

# Federally Required Disclosures



## Ownership and Control, Business Transactions and Criminal Convictions

(42 CFR §§ 455.100 – 106, 42 CFR 455.436, and 42 CFR §1002.3)

Federal law requires fiscal agents, managed care entities (MCEs), and other MassHealth providers, including applicants and certain bidders seeking to provide MassHealth services, to disclose some or all of the following: business ownership and control, business transactions, and criminal convictions. See 42 CFR §§ 455.100 – 106, 42 CFR 455.436, and 42 CFR §1002.3. MassHealth requires the submission of tax identification numbers (TINs), for example, social security number (SSN) or employer identification number (EIN), for purposes necessary to properly administer the MassHealth program (See 42 U.S.C. § 1320a-3 and 42 U.S.C. § 405 (c)(1).) Unless otherwise instructed by MassHealth, fiscal agents, MCEs, and other providers, must use this form when disclosing such information to MassHealth.

The following terms are defined in 42 CFR 438.2.

- Health Insuring Organization (HIO)
- Managed Care Organization (MCO)
- Prepaid Ambulatory Health Plan (PAHP)
- Prepaid Inpatient Health Plan (PIHP)
- Primary Care Case Manager (PCCM)

### I. Disclosing Entities

All providers, disclosing entities, and others completing this form must complete Sections IV.A. and IV.F. Other information that must be disclosed and the timing of the disclosure varies depending on the identity of the disclosing entity as specified below.

#### A. Providers and PCCMs

- (1) Disclosures of Ownership and Control (Section IV.B.) are due
  - (a) upon submission of a provider application;
  - (b) upon execution of the provider agreement with MassHealth;
  - (c) upon MassHealth's request during revalidation of enrollment; and
  - (d) within 35 days after any change in ownership of the entity required to disclose.
- (2) Disclosures of Business Transactions (Section IV.C.) are due within 35 days of MassHealth's written request.
- (3) Disclosures of Criminal Convictions (Section IV.D.) are due
  - (a) upon submission of a provider application;
  - (b) upon execution or renewal of the provider agreement with MassHealth; and
  - (c) upon MassHealth's written request.
- (4) Disclosures of Relationships to Excluded, Penalized or Convicted Persons (Section IV.E.) are due
  - (a) upon execution of a provider agreement with MassHealth;

- (b) upon renewal of the provider agreement with MassHealth; and
- (c) upon MassHealth's written request.

## **B. Provider applicants**

Provider applicants must provide Ownership and Control and Criminal Conviction Disclosures, and Disclosures of Relationships of Excluded, Penalized, or Convicted Persons (Section IV. B, D, and E), as detailed above, however, they are not required to disclose Business Transactions (Section IV.C).

## **C. Fiscal agents**

Disclosures of Ownership and Control (Section IV.B.) are due

- (1) upon submission of a proposal in accordance with the state procurement process;
- (2) upon execution of a contract with MassHealth;
- (3) upon renewal or extension of the contract with MassHealth; and
- (4) within 35 days after any change in ownership.

## **D. MCEs (MCOs, PIHPs, PAHPs, and HIOs except PCCMs)**

- (1) Disclosures of Ownership and Control (Section IV.B.) are due
  - (a) upon submission of a proposal in accordance with the state procurement process;
  - (b) upon execution of a contract with MassHealth;
  - (c) upon renewal or extension of the contract with MassHealth; and
  - (d) within 35 days after any change in ownership.
- (2) Disclosures of Business Transactions (Section IV.C.) are due within 35 days of MassHealth's written request.
- (3) Disclosures of Criminal Convictions (Section IV.D.) are due
  - (a) upon submission of a provider application;
  - (b) upon execution or renewal of the provider agreement with MassHealth; and
  - (c) upon MassHealth's written request.
- (4) Disclosures of Relationships to Excluded, Penalized, or Convicted Persons (Section IV.E.) are due
  - (a) upon execution of a contract with MassHealth;
  - (b) upon renewal of the contract with MassHealth; and
  - (c) upon MassHealth's written request.

Please attach an additional page or pages if necessary.

## II. Definitions for Sections IV. B-D

Definitions for the terms that are used in this form are provided here for your convenience. The source of these definitions is 42 CFR § 455.101.

**Agent** means any person who has been delegated the authority to obligate or act on behalf of a provider.

**Disclosing entity** means a Medicaid provider (other than an individual practitioner or group of practitioners) or a fiscal agent.

**Fiscal agent** means a contractor that processes or pays vendor claims on behalf of the Medicaid agency.

**Group of practitioners** means two or more health care practitioners who practice their profession at a common location (whether or not they share common facilities, common supporting staff, or common equipment).

**Indirect ownership interest** means an ownership interest in an entity that has an ownership interest in the disclosing entity. This term includes an ownership interest in any entity that has an indirect ownership interest in the disclosing entity.

**Managed Care Entity (MCE)** means managed care organizations (MCOs), PIHPs, PAHPs, PCCMs, and HIOs, as defined by 42 CFR §455.101.

**Managing employee** means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an institution, organization, or agency.

**Other disclosing entity** means any other Medicaid disclosing entity and any entity that does not participate in Medicaid, but is required to disclose certain ownership and control information because of participation in any of the programs established under Title V, XVIII, or XX of the Act. This includes (a) any hospital, nursing facility, home health agency, independent clinical laboratory, renal disease facility, rural health clinic, or health maintenance organization that participates in Medicare (Title XVIII); (b) any Medicare intermediary or carrier; and (c) any entity (other than an individual practitioner or group of practitioners) that furnishes, or arranges for the furnishing of, health-related services for which it claims payment under any plan or program established under Title V or Title XX of the Act.

**Ownership** interest means the possession of equity in the capital, the stock, or the profits of the disclosing entity.

**Person with an ownership or control interest** means a person or corporation that (a) has an ownership interest totaling five percent or more in a disclosing entity; (b) has an indirect ownership interest equal to five percent or more in a disclosing entity; (c) has a combination of direct and indirect ownership interests equal to five percent or more in a disclosing entity; (d) owns an interest of five percent or more in any mortgage, deed of trust, note, or other obligation secured by the disclosing entity if that interest equals at least five percent of the value of the property or assets of the disclosing entity; (e) is an officer or director of a disclosing entity that is organized as a corporation; or (f) is a partner in a disclosing entity that is organized as a partnership.

**Significant business transaction** means any business transaction or series of transactions that, during any one fiscal year, exceed the lesser of \$25,000 and five percent of a provider's total operating expenses.

**Subcontractor** means (a) an individual, agency, or organization to which a disclosing entity has contracted or delegated some of its management functions or responsibilities of providing medical care to its patients; or (b) an individual, agency, or organization with which a fiscal agent has entered into a contract, agreement, purchase order, or lease (or leases of real property) to obtain space, supplies, equipment, or services provided under the Medicaid agreement.

**Supplier** means an individual, agency, or organization from which a provider purchases goods and services used in carrying out its responsibilities under Medicaid (e.g., a commercial laundry, a manufacturer of hospital beds, or a pharmaceutical firm).

**Wholly owned supplier** means a supplier whose total ownership interest is held by a provider or by a person, persons, or other entity with an ownership or control interest in a provider.

### III. Determination of Ownership or Control Percentages

Instructions for determining ownership or control percentages are reproduced here for your convenience. The source of these definitions is 42 CFR § 455.102.

- A. Indirect ownership interest. The amount of indirect ownership interest is determined by multiplying the percentages of ownership in each entity. For example, if A owns 10 percent of the stock in a corporation, which owns 80 percent of the stock of the disclosing entity, A's interest equates to an 8 percent indirect ownership interest in the disclosing entity and must be reported. Conversely, if B owns 80 percent of the stock of a corporation which owns 5 percent of the stock of the disclosing entity, B's interest equates to a 4 percent indirect ownership interest in the disclosing entity and need not be reported.
- B. Person with an ownership or control interest. In order to determine percentage of ownership, mortgage, deed of trust, note, or other obligation, the percentage of interest owned in the obligation is multiplied by the percentage of the disclosing entity's assets used to secure the obligation. For example, if A owns 10 percent of a note secured by 60 percent of the provider's assets, A's interest in the provider's assets equates to 6 percent and must be reported. Conversely, if B owns 40 percent of a note secured by 10 percent of the provider's assets, B's interest in the provider's assets equates to 4 percent and need not be reported.

### IV. Disclosures

#### A. Identification Information

*All applicants, bidders, disclosing entities, fiscal agents, and providers, including MCEs, must complete this section.*

Name: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address (Individuals must provide their home address. Legal entities must provide, as applicable, their primary business address, every business location, and post office box addresses. Attach a separate sheet if additional space is needed.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Provider ID/service location (PID/SL) for existing MassHealth providers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact person: \_\_\_\_\_

Title: \_\_\_\_\_

Phone no.: \_\_\_\_\_

## B. Ownership and Control

*All applicants, bidders, disclosing entities, fiscal agents, and providers, including MCEs, must complete this section, unless otherwise directed by MassHealth.*

(1) List the name and address of any person (individual or legal entity) with an ownership or control interest in the entity providing these disclosures, or with an ownership or control interest in any subcontractor in which the disclosing entity has a direct or indirect ownership of five percent or more. Provide the date of birth and SSN (for individuals identified), or other TIN (for legal entities identified), and complete the additional requested information. Attach a separate sheet if additional space is needed. If there is no person or entity in this category, please respond "None."

(a) Name: \_\_\_\_\_

Address (Individuals must provide their home address. Legal entities must provide, as applicable, their primary business address, every business location, and post office box addresses. Attach a separate sheet if additional space is needed.):

\_\_\_\_\_  
\_\_\_\_\_

SSN or TIN: \_\_\_\_\_

Date of birth (if an individual): \_\_\_\_\_

The individual or legal entity identified above has an ownership or control interest in which entity(ies):

• The entity providing these disclosures?  Yes  No

• A subcontractor in which the disclosing entity has a direct or indirect ownership of five percent or more?  Yes  No

▶ Name and address of the subcontractor (Individuals must provide their home address. Legal entities must provide, as applicable, their primary business address, every business location, and post office box addresses. Attach a separate sheet if additional space is needed.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

▶ SSN or TIN of the subcontractor:

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(b) Name: \_\_\_\_\_

Address (Individuals must provide their home address. Legal entities must provide, as applicable, their primary business address, every business location, and post office box addresses. Attach a separate sheet if additional space is needed.):

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SSN or TIN: \_\_\_\_\_

Date of birth (if an individual): \_\_\_\_\_

The individual or legal entity identified above has an ownership or control interest in which entity(ies):

- The entity providing these disclosures?     Yes     No
- A subcontractor in which the disclosing entity has a direct or indirect ownership of five percent or more?                                     Yes     No
  - ▶ Name and address of the subcontractor (Individuals must provide their home address. Legal entities must provide, as applicable, their primary business address, every business location, and post office box addresses. Attach a separate sheet if additional space is needed.):

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▶ SSN or TIN of the subcontractor:

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(2) Identify any individuals or legal entities named in question 1 as having an ownership or control interest, who are related to each other as spouse, parent, child, or sibling; and identify the particular relationship. If there are no such relationships, please respond "None."

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(3) Identify any individuals or legal entities listed in question 1 as having an ownership or control interest, who also have an ownership or control interest in any other disclosing entity (or fiscal agent or MCE), and provide the name of each such other disclosing entity. If there are no individuals or legal entities with such interest, please respond "None." Attach a separate sheet if additional space is needed.

(a) Name: \_\_\_\_\_

Other entity name: \_\_\_\_\_

Other entity address: \_\_\_\_\_

(b) Name: \_\_\_\_\_

Other entity name: \_\_\_\_\_

Other entity address: \_\_\_\_\_

(4) Identify and provide the following information for each managing employee. If there are no managing employees, please respond "None." Attach a separate sheet if additional space is needed.

(a) Managing employee: \_\_\_\_\_

Address: \_\_\_\_\_

SSN: \_\_\_\_\_

Date of birth: \_\_\_\_\_

(b) Managing employee: \_\_\_\_\_

Address: \_\_\_\_\_

SSN: \_\_\_\_\_

Date of birth: \_\_\_\_\_

(c) Managing employee: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SSN: \_\_\_\_\_

Date of birth: \_\_\_\_\_

**C. Business Transactions**

Complete this section only if MassHealth directs you to do so. (Applicants and fiscal agents do not need to complete this section.)

(1) Identify the ownership of any subcontractor with whom the provider, including an MCE, has had business transactions totaling more than \$25,000 during the 12-month period before the date of this request. If there are multiple owners or shareholders, list only those with direct or indirect ownership of five percent or more. If there are no such business transactions to report, please respond "None." Attach a separate sheet if additional space is needed.

(a) Subcontractor: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

SSN or TIN: \_\_\_\_\_

(i) Name of owner: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

(ii) Name of owner: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

(b) Subcontractor: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

SSN or TIN: \_\_\_\_\_

(i) Name of owner: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

(ii) Name of owner: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



- (2) Identify any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor during the five-year period before the date of this request. If there are no significant business transactions to report, please respond "None." Attach a separate sheet if additional space is needed.

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**D. Criminal Convictions**

*Applicants, bidders, and providers, including MCEs, must complete this section, unless otherwise directed by MassHealth.*

Provide the requested information in this section for any person who

- (1) (a) has an ownership or control interest in the disclosing applicant, bidder, MCE or provider, or  
(b) is an agent or managing employee of the disclosing applicant, bidder, MCE or provider; and
- (2) has also been convicted of a criminal offense related to any program under Medicare, Medicaid, or Title XX services since the inception of those programs.

If there are no persons with such interest, please respond "None." Attach a separate sheet if more space is needed.

Person 1

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship:  person with an ownership or control interest  
 agent  
 managing employee

Conviction Information:

Crime(s): \_\_\_\_\_

Date of conviction: \_\_\_\_\_

Person 2

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship:  person with an ownership or control interest  
 agent  
 managing employee

Conviction Information:

Crime(s): \_\_\_\_\_

Date of conviction: \_\_\_\_\_

## E. Relationships to Excluded, Penalized, or Convicted Persons in accordance with 42 CFR §1002.3

All bidders, applicants, providers, including MCEs, must complete this section, unless otherwise directed by MassHealth.

(1) For purposes of section E only, the following terms are as defined in 42 CFR §1001.1001:

**Agent** means any person who has express or implied authority to obligate or act on behalf of an entity.

**Immediate family member** means, a person's husband or wife; natural or adoptive parent; child or sibling; stepparent, stepchild, stepbrother or stepsister; father-, mother-, daughter-, son-, brother- or sister-in-law; grandparent or grandchild; or spouse of a grandparent or grandchild.

**Indirect ownership interest** includes an ownership interest through any other entities that ultimately have an ownership interest in the entity in issue. (For example, an individual has a 10 percent ownership interest in the entity at issue if he or she has a 20 percent ownership interest in a corporation that wholly owns a subsidiary that is a 50 percent owner of the entity in issue.)

**Member of household** means, with respect to a person, any individual with whom they are sharing a common abode as part of a single family unit, including domestic employees and others who live together as a family unit. A roomer or boarder is not considered a member of household.

**Ownership** interest means an interest in:

- (a) The capital, the stock or the profits of the entity, or
- (b) Any mortgage, deed, trust or note, or other obligation secured in whole or in part by the property or assets of the entity.

(2) (a) Please identify, and provide the requested information in this section regarding any person who:

- (i) has been convicted of a criminal offense as described in sections 1128(a) and 1128(b) (1), (2), or (3) of the Social Security Act;
- (ii) has had civil money penalties or assessments imposed under section 1128A of the Social Security Act; or
- (iii) has been excluded from participation in Medicare or any of the state health care programs, **and**

(b) who also has one or more of the following relationships to the disclosing bidder, applicant, MCE, or other provider:

- (i) has a direct or indirect ownership interest (or any combination thereof) of five percent or more in the entity;
- (ii) is the owner of a whole or part interest in any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by the entity or any of the property assets thereof, in which whole or part interest is equal to or exceeds five percent of the total property and assets of the entity;
- (iii) is an officer or director of the entity, if the entity is organized as a corporation;
- (iv) is partner in the entity, if the entity is organized as a partnership;

- (v) is an agent of the entity;
- (vi) is a managing employee, that is, an individual (including a general manager, business manager, administrator, or director) who exercises operational or managerial control over the entity or part thereof, or directly or indirectly conducts the day-to-day operations of the entity or part thereof; or
- (vii) was formerly described in subparagraphs (i) through (vi), immediately above, but is no longer so described because of a transfer of ownership or control interest to an immediate family member or a member of the person's household as defined in this section, in anticipation of or following a conviction, assessment of a civil monetary penalty, or imposition of an exclusion.

If there are no persons with such interest, please respond "None." Attach a separate sheet if more space is needed.

Person 1

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship: \_\_\_\_\_  
 Current     Former

Conviction Information:

Crime(s): \_\_\_\_\_

Date of conviction: \_\_\_\_\_

Penalty or Assessment Information:

Reason(s): \_\_\_\_\_

Date penalty or assessment imposed: \_\_\_\_\_

Exclusion Information (Medicare):

Reason(s): \_\_\_\_\_

Date of exclusion: \_\_\_\_\_

Exclusion Information (state health care program):

State(s): \_\_\_\_\_

Reason(s): \_\_\_\_\_

Date of exclusion: \_\_\_\_\_

Person 2

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Relationship: \_\_\_\_\_  
 Current     Former

Conviction Information:

Crime(s): \_\_\_\_\_

Date of conviction: \_\_\_\_\_

Penalty or Assessment Information:

Reason(s): \_\_\_\_\_

Date penalty or assessment imposed: \_\_\_\_\_

Exclusion Information (Medicare):

Reason(s): \_\_\_\_\_

Date of exclusion: \_\_\_\_\_

Exclusion Information (state health care program):

State(s): \_\_\_\_\_

Reason(s): \_\_\_\_\_

Date of exclusion: \_\_\_\_\_

**F. Provider/Fiscal Agent/MCE/Applicant, Bidder Attestation, Signature, and Date**

*All providers, disclosing entities, fiscal agents, MCEs, applicants, and bidders must complete this section.*

I certify that the information on this form, and any attached statement that I have provided, has been reviewed and signed by me, and is true, accurate, and complete, to the best of my knowledge. I understand that I sign under the pains and penalties of perjury, and may be subject to civil penalties or criminal prosecution for any falsification, omission, or concealment of any material fact contained herein.

Provider's/disclosing entity's/fiscal agent's/MCE's/applicant's/bidder's signature (signature and date stamps, or the signature of anyone other than the provider/fiscal agent, applicant, bidder, or in the case of a legal entity, person legally authorized to sign on behalf of the entity are not acceptable.):

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed name: \_\_\_\_\_

Title: \_\_\_\_\_