unit at (515) 725-1354.

While we understand that these reporting requirements may seem burdensome, the Iowa Medicaid Enterprise has no discretion in enforcing this, as it is a federal requirement. Any provider or provider entity that fails to comply with this information submission will be subject to sanction, including probation, suspension, or termination of participation in the Iowa Medicaid program.

If you have any questions, please contact IME Provider Services at 1-800-338-7909, locally 515-725-1004 or by e-mail at [IMEProviderServices@dhs.state.ia.us](mailto:IMEProviderServices@dhs.state.ia.us).