

HOUSE BILL NO. 6011

April 13, 2022, Introduced by Reps. Albert, Bellino, Markkanen, Slagh, Beeler, Frederick, Steven Johnson, Martin, Clements, Brann, Hoitenga, Griffin, Calley, Bezotte, Bollin, Eisen, Lightner, Farrington, Hauck, Green, Whiteford, Wakeman, VanWoerkom, Carra, Damoose, Tisdell, Allor, Fink, Marino, Maddock, Roth, Borton, LaFave, Posthumus, Yaroch, Meerman, Outman, Hall, Mueller and Hornberger and referred to the Committee on Health Policy.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 111e (MCL 400.111e), as amended by 1986 PA 227.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

4 (a) The director may take action under section 111d(1) (a),
5 (b), (c), (d), or (f) for a provider's failure to disclose the

1 information required by section 111b(7), (19), or (25).

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

5 (c) The director may take action under section 111d(1)(b),
6 (c), or (f) for a provider's failure to furnish proper
7 certification to the director ~~pursuant~~**according** to section
8 111b(17), or for a provider's failure to comply with section
9 111b(26), or for a provider's failure to comply with, or attempt to
10 circumvent, section 111a(7)(e).

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

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

17 (f) The director may take action under section 111d(1)(a),
18 (b), (c), or (f) for a provider's failure to comply with section
19 111b(1), (2), (3), or (4).

20 (2) The director ~~shall~~**must** take action under section
21 111d(1)(a) or (c) if any of the following occurs:

22 (a) The provider is convicted of violating the medicaid false
23 claims act, ~~Act No. 72 of the Public Acts of 1977, being sections~~
24 ~~400.601 to 400.613 of the Michigan Compiled Laws, 1977 PA 72, MCL~~
25 **400.601 to 400.615**, the health care false claims act, ~~Act No. 323~~
26 ~~of the Public Acts of 1984, being sections 752.1001 to 752.1011 of~~
27 ~~the Michigan Compiled Laws, 1984 PA 323, MCL 752.1001 to 752.1011,~~
28 or a substantially similar statute of another state or the federal
29 government.

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

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

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

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

13 (f) The provider is suspended or terminated as a provider from
 14 participation in the ~~medicaid or medicare~~ **Medicaid or Medicare**
 15 program, or other governmentally supported program in any
 16 jurisdiction.

17 (3) The director ~~shall~~ **must** take action under section
 18 111d(1)(a), (b), (c), (d), or (f) if any of the following occurs:

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

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

28 (c) The provider submits a claim for services, supplies, or
 29 equipment that includes costs or charges not related to those

1 services, supplies, or equipment actually provided to the
2 recipient.

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

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

24 (f) The provider submits a claim for which the documentation
25 in a patient's medical record or chart contains misleading or
26 inaccurate information regarding the diagnosis, treatment, or cause
27 of a patient's condition; or the documentation in a patient's
28 medical record or chart has been altered or destroyed so that an
29 ongoing audit or overpayment action cannot adequately be pursued by

1 the department.

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

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

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

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

14 (4) A provider subject to an action or proposed action by the
15 director under this section ~~shall be~~ **is** entitled to a hearing held
16 in conformity with chapter 4 and chapter 6 of the administrative
17 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
18 ~~being sections 24.271 to 24.287 and 24.301 to 24.306 of the~~
19 ~~Michigan Compiled Laws.1969 PA 306, MCL 24.271 to 24.288 and 24.301~~
20 ~~to 24.306.~~

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

27 **(6) The director must suspend a provider indefinitely when the**
28 **director learns that the provider performs abortions or assists in**
29 **performing abortions as that term is defined in section 17015 of**

1 **the public health code, 1978 PA 368, MCL 333.17015.**

2 (7) ~~(6)~~ Any individual against whom an enrollment sanction has
3 been levied under this section shall not participate directly or
4 indirectly in the ~~medicaid~~ **Medicaid** program during the pendency of
5 the enrollment sanction.

6 (8) ~~(7)~~ The director may reinstate the participation in the
7 medical services program of an individual against whom an
8 enrollment sanction has been levied under this section if the
9 director makes a determination that the reinstatement is in the
10 best interests of the medical services program and the medical care
11 of recipients.

12 Enacting section 1. This amendatory act does not take effect
13 unless House Bill No. 5784 of the 101st Legislature is enacted into
14 law.