THE SOCIAL WELFARE ACT (EXCERPT)
Act 280 of 1939

400.111e Grounds for action by director.

Sec. 111e. (1) The grounds for action by the director under section 111d(1) and the actions to which they may be applied shall be as follows:

(a) The director may take action under section 111d(1)(a), (b), (c), (d), or (f) for a provider's failure to disclose the information required by section 111b(7), (19), or (25).

(b) The director may take action under section 111d(1)(a) for a provider's failure to properly apply for enrollment and to submit documentation specified by the director under section 111a(7)(c).

(c) The director may take action under section 111d(1)(b), (c), or (f) for a provider's failure to furnish proper certification to the director pursuant to section 111b(17), or for a provider's failure to comply with section 111b(26), or for a provider's failure to comply with, or attempt to circumvent, section 111a(7)(e).

(d) The director may take action under section 111d(1)(a), (b), (c), (d), (e), or (f) for a provider's failure to conform to professionally accepted standards of medical practice.

(e) The director may take action under section 111d(1)(a), (b), (c), (d), or (f) for an employer's failure to comply with section 111b(27).

(f) The director may take action under section 111d(1)(a), (b), (c), or (f) for a provider's failure to comply with section 111b(1), (2), (3), or (4).

(2) The director shall take action under section 111d(1)(a) or (c) if any of the following occurs:

(a) The provider is convicted of violating the medicaid false claims act, Act No. 72 of the Public Acts of 1977, being sections 400.601 to 400.613 of the Michigan Compiled Laws, the health care false claims act, Act No. 323 of the Public Acts of 1984, being sections 752.1001 to 752.1011 of the Michigan Compiled Laws, or a substantially similar statute of another state or the federal government.

(b) The provider is convicted of, or pleads guilty to, a criminal offense or attempted criminal offense relating to the provider's practice of health care in any jurisdiction.

(c) The provider continues, or reinitiates, a pattern of practice for which the provider was sanctioned previously under this act. For purposes of this subdivision, "sanction" means those actions prescribed in sections 111a(7)(d) and 111d(1)(a) to (f).

(d) The provider dispenses, renders, or provides services, supplies, or equipment without a practitioner's prescription or order.

(e) The provider attempts to circumvent or fails to comply with section 111b(7).

(f) The provider is suspended or terminated as a provider from participation in the medicaid or medicare program, or other governmentally supported program in any jurisdiction.

(3) The director shall take action under section 111d(1)(a), (b), (c),(d), or (f) if any of the following occurs:

(a) The provider continues to submit duplicate claims for services, supplies, or equipment for which the provider has already received reimbursement from any source after receiving notice from the department to stop submitting duplicate claims; or the provider receives reimbursement from any other source after receiving medicaid payment and does not refund the appropriate portion of the medicaid payment to the department.

(b) The provider submits a claim for services, supplies, or equipment that was not provided to a recipient.

(c) The provider submits a claim for services, supplies, or equipment that includes costs or charges not related to those services, supplies, or equipment actually provided to the recipient.

(d) The provider continues to submit claims for services, supplies, or equipment, or continues to refer recipients to another provider by referral, order, or prescription for services, supplies, or equipment, which are not documented in the record in the prescribed manner, are medically inappropriate or medically unnecessary, or are below the acceptable medical treatment standards, after receiving notice from the department to cease that practice. This subdivision does not apply to a nursing home or hospital unless the nursing home or hospital acted on its own initiative in providing the service, supply, or equipment as opposed to following the order or prescription of another.

(e) The provider continues to submit claims that misrepresent the description of services, supplies, or equipment dispensed or provided; the dates of services; the identity of the recipient; the identity of the attending, prescribing, or referring practitioner; or the identity of the actual provider, after receiving notice from the state department to cease the practice. As used in this subdivision, "misrepresentation" does not include the submission of a claim in compliance with specific written policies and procedures issued by the state department and approved by the director or the director's designee.

(f) The provider submits a claim for which the documentation in a patient's medical record or chart contains misleading or inaccurate information regarding the diagnosis, treatment, or cause of a patient's

condition; or the documentation in a patient's medical record or chart has been altered or destroyed so that an ongoing audit or overpayment action cannot adequately be pursued by the department.

(g) The provider fails to complete the required fields on the claim form or fails to provide required information related to the claim after receiving notice from the department to complete the required fields or to provide the required information.

(h) The provider submits a claim for reimbursement for services, or equipment for a fee or charge that is higher than the provider's usual, customary charge to the general public for the same services, supplies, or equipment.

(i) The provider submits a claim for services, supplies, or equipment that was not rendered by the provider.

(j) The provider is serving a sentence in a correctional facility.

(4) A provider subject to an action or proposed action by the director under this section shall be entitled to a hearing held in conformity with chapter 4 and chapter 6 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.271 to 24.287 and 24.301 to 24.306 of the Michigan Compiled Laws.

(5) In addition to or in place of the grounds specified in subsection (1), (2), or (3), the director may base an action provided for in section 111d(1)(a), (b), (c), (d), (e), or (f) on his or her judgment that the action is necessary to protect the health of medically indigent individuals, the welfare of the public, and the funds appropriated for the program.

(6) Any individual against whom an enrollment sanction has been levied under this section shall not participate directly or indirectly in the medicaid program during the pendency of the enrollment sanction.

(7) The director may reinstate the participation in the medical services program of an individual against whom an enrollment sanction has been levied under this section if the director makes a determination that the reinstatement is in the best interests of the medical services program and the medical care of recipients.

History: Add. 1980, Act 321, Imd. Eff. Dec. 12, 1980;—Am. 1986, Act 227, Eff. Nov. 1, 1986.

Popular name: Act 280