



**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES**

Med-QUEST Division
Health Care Services Branch
P. O. Box 700190
Kapolei, Hawaii 96709-0190

August 14, 2014

MEMORANDUM

MEMO NO.
FFS M14-13

TO: Fee-For-Service (FFS) Providers

FROM: Kenneth S. Fink, MD, MGA, MPH **KF**
Med-QUEST Division Administrator

SUBJECT: SCREENING EMPLOYEES AND CONTRACTORS FOR INDIVIDUALS
AND ENTITIES EXCLUDED FROM PARTICIPATION IN FEDERAL
HEALTH CARE PROGRAMS

The primary purpose of this memorandum is to inform the Hawaii Medicaid FFS provider network of their obligation to screen employees and contractors for individuals and entities that have been excluded from participation in federal health care programs, both prior to hiring or contracting and on a periodic basis. The secondary purpose is to communicate the manner in which overpayment calculations should be made.

The following steps comes from State Medicaid Directors Letter #09-001, and need to be taken by all Hawaii Medicaid FFS providers:

1. Providers have an obligation to screen all employees and contractors to determine whether any of them have been excluded from participation in federal health care programs. Provider screenings should occur upon enrollment and reenrollment.
2. Providers should understand that these screening obligations are a condition of enrollment in the Hawaii Medicaid FFS provider network.
3. Providers can search the HHS-OIG website by the names of any individual or entity. This website can be found at <http://www.oig.hhs.gov/fraud/exclusions.asp>.
4. Providers should search the HHS-OIG website monthly to capture exclusions and reinstatements that have occurred since the last search.

5. Providers should immediately report to the MQD any exclusion information discovered.

The State Medicaid Directors Letter #09-001 also states the following regarding calculating overpayments by all Hawaii Medicaid FFS providers:

- Providers are prohibited from paying for any items or services furnished, ordered, or prescribed by excluded individuals or entities.
- The amount of the Medicaid overpayment for such items or services is the actual amount of Medicaid dollars that were expended for those items or services. When Medicaid funds have been expended to pay an excluded individual's salary, expenses, or fringe benefits, the amount of the overpayment is the amount of those expended Medicaid funds.
- There may be instances when the connection between expended Medicaid funds and the items or services furnished by the excluded individual or entity are too attenuated to trace. When such circumstances arise, the overpayment is no more than the amount which the State is certain was paid with Medicaid dollars.

Please contact the Provider Hotline at 808-692-8099 should you have any questions.