

Legislative Analysis



BACKGROUND CHECKS FOR HEALTH PROFESSIONALS

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Senate Bill 702

Sponsor: Sen. John Moolenaar

House Committee: Health Policy

Senate Committee: Regulatory Reform

Complete to 2-15-12

A SUMMARY OF SENATE BILL 702 AS PASSED BY THE SENATE 1-31-12

The bill would amend the Public Health Code to change the beginning date for which an applicant for initial licensure or registration as a health professional would have to submit his or her fingerprints to the Department of State Police for a state and federal criminal history check. The date would be changed from May 1, 2006, to October 1, 2008.

MCL 333.16174

BACKGROUND INFORMATION:

Public Act 26 of 2006 was part of a package of legislation that amended various acts to, among other things, conform the requirements for criminal background checks of health professionals and certain employees of health facilities (e.g., nursing homes and other long-term care facilities) to requirements under the federal Social Security Act. Conformity was necessary to ensure continued Medicaid and Medicare reimbursement for health care provided in the affected facilities by those required to undergo the criminal screening.

However, due to the large number of employment-related criminal history checks required by the 2006 legislative package and other legislation, the MSP experienced a backlog in processing the background checks. The result is that some Medicaid payments may have gone to health professionals having a criminal background. Reportedly, the Auditor General has expressed a concern that some of the payments issued to health care providers between May 1, 2006, and October 1, 2008, (when the backlog was cleared) may be questionable and will need to be reported to federal authorities. If the federal government disallows some of those claims, the disallowance could be almost \$15 million. By changing the date for when new licensees and registrants must submit to a criminal background check to the date when MSP caught up with employment-related checks, the bill could avert the potential disallowances to the Department of Community Health.

FISCAL IMPACT:

The Department does confirm the possibility of a federal Medicaid disallowance of \$15.0 million Gross representing payments made to health professionals licensed between May

1, 2006, and October 1, 2008. Staff have also indicated that additional payment disallowances may be identified for payments that continue to be made to some 1,600 licensees. Financial exposure to the State would be for only the federal portion of the gross payments and may be estimated at \$9.0 million.

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