



## **FY25 CORPORATE COMPLIANCE PLAN**

### **October 2024**

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## ORGANIZATIONAL STRUCTURE

The Lakeshore Regional Entity (LRE) serves as the Medicaid Prepaid Inpatient Health Plan (PIHP) for the following seven county region:

Allegan County: OnPoint (Allegan County Community Mental Health Services)

Kent County: Network 180 (Kent County CMH Authority)

Lake County: West Michigan Community Mental Health System

Mason County: West Michigan Community Mental Health System

Muskegon County: HealthWest

Oceana County: West Michigan Community Mental Health System

Ottawa County: Community Mental Health of Ottawa County

The Member Community Mental Health Service Programs (Member CMHSPs) have elected to configure LRE under the Michigan Mental Health Code Section 3301.1204b.

The Michigan Department of Health and Human Services (MDHHS) also refers to LRE as Region 3.

### LRE as the PIHP

LRE serves as the Medicaid PIHP for the region with authority and accountability for operations and fulfillment of applicable federal and state statutory, regulatory, and contractual obligations related to the applicable waiver(s) and MDHHS contract(s). The role of LRE as the PIHP is defined in federal statute, specifically 42 CFR § 438 and the Fiscal Year 2025 (FY25) MDHHS/PIHP Contract.

LRE contracts with MDHHS for The Medicaid Managed Specialty Supports and Services 1115 Demonstration Waiver, 1915 (c)/(i) Waiver Program(s), the Healthy Michigan Program, the Flint 1115 Waiver and Substance Use Disorder Community Grant Programs

## LRE: MISSION and VALUES

### MISSION:

Through regional support and leadership for collaboration and innovation, LRE works to strengthen the public behavioral health system and ensure excellence in services.

### VALUES:

- **Local Solutions – Value Local Differences:** We value locally unique service systems that are responsive to local needs, partnerships, and available resources.
- **Fiscal Responsibility – Accountable and Responsible with funds:** Transparent and accountable use of public funds. Maximize available resources.
- **Collaborative Relationships – Foster Effective Partnerships:** Nurture collaboration based on mutual trust and shared commitment to quality. Approach all interactions with respect, openness, and a commitment to proactively resolve conflict.
- **Innovation – Boldly Pursue Excellence:** Pursue audacious goals by challenging the status quo and trying new things. Actively work to identify and support opportunities for innovation.

## OVERVIEW OF LRE's CORPORATE COMPLIANCE PLAN AND PROGRAM

### SCOPE OF LRE CORPORATE COMPLIANCE PLAN

The LRE Corporate Compliance Plan is a high-level overview of the LRE Corporate Compliance Program that outlines LRE's commitment to ensuring compliance with the applicable federal and state statutory, regulatory, and contractual requirements.

All LRE staff, Member CMSHPs, and Network Providers are required to comply with all applicable federal and state statutory, regulatory, and contractual requirements including but not limited to those specifically addressed in the LRE Corporate Compliance Plan.

To the extent that the LRE Corporate Compliance Plan conflicts with, or misstates any applicable regulation, statutes or contractual requirements the regulation, statutes, and/or contractual requirements control(s).

## **PURPOSE OF LRE CORPORATE COMPLIANCE PROGRAM**

The purpose of the LRE Corporate Compliance Program is to

1. Encourage the highest level of ethical and legal behavior from all LRE staff and Board of Directors.
2. Educate all LRE staff, LRE Board of Directors, and stakeholders on their responsibilities and obligations to comply with applicable federal, state, and local laws.
3. Communicate to all LRE staff, LRE Board of Directors, Member CMSHPs, and Network Providers, and stakeholders LRE's Corporate Compliance Program structure to promote understanding and encourage communication.
4. Minimize organizational risk and improve compliance with applicable federal and state statutory, regulatory, and contractual requirements; service provision; documentation standards; and Medicaid coding and billing requirements.
5. Maintain adequate internal controls throughout Region 3.
6. Provide oversight and monitor functions to reduce the possibility of misconduct, and violations through prevention and early detection and minimize exposure to civil and criminal sanctions as well as non-compliance with applicable federal and state statutory, regulatory, and contractual requirements; service provision; documentation standards; and Medicaid coding and billing requirements.
7. Promote a clear commitment to compliance by taking actions and showing good faith efforts to uphold applicable federal regulations, state statutes, and contractual requirements.

## **APPLICATION OF LRE CORPORATE COMPLIANCE PLAN**

As a regional PIHP, the LRE Corporate Compliance Plan is intended to provide the framework for the LRE to comply with all applicable laws, regulations, contracts, and program requirements. It is the LRE's intent that all its compliance policies and procedures should promote integrity, support objectivity, and foster trust throughout the service region. The LRE Corporate Compliance Plan applies to all LRE day-to-day activities, including those activities that come within Federal and State oversight of PIHPs.

LRE staff are subject to the requirements of the LRE Corporate Compliance Plan as a condition of employment. All LRE staff are required to fulfill their duties in accordance with the LRE Corporate Compliance Plan, LRE policies, and LRE procedures to promote and protect the integrity of LRE. Failure to do so will result in disciplinary action, up to and including termination of employment depending on the egregiousness of the offense. Disciplinary action may also be taken against a supervisory staff member, who directs or approves a staff's improper conduct, is aware of the improper conduct, and does not act appropriately to correct it, or who fails to properly exercise appropriate supervision over a staff member.

LRE, directly and indirectly, through its Member CMHSPs, contracts services for adults and children with mental illness, developmental disabilities, and co-occurring mental health and substance abuse disorders within its seven counties (Allegan, Kent, Lake, Mason, Muskegon, Oceana, and Ottawa counties).

The LRE Corporate Compliance Plan applies to Member CMHSPs and Network Providers receiving payment through LRE and/or through the PIHP managed care functions. All Member CMHSPs and Network Providers, including their officers, employees, contractors, servants, and agents, are subject to the requirements of LRE Corporate Compliance Plan as applicable to them and as stated within the applicable contracts. Failure to follow the LRE Corporate Compliance Plan and cooperate with the LRE Corporate Compliance Program will result in corrective action plans, remediation, and contract action, if needed.

The LRE Corporate Compliance Plan, standards, policies and procedures included or referenced herein are not exhaustive or all inclusive. All LRE staff, Member CMHSPs, and Network Providers are required to comply with all applicable laws, rules and regulations including those that are not specifically addressed in the LRE Corporate Compliance Plan.

## LRE CORPORATE COMPLIANCE PROGRAM ELEMENTS

LRE's Corporate Compliance Program is comprised of the eight elements as provided by the Office of Inspector General.<sup>1</sup>

**Element 1 - Written Policies, Procedures, and Codes of Conduct** – The development, distribution, and enforcement of written policies, procedures, and codes of conduct that promote the LRE's commitment to full compliance with applicable federal and state statutory, regulatory, and contractual obligations that are accessible and applicable to all LRE Staff. These policies, procedures, and codes of conduct incorporate the culture of compliance into our day-to-day operations and address specific areas of potential fraud, waste, and abuse. LRE also maintains its policies, procedures, and codes of conduct through annual review.

*See LRE Policies or Procedures:*

- [Policies and Procedures - Lakeshore Regional Entity \(lsre.org\)](#)
- [1.1-Conflict-of-Interest-Dec2021.pdf \(lsre.org\)](#)
- [1.1a-Conflict-of-Interest Procedure](#)
- [1.3-Policy-Promulgation-Policy-Jan2023.pdf \(lsre.org\)](#)
- [1.3a-Policy-Promulgation-Jan2023.pdf \(lsre.org\)](#)
- [1.3b-Annual-Policy-Review.pdf \(lsre.org\)](#)
- [8.01 Code of Ethics-Sept2018.pdf \(lsre.org\)](#)
- LRE Policy 9.X – Code of Conduct

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<sup>1</sup> U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE OF INSPECTOR GENERAL, General Compliance Program Guidance, November 2023, [HHS-OIG General Compliance Program Guidance | November 2023](#) (last visited April 9, 2024).

[10.5-Code-of-Conduct-Final-2021.pdf \(lsre.org\)](#)  
[Code-of-Conduct-Distribution-and-Training-Procedure-Clean-20230721.pdf \(lsre.org\)](#)

**Element 2 - Compliance Leadership and Oversight** – The designation of a Compliance Officer and a Compliance Oversight Committee that is charged with the responsibility and authority of operating and monitoring the Corporate Compliance Program to make sure that it is implemented, monitored, and revised, as appropriate in an effective manner. (See “STRUCTURE OF LRE CORPORATE COMPLIANCE PROGRAM,” Sections LRE Compliance Officer and LRE Compliance Oversight Committee, pp. 9-11.)

See LRE Policies or Procedures: [9.1-CC-Plan-20230721.pdf \(lsre.org\)](#)  
[Compliance-Auditing-and-Monitoring-Procedure-Clean-Reviewed-20230721.pdf \(lsre.org\)](#)  
[Compliance-Oversight-Committee-Procedure-CLEAN-20230721.pdf \(lsre.org\)](#)

**Element 3 - Compliance Training and Education** – The development and implementation of appropriately tailored training programs and education for all LRE Staff and LRE Board of Directors. LRE ensures new LRE staff and LRE Board of Directors members receive LRE’s Corporate Compliance Program training at orientation or within thirty (30) days of employment or appointment, respectively. LRE ensures all LRE staff and the LRE Board of Directors receive annual compliance training and, as necessary, other periodic training. LRE also ensures LRE staff complete the required annual trainings in a timely manner as prescribed by LRE. Training is a condition of employment and failure to comply will result in appropriate disciplinary action.

LRE requires the following mandatory, minimum trainings for LRE staff, with the corresponding training timelines:

Training Name	Initial Training	Ongoing Training
Corporate Compliance	Within 30 days of Hire	Annually
Cultural Competence	Within 30 days of Hire	Annually
HIPAA	Within 30 days of Hire	Annually
Limited English Proficiency	Within 30 days of Hire	Annually
Recipient Rights	Within 30 days of Hire	Annually
LRE Enhanced Privacy Training	Within 30 days of Hire	Annually

Member CMHSPs and Network Providers are required to comply with the MDHHS training requirements. If you are a Network Provider, please review your contract or contact your contracting Member CMHSP(s) and inquire if any additional trainings are required based on service types rendered, etc.

See LRE Policies or Procedures: [8.08 Training Development-Sept2016.pdf \(lsre.org\)](#)  
[Human Resources - Lakeshore Regional Entity \(lsre.org\)](#)



#### **Element 4 - Effective Lines of Communication with Compliance Officer and Disclosure Programs**

– The regular education of all LRE Staff, Member CMHSPs, and Network Providers of how to contact the LRE Compliance Officer. The development of writing policies and procedures regarding confidentiality (anonymity of complainants) and nonretaliation policies when reporting instances of noncompliance, including but not limited to fraud, waste, and abuse. The use of efficient and trusted mechanisms where all LRE Staff, Member CMHSPs, and Network Providers can contact the Compliance Officer through a hotline to receive complaints. LRE utilizes the following mechanism for receiving complaints:

1. LRE Telephone Hot Line – Suspected compliance violations or questions can be made to a toll-free hot line. The number is 1-800-420-3592 and includes confidential voice mail.
2. LRE Electronic Mail (E-Mail) – Suspected compliance violations or questions can be sent electronically via e-mail to the Compliance Officer at [compliance@lsre.org](mailto:compliance@lsre.org).
3. Mail Delivery – Suspected compliance violations or questions can be mailed to:

LRE Compliance Officer  
Lakeshore Regional Entity  
5000 Hakes Drive  
Suite 250  
Norton Shores, Michigan 49441

4. In-Person - Suspected compliance violations or questions can be made in person to the LRE CO at the above address. Please contact the LRE CO to make an in-person appointment.
5. Virtual - Suspected compliance violations or questions can be made virtually via ZOOM or Microsoft® Teams upon request. Please contact the LRE CO to make a virtual appointment.

#### **Non-Retaliation and Non-Intimidation of Person's Reporting Non-Compliance<sup>2</sup>**

LRE Board of Directors Members, LRE staff members, Member CMHSPs and staff, and Network Providers and staff, who make good faith reports of violations of federal or state law, are protected by state and federal whistleblower statutes.

Under the Federal False Claims Act and the Michigan Medicaid False Claims Act, employees who report violations in good faith are entitled to protection from disciplinary actions taken by their employer.

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<sup>2</sup> Also referred to as Whistleblower Protections.

1. The Federal False Claims Act, 31 USC §§3729 through 3731, provides for administrative remedies, encourages enactment of parallel State laws pertaining to civil and criminal penalties for false claims and statements, and provides “whistle-blower” protection for those making good faith reports of statutory violations.
2. Under the Michigan Medicaid False Claims Act, an employer shall not discharge, demote, suspend, threaten, harass, or otherwise discriminate against an employee in the terms and conditions of employment because the employee initiates, assists in, or participates in a proceeding or court action under this act or because the employee cooperates with or assists in an investigation under this act. This prohibition does not apply to an employment action against an employee who the court finds: (i) brought a frivolous claim, as defined in section 2591 of the revised judicature act of 1961, 1961 PA236, MCL §600.2591; or (ii) planned, initiated, or participated in the conduct upon which the action is brought; or (iii) is convicted of criminal conduct arising from a violation of that act.

See LRE Policies or Procedures: [Compliance-Reporting-Responsibility-Procedure-Final-20230721.pdf \(lsre.org\)](#)

**Element 5 - Enforcing Standards: Consequences, and Incentives** – The development of appropriate consequences of instances of noncompliance, as well as incentives for compliance. The development of policies regarding conflict of interest; disclosure of ownership; sanctioned, excluded, debarred, etc. organizations and individuals; criminal background checks; etc.

### **Corrective Action Plans**

If an internal investigation substantiates a reported violation, corrective action will be initiated including, as appropriate, which will include: 1) LRE issuing a non-compliance letter, 2) LRE requiring a Corrective Action Plan (CAP) from the agency found out of compliance, 3) Out of compliance agency developing a CAP inclusive of monitoring for adequate implementation and risk mitigation, and 4) Out of compliance agency implementing changes to prevent a similar violation from recurring in the future, is possible.

**Elements of a Corrective Action Plan:** As appropriate given the nature of the noncompliance, a corrective action plan submitted to LRE for approval shall, at a minimum, include:

1. Describe in sufficient detail the corrective action that will be taken to minimize or eliminate the risk from repeating in the future,
2. Names or Titles of those responsible for implementing the corrective action, and
3. An implementation date.

Depending on the seriousness of the offense, the resulting action for LRE staff could include additional training, written reprimand, suspension, or termination of employment. The resulting action for the Network Provider would also depend on the seriousness of the offense and could

include additional training, written reprimand, suspension, letter of contract non-compliance, and termination of contract.

*See LRE Policies or Procedures:*

[4.9-Corrective-Action-Plan-Performance-Improvement-Policy.pdf \(lsre.org\)](#)  
[4.9a-Corrective-Action-Plan-Performance-Improvement-Procedure.pdf \(lsre.org\)](#)  
[9.8-Compliance-Enforcement-20230721.pdf \(lsre.org\)](#)  
[1.1-Conflict-of-Interest-Dec2021.pdf \(lsre.org\)](#)  
[1.1a-Conflict-of-Interest-Procedure.pdf \(lsre.org\)](#)  
[4.2-Contract-Management.pdf \(lsre.org\)](#)  
[4.4-Credentialing-Recredentialing.pdf \(lsre.org\)](#)  
[9.9-LRE-Exclusion-Screenings-Policy-20230721.pdf \(lsre.org\)](#)  
[9.11-Criminal-History-Checks-20230721.pdf \(lsre.org\)](#)  
[7.1-Quality-Management.pdf \(lsre.org\)](#)  
[7.7-CMHSP-Member-Monitoring-2022.pdf \(lsre.org\)](#)  
[7.8-Medicaid-Verification-2020.pdf \(lsre.org\)](#)

**Element 6 – Risk Assessment, Auditing, and Monitoring** – The use of audits or other risk evaluation techniques to monitor compliance and assist in the reduction of identified problem areas within delivered services, claims processing, and managed care functions.

The development of a Risk Assessment Work Plan that will be used to identify, analyze, and address the risks the organization faces and how well the current systems in place are able to prevent those risks.

The LRE Compliance Officer is also responsible for ensuring a risk assessment is performed annually with the results integrated into the daily operations of the organization.

*See LRE Policies or Procedures:*

[Compliance-Auditing-and-Monitoring-Procedure-Clean-Reviewed-20230721.pdf \(lsre.org\)](#)  
[7.1-Quality-Management.pdf \(lsre.org\)](#)  
[7.7-CMHSP-Member-Monitoring-2022.pdf \(lsre.org\)](#)  
[7.8-Medicaid-Verification-2020.pdf \(lsre.org\)](#)  
[9.1-CC-Plan-20230721.pdf \(lsre.org\)](#)

**Element 7 - Responding to Detected Offenses and Developing Corrective Action Initiatives** – The development of policies and procedures to respond to detected offenses, to initiate correction action initiatives to prevent future offenses, and to, when appropriate, report to governmental agencies.

See LRE Policies or Procedures:

[9.8-Compliance-Enforcement-20230721.pdf \(lsre.org\)](#)

[9.7-Compliance-Reviews-and-Investigations-20230721.pdf \(lsre.org\)](#)

LRE Policy 9.XX – FWA Investigations

LRE Compliance Procedure – FWA Investigations Step-by-Step Guide

## STRUCTURE OF LRE CORPORATE COMPLIANCE PROGRAM

### GENERAL STRUCTURE

**LRE Board of Directors:** LRE Board of Directors is responsible for the review and approval of the LRE Corporate Compliance Plan and review of matters related to the LRE Corporate Compliance Program.

**LRE Compliance Officer:** LRE designates a Compliance Officer, who

1. Is given sufficient authority and control to oversee and monitor the successful implementation and effectiveness of the LRE Corporate Compliance Plan, including all seven LRE Corporate Compliance Program Elements.
2. Has primary responsibility of advising LRE's Chief Executive Officer (CEO), Board of Directors, and Executive Team of compliance risks related to strategic and operational decisions and operation of the LRE Corporate Compliance Program.
3. Serves as the Chair of the Compliance Regional Operations Advisory Team (ROAT) and the LRE Compliance Oversight Committee (COC).
4. Reports status of implementation of the LRE Corporate Compliance Plan and its related compliance activities as well as any needs of the LRE Corporate Compliance Program to LRE CEO and/or Board of Directors.
5. Recommends revisions to the LRE Corporate Compliance Program and Plan, inclusive of all seven Corporate Compliance Program Elements, as well as the Compliance Policies and Procedures.
6. Provides consultative support to Member CMHSPs and Network Providers, as requested.
7. Is responsible for the day-to-day operations of the LRE Corporate Compliance Program.
8. Assures compliance training and education efforts for LRE staff and LRE Board of Directors are completed annually.
9. Assures PIHP is aware of evolving federal requirements and MDHHS contractual obligations and standards and ensuring compliance.
10. Coordinates and oversees investigations, audits, and monitoring activities.
11. Coordinates with LRE Operations, Human Resources, and other relevant departments regarding LRE Staff, Member CMHSPs, and Network Providers credentialing and recredentialing including but not limited to certifications, licensures, criminal background checks, sanctions checks, etc.

12. Independently investigate and act on matters related to compliance.
13. Draft and maintain reports including but not limited to annual Corporate Compliance Program Evaluation.

**LRE Compliance Oversight Committee:** LRE Compliance Oversight Committee (COC) that

1. Provides guidance, supervision, and coordination for the successful implementation and effectiveness of the LRE Corporate Compliance Program.
2. Reviews the effectiveness of the LRE Corporate Compliance Program and LRE Corporate Compliance Work Plan.
3. Reviews the Annual Corporate Compliance Risk Assessment.
4. Reviews recommendations from the Compliance Officer and Compliance ROAT that are related to the LRE Corporate Compliance Program, including all eight Corporate Compliance Program Elements.
5. Is comprised of the LRE Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Managed Care Officer, Compliance Officer, and Chief Information Officer. Legal Counsel will be an ad-hoc member of the COC. In addition, other members of the LRE not mentioned above may be asked to participate in the COC on a case-by-case basis to provide consultation on specific areas of expertise.
6. Meets quarterly and when otherwise needed to address specific impromptu matters.
7. Reviews all direct-to-consumer marketing activities in advance of launch if the activity involves giving anything of value directly to a consumer.

**LRE Compliance Regional Operations Advisory Team:** LRE Compliance ROAT advises on matters involving compliance and

1. Is comprised of LRE Compliance Officer and the compliance officer from each Member CMHSP in Region 3, which is appointed by the respective Member CMHSP.
2. Reviews the LRE Corporate Compliance Plan and related policies to ensure they adequately address legal requirements and identified risk areas.
3. Analyzes the regulatory environment and the legal requirements with which it must comply and specific risk areas.
4. Analyzes the effectiveness of the LRE Corporate Compliance Program and makes recommendations for improvements, where appropriate.
5. Assists the LRE Compliance Officer with developing policies and procedures to promote compliance with the LRE Corporate Compliance Program and the applicable federal and state statutory, regulatory, and contractual obligations, inclusive of the Office of Inspector General guidelines and the 42 CFR 438.608.
6. Assists the LRE Compliance Officer with identifying potential risk areas and violations.
7. Advises and assists the LRE Compliance Officer with compliance initiatives.
8. Works with appropriate departments, as well as Network Providers, to develop standards of conduct and policies and procedures that promote compliance to legal and ethical standards.

9. Recommends and monitors, in conjunction with the relevant functional area leaders, the development of internal and external systems and controls to carry out LRE's standards, policies and procedures as part of its daily operations.
10. Determines the appropriate strategy and approach to promote compliance with the LRE Corporate Compliance Program and detection of any potential violations, such as through hotlines and other fraud reporting mechanisms.
11. Develops a system to solicit, evaluate and respond to complaints and compliance issues.
12. Monitor internal and external audits and investigations for the purpose of identifying risk areas and implement corrective and preventative actions.
13. Assist in the development of program measurements to evaluate the corporate compliance program effectiveness.
14. Ensure compliance issues are appropriately communicated to the LRE CEO, Board of Directors, Executive Team, and Operations Council, and Network Providers, as appropriate.
15. Addresses other functions as requested by the LRE CEO, Board of Directors, Executive Team, and Operations Council.

**LRE Operations Advisory Council:** LRE Operations Advisory Council, with respect to the LRE Corporate Compliance Program,

1. As determined by the LRE CEO, LRE Operations Advisory Council reviews Compliance ROAT recommendations concerning compliance matters as identified by the Compliance ROAT and reported by the LRE CEO and chooses to support or not support the Compliance ROAT's recommendations.
2. Is comprised of the LRE CEO and the CEOs, or Executive Directors, of each Member CMHSP in Region 3.

## **CONFIDENTIALITY AND PRIVACY**

All LRE staff, Board of Directors, Member CMSHPs, and Network Providers must conduct themselves in accord with the principle of maintaining the confidentiality of consumers' information in accordance with all applicable laws and regulations, including but not limited to the Michigan Mental Health Code and the Privacy and Security Regulations issued pursuant to HIPAA and recent updated HITECH revisions, and 42 CFR Part 2 as it relates to substance abuse records.

All LRE staff, Board of Directors, Member CMSHPs, and Network Providers will refrain from disclosing any personal or confidential information concerning members unless authorized by laws relating to confidentiality of records and protected health information.

If specific questions arise regarding the obligation to maintain the confidentiality of information or the appropriateness of releasing information, any LRE staff, Board of Directors, Member CMSHPs, and Network Providers should seek guidance from the LRE Compliance/Privacy Officer

or anonymously seek guidance through the LRE Corporate Compliance and Privacy hotline at 1-800-420-3592.

The relevant LRE policies regarding HIPAA security and privacy and breach notification policy and procedure can be found here:

See *LRE Policies or Procedures*: [3.2-HIPAA-Security-and-Privacy.pdf \(lsre.org\)](#)  
[3.5-Breach-Notification.pdf \(lsre.org\)](#)  
[3.5A-Breach-Notification.pdf \(lsre.org\)](#)

## LEGAL AND REGULATORY STANDARDS

### PRIMARY REGULATORY AND LEGAL STANDARDS

Numerous laws establish compliance requirements for the LRE, Member CMHSPs, and Network Providers. However, in formalizing LRE's Corporate Compliance Program, the legal basis of LRE'S Corporate Compliance Program centers around four primary legal and regulatory standards:

**The Affordable Care Act (2010)** – This Act requires the PIHP to have a written and operable compliance program capable of preventing, identifying, reporting, and ameliorating fraud, waste, and abuse across the PIHP's provider network. All programs funded by the PIHP including CMHSPs, sub- contract provider organizations and practitioners, board members and others involved in rendering PIHP covered services fall under the purview and scope of LRE's Corporate Compliance Program.

**The Anti-Kickback Statute** – This Act prohibits the offer, solicitation, payment, or receipt of remuneration, in cash or in kind, in return for or to induce a referral for any service paid for or supported by the Federal government or for any good or service paid for in connection with consumer service delivery.

**The Federal False Claims Act** – This Act applies when a company or person knowingly presents (or causes to be presented) to the Federal government (or any entity on its behalf) a false or fraudulent claim for payment; knowingly uses (or causes to be used) a false record or statement to get a claim paid; conspires with others to get a false or fraudulent claim paid; or knowingly uses (or causes to be used) a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Federal government (or its designated entity).

**The Michigan False Claims Act** – This Act prohibits fraud in the obtaining of benefits or payments in conjunction with the MI Medical assistance program; to prohibit kickbacks or bribes in connection with the program to prohibit conspiracies in obtaining benefits or payments; and to authorize the MI Attorney General to investigate alleged violations of this Act.

## **ADDITIONAL LEGAL AND REGULATORY STANDARDS**

There are numerous other applicable federal and state statutory, regulatory, and contractual obligations that establish requirements for LRE's Corporate Compliance Program, include but are not limited to:

1. 42 CFR Part 2 Confidentiality of Alcohol and Drug Use Patient Records
2. American with Disabilities Act of 1990
3. Civil Monetary Penalty Law of 1981
4. Code of Federal Regulations
5. Deficit Reduction Act/Medicaid Integrity Program of 2005
6. Government Accounting Standards Board (GASB)Guide to Encounter Data Systems
7. Health Information Technology for Economic and Clinical Health Act (HITECH) Act
8. Home and Community Based Services Final Rule
9. Letters to State Medicaid Directors
10. Medical Services Administration (MSA) Policy Bulletins
11. Medicaid State Plan
12. Michigan Medicaid Provider Manual
13. Michigan Medical Records Act
14. Michigan Mental Health Code, Public Health Code and Administrative Rules
15. Michigan State Licensing requirements
16. Michigan Whistleblowers Act, Act 469 of 1980
17. Office of Inspector General Annual Work Plan
18. Office of Management and Budget (OMB) Circulars
19. Privacy and Security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
20. Provisions from Public Act 368 of 1978 – revised – Article 6 Substance Abuse
21. Quality Improvement Systems for Managed Care (QISMC)
22. Requirements as identified by the Office of Inspector General
23. Social Security Act of 1964 (Medicare and Medicaid)
24. Stark Law
25. State of Michigan MDHHS/PIHP contract provisions
26. State Operations Manual
27. Technical Assistance Advisories, as required
28. Technical Assistance Tools
29. The Balanced Budget Act of 1997
30. Waiver Applications

The LRE Corporate Compliance Plan is subject to the following conditions:



- A. The LRE Compliance Officer may recommend modifications, amendments, or alterations to the written LRE Corporate Compliance Plan as necessary and will communicate any changes promptly to all personnel and to the Board of Directors.
- B. This document is not intended to, nor should be construed as, a contract or agreement, and does not grant any individual or entity employment or contract rights.

## DEFINITIONS AND TERMS

These terms have the following meaning throughout the LRE Corporate Compliance Plan.

- 1. **Abuse** means practices that are inconsistent with sound fiscal, business, or clinical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards of care. It also includes beneficiary practices that result in unnecessary costs to the Medicaid program. (42 CFR § 455.2)
- 2. **Compliance Inquiry** mean the initial step in the fraud, waste, and abuse (FWA) investigation process. A compliance inquiry begins when a Community Mental Health Service Provider (CMHSP) or other provider receives a complaint alleging FWA from any source exists, or the CMHSP or other providers identify questionable practices or irregularities that may indicate a potential credible allegation of fraud, or waste, or abuse, exists. The CMHSP or provider will conduct a basic fact gathering to see if there is sufficient evidence to refer the complaint to the Prepaid Inpatient Health Plan (PIHP) for a preliminary investigation.
- 3. **Corrective Action Plan** means a formal plan that identifies specific, actionable steps to improve an organization's processes or address deficiencies in performance when measured against established standards and contractual requirements.
- 4. **Credible Allegation of Fraud (CAF)** means an allegation, which has been verified by an agency or the State, from any source, including but not limited to the following:
  - (1) Fraud hotline tips verified by further evidence.
  - (2) Claims data mining.
  - (3) Patterns identified through provider audits, civil false claims cases, and law enforcement investigations. Allegations are considered to be credible when they have indicia of reliability and the State Medicaid agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis. (42 CFR 455).
- 5. **Fraud (Federal False Claims Act)** is an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law including but not limited to the Federal False Claims Act and the Michigan False Claims Act. (42 CFR §455.2).

6. **Full Investigation** means when the findings of a preliminary investigation give a PIHP reason to believe that PCAF has occurred, and the amount is \$5,000 or greater, the PIHP must refer the case to the Office of Inspector General (OIG) and Medicaid Fraud Control Unit, which will conduct an extensive and thorough investigation to determine if a credible allegation of fraud (CAF) exists. Also, if PCAF has occurred and the amount is less than \$5,000, the PIHP will conduct the full investigation to completion.
7. **Member CMSHPs** means the Member CMSHPs that hold a contract with LRE to provide supports and services to adults and children with mental illness, developmental disabilities, and co-occurring mental health and substance abuse disorders to Medicaid enrollees and to perform various delegated managed care functions consistent with LRE policy. "Member CMSHPs" includes the agency itself as well as those acting on its behalf, regardless of employment or contractual relationship.
8. **Network Provider** means, according to the FY24 MDHHS-PIHP Contract, any provider, group of providers, or entity that has a provider agreement with PIHP or Member CMHSP, including a CMHSP, and receives Medicaid funding directly or indirectly to order, refer or render covered services as a result. A network provider is not a subcontractor by virtue of the network provider agreement, unless the network provider is responsible for services other than those that could be covered in a network provider agreement related to the delivery, ordering, or referring of covered services to a beneficiary.
9. **Preliminary Investigation** is the second step in the FWA investigation process. The PIHP analyzes the information contained within the CMHSP's FWA referral to the PIHP and determines whether more information is required to reach a particular conclusion. After determining whether the evidence is sufficient, the PIHP will analyze all of the information in its entirety, conduct interviews if required, and make a recommendation to the OIG and Attorney General (AG) that there is sufficient evidence to prove that a PCAF exists that is \$5,000 or more, and requires a full investigation. If a PCAF exists but the amount is less than \$5,000, a full investigation will still be required, but it will be the responsibility of the PIHP to conduct.
10. **Potential Credible Allegation of Fraud (PCAF)** is the belief that fraud has occurred, and the evidence is leading the examiner to this conclusion. The PIHP will determine if a PCAF exists.
11. **Resolution of Full Investigation** means when the full investigation is completed and legal action is initiated, or the case is dismissed due to insufficient evidence to support the allegations, or the matter is resolved between the PIHP, CMHSP, and the provider beneficiary.
12. **Waste** means overutilization of services, or other practices that result in unnecessary costs. Generally, not considered caused by criminally negligent actions but rather the misuse of resources.

## REFERENCES, HYPERLINKS, AND SUPPORTING DOCUMENTS

1. 42 USC 139a(a); Section 1902(a) of the Social Security Act (AKA the Deficit Reduction Act of 2005)  
<http://www.cms.hhs.gov/deficitreductionact>
2. Anti-kickback Statute (section 1128B[b] of the Social Security Act)  
[http://www.ssa.gov/OP\\_Home/ssact/title11/1128B.htm](http://www.ssa.gov/OP_Home/ssact/title11/1128B.htm)  
<https://oig.hhs.gov/compliance/safe-harbor-regulations>
3. Code of Federal Regulations (Title 42, Part 2 and Title 45, Part 160 & 164)  
<http://www.ecfr.gov/cgi-bin/ECFR?page=browse>
4. Department of Health and Human Services, Office of Inspector General  
<https://oig.hhs.gov>
5. DOJ Compliance Guidance  
<https://www.justice.gov/criminal-fraud/page/file/937501/download>
6. False Claims Act  
<https://oig.hhs.gov/fraud>  
<http://www.legislature.mi.gov>
7. Federal Sentencing Guidelines Section 8  
<https://www.ussc.gov/guidelines/2021-guidelines-manual-annotated>
8. Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and Prepaid Health Plans, Medicaid Alliance for Program Safeguards, May 2002  
<https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforProfs/Downloads/mccomplan.pdf>
9. Managing Compliance Program Effectiveness: A Resource Guide  
<https://oig.hhs.gov/documents/toolkits/928/HCCA-OIG-Resource-Guide.pdf>
10. Michigan Mental Health Code  
[http://www.legislature.mi.gov/\(S\(ea1olrem4pvgdzylgs0hay4e\)\)/mileg.aspx?page=GetObject&objectname=mcl-Act-258-of-1974](http://www.legislature.mi.gov/(S(ea1olrem4pvgdzylgs0hay4e))/mileg.aspx?page=GetObject&objectname=mcl-Act-258-of-1974)
11. Michigan Public Health Code  
<http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-368-of-1978.pdf>
12. United States Attorney Manual (USAM)  
<https://www.justice.gov/jm/jm-9-28000-principles-federal-prosecution-business-organizations#9-28.800>
13. United States Department of Justice, Criminal Division, Evaluation of Corporate Compliance Program  
<https://www.justice.gov/criminal-fraud/page/file/937501/download>

## COMPLIANCE OFFICER CONTACT INFORMATION

### LAKESHORE REGIONAL ENTITY

LRE Compliance Officer  
Lakeshore Regional Entity  
5000 Hakes Drive Suite 250  
Norton Shores, Michigan 49441

Compliance Hotline: 1-800-420-3592  
Compliance Fax: 231-769-2075  
Compliance Officer: 231-769-2079  
E-mail: [Compliance@lsre.org](mailto:Compliance@lsre.org)

### MEMBER CMHSPs

COUNTY(IES)	MEMBER CMHSP	COMPLIANCE OFFICER CONTACT INFORMATION
Allegan County	OnPoint (Allegan County Community Mental Health Services)	Diane Bennett - Compliance Officer Tel: 269-512-4737 Fax: 269-686-5201 E-mail: <a href="mailto:cofficer@onpointallegan.org">cofficer@onpointallegan.org</a>
Kent County	Network 180 (Kent County CMH Authority)	Stacey O'Toole - Director of Quality, Data Analytics, and Compliance Tel: 616-825-5400 E-mail: <a href="mailto:stacey.otoole@network180.org">stacey.otoole@network180.org</a>
Lake County Mason County Oceana County	West Michigan Community Mental Health System	Devon Hernandez - Director of Corporate Compliance and Risk Management Tel: 231-845-6294 Fax: 231-845-7095 E-mail: <a href="mailto:devonh@WMCMHs.org">devonh@WMCMHs.org</a>
Muskegon County	HealthWest	Linda Closz - Director of Health Information Services Tel: 231-724-3631 Fax: 231-724-3659 E-mail: <a href="mailto:linda.closz@healthwest.net">linda.closz@healthwest.net</a>
Ottawa County	Community Mental Health of Ottawa County	Kristen Henninges - Compliance Program Coordinator Tel: 616-393-5685 Fax: 616-393-5687 E-mail: <a href="mailto:khenninges@miottawa.org">khenninges@miottawa.org</a>

### GOVERNMENTAL AGENCIES

To report suspected Fraud, Waste, or Abuse to the Office of Inspector General: MDHHS  
Medicaid Fraud Hotline: 1-855-MI-FRAUD (1-855-643-7283) voicemail available after hours or  
send a letter to:

Michigan Office of Inspector General  
PO Box 30062  
Lansing, MI 48909

Health and Human Services (HHS)/OIG Hotline: 1-800-HHS-TIPS (1-800-447-8477) or make an online report: [File Online Complaint](#)

## ATTESTATIONS

### ATTESTATION FOR LRE STAFF



#### **LRE STAFF ANNUAL CORPORATE COMPLIANCE TRAINING CERTIFICATION FORM**

1. I attended and completed the required annual corporate compliance training for LRE staff on \_\_\_\_\_.  
(Month, Date, Year)
2. I have received, read, and understand the LRE Corporate Compliance Plan and all related policies and procedures.
3. I agree to act in compliance with and abide by the LRE Corporate Compliance Plan during the entire term of my employment or contract.
4. I acknowledge that I have a duty to report to the LRE Compliance Officer any suspected or actual violation of the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures by myself, another LRE staff, or any other person.
5. I will seek advice from the LRE Compliance Officer concerning appropriate actions that I may need to take to comply with the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures.
6. I agree to participate in any future compliance trainings as required and acknowledge my attendance at such trainings as a condition of my continued employment or contract.
7. I agree to disclose the existence and nature of any potential or actual conflict of interest to the LRE Compliance Officer. Further, I certify that I am not aware of any current conflicts of interest.
8. I understand that failure to comply with the LRE Corporate Compliance Plan or failure to report any potential or actual violation of the LRE Corporate Compliance Plan may result in disciplinary action up to and including termination of employment or contract.

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LRE Staff Name (PRINT)

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LRE Staff Signature

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Date

## ATTESTATION FOR BOARD OF DIRECTORS



### **LRE BOARD OF DIRECTORS ANNUAL CORPORATE COMPLIANCE TRAINING CERTIFICATION FORM**

1. I attended and completed the "Annual Corporate Compliance Training" for the newly appointed LRE Board of Directors on \_\_\_\_\_.  
(Month, Date, Year)
1. I have received, read, and understand the LRE Corporate Compliance Plan.
2. I agree to act in compliance with and abide by the LRE Corporate Compliance Plan during the entire term of my Board service.
3. I acknowledge that I have a duty to report to the LRE Compliance Officer any suspected or actual violation of the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures by myself, another Board Member, or any other person.
4. I will seek advice from the LRE Compliance Officer concerning appropriate actions that I may need to take to comply with the LRE Corporate Compliance Plan, related laws, regulations, policies, and procedures.
5. I agree to participate in future LRE Board of Directors compliance trainings, as required.
6. I agree to disclose the existence and nature of any potential or actual conflict of interest annually as required by the financial disclosure form and at any time when it arises thereafter to the LRE Board Chairperson and LRE Compliance Officer.
7. I understand that failure to comply with any part of the LRE Corporate Compliance Plan may result in my removal from the Board of Directors.

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Board of Director Name (PRINT)

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Board of Director Signature

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Date