

Applicant/Vendor Disclosure Statement **DS 1891 Form Fact Sheet (FAQs)**

All service providers are required to comply with vendorization requirements established in Welfare & Institutions Code, Section 4648.12 and California Code of Regulations (CCR), Title 17, Section 54311, including other requirements established in regulations regarding the service provider's eligibility to provide services.

Overview:

The State of California receives federal funding to support the services and supports received by consumers and families served by the regional center.

In January 2011, the Centers for Medicare and Medicaid Services (CMS) conducted a review entitled "Medicaid Integrity Program, California Comprehensive Program Integrity Review". The review focused on, among other things, some of the Medicaid program integrity and oversight duties that have been delegated to the Department of Developmental Services (Department) relative to its CMS approved Home and Community-Based Services Waiver (HCBSW) and Targeted Case Management Program (TCM) operating through the regional center system. The CMS review found that there were areas of noncompliance in three (3) areas. First, the State does not capture all required ownership, control, and relationship information from service providers. Second, The State does not capture required criminal conviction from service providers at the time of vendorization. Finally, the State does not require disclosure of "Significant" business transactions from service providers.

In order to comply with federal requirements to ensure continued funding of HCBSW and TCM program services, effective July 1, 2011, the Legislature enacted a new law, Welfare & Institutions Code 4648.12, which states certain individuals and entities are ineligible to be a regional center vendor if convicted of fraud or the neglect or the abuse of an elder or dependent adult or child. Further, the statute required the Department to adopt emergency regulations to ensure compliance with federal disclosure requirements and to preserve federal funding of consumer services.

Effective December 27, 2011, the Department adopted emergency regulations to comply with WIC 4648.12. The new regulations require that all active, currently vendored service providers submit a completed "Applicant/Vendor Disclosure Statement", (Form DS 1891), within 120 days of the effective date of the regulations or by April 24, 2012. The Form DS 1891 requires service providers to disclose to the regional center information about the service providers ownership and control interests.

Upon receipt of the completed DS 1891 Form from service providers, regional centers are required to take the following two actions to comply with the new regulations:

- Determine that all vendors and prospective vendors who are eligible for vendorization by verifying that the service provider has not been convicted of a crime related to the Medicare, Medicaid or Title XX programs or abuse or neglect of an elder, dependent adult, or child.
- Verify, on a biannual basis, that all current service providers continue to meet all applicable vendorization requirements, including the new regulatory requirements established on December 27, 2011

Who is impacted by this change in regulation?

Every existing service provider, applicant, or prospective vendor must complete and submit a current Applicant/Vendor Disclosure Statement, DS 1891 Form (disclosure statement) as part of a complete application packet for vendorization or upon request of the vendoring regional center.

This requirement applies to all service providers, including vendored consumers or family member vendors, who currently have an active vendor number with the regional center.

What is the purpose of the DS 1891 Form?

The purpose of the DS 1891 form is to identify service providers, applicants; prospective vendors that may be ineligible for vendorization because the service provider has been convicted of a crime related to the Medicare, Medicaid or Title XX programs or has been convicted of abuse or neglect of an elder, dependent adult, or child.

When is the DS1891 Form due to the regional center?

Effective December 27, 2011, the Department of Developmental Services (DDS) adopted emergency regulations that requires all vendored service providers to submit a completed "Applicant/Vendor Disclosure Statement", (Form DS 1891), to the regional center within 120 days of the effective date of these regulations or **by April 24, 2012.**

How many DS1891 Forms must I complete for the regional center?

A applicant or vendor entity must provide an original, signed DS 1891 Form to the regional center for each program that is separately vendored by the regional center. In

some cases, applicants, vendor entity, or service providers may need to complete several DS 1891 forms for the regional center.

How frequently does the DS1891 Form need to be updated?

Regulations require that service providers submit a new DS1891 form within thirty (30) days of a change in the information reported on the DS1891 form or upon written request from the regional center.

Furthermore, regulations require that the regional center review at least biennially or sooner vendor files to ensure the service provider's vendorization is current, complete, and accurate; the service provider has served at least one (1) consumer within the past 24 months; and the vendor is providing the same service approved by the regional center for vendorization. Also, regulations require that the regional center "take routine action" to ensure that service providers have no convictions and have not entered into any settlement agreements in lieu of convictions involving fraud or abuse in a governmental program.

What happens if the service provider, applicant, or prospective service provider does not submit a completed DS 1891 Form to the regional center?

If a currently vendored service provider does not provide the DS 1891 form to NLACRC, initially, NLACRC will send the service provider written notice, providing 30 days to comply with the request. However, regulation requires regional centers to terminate a service provider's vendorization for non-compliance if the service provider fails to provide the regional center with the completed, signed DS 1891 Form after the 30 day notice.

If an applicant or prospective service provider does not submit a completed DS 1891 Form to the regional center, regulations require that the regional center deny the vendorization request.

Must I complete the DS 1891 form if I no longer am receiving payment from the regional center?

Yes. As long as you have a current, active vendor number with the regional center you must complete a DS 1891 Form.

Do I need to complete the DS 1891 Form if I terminate my vendorization?

No. If you request, in writing, that you would like NLACRC to terminate your vendorization, you will not be required to complete the DS 1891 Form. Requests to

terminate your vendorization, must be in writing, and submitted to NLACRC at the following address:

North Los Angeles County Regional Center
Attn: Community Services Department
15400 Sherman Way, Suite 170
Van Nuys, CA 91406

What information do I need to provide on the DS1891 form if I am either a consumer or a family member vendor?

In general, most consumers and family members will need to complete Section 1, Section 2A, and sign and date the signature page on page 4. However, we recommend that consumers and family members review the entire form before signing the DS 1891 Form.

What information do I need to report in Section 1A of the DS 1891 Form?

For existing vendor entities and service providers, report information regarding the vendor number, service code, business address, and telephone number of the business under Section 1A.

For new applicants, report information regarding the business address and the telephone number of the business under Section 1A.

For consumers and family member vendors, the information reported under Section 1A would typically reflect your home address and contact information.

What information do I need to report in Section 1B of the DS 1891 Form?

“DBA” means “doing business as”. If the applicant or vendor entity is operating under a DBA, enter the DBA information on Section 1B.

If this information does not apply to the applicant or the vendor entity, leave line 1B blank.

What information do I need to report in Section 1C of the DS 1891 Form?

If the applicant or vendor entity has a Medi-Cal Provider Number, enter the Medi-Cal Provider Number on Line 1C.

If this information does not apply to the applicant or the vendor entity, leave line 1C blank.

What information do I need to report in Section 1D of the DS 1891 Form?

Enter the Social Security Number (SSN) or the Federal Employer Identification Number (EIN) for the applicant or the vendor entity on Line 1D.

What information do I need to report in Section 1E of the DS 1891 Form?

Select the box that best describes the structure of the applicant or vendor entity.

What information do I need to report in Section 2A of the DS 1891 Form?

List the names, titles, and address of each individual that has Ownership Interest, Control Interest, Indirect Ownership, or who is a managing employee.

“Ownership Interest” and “Control Interest” means the possession or equity in the capital, the stock, or the profits of an applicant or vendor entity.

“Indirect Ownership” means an ownership interest in any entity that has an ownership interest in the applicant or vendor entity. Also, “Indirect Ownership” includes an ownership interest in any entity that has an indirect ownership interest in the applicant or vendor entity.

“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 day-to-day operation of an institution, organization, agency or business entity.

If this information does not apply to the applicant or the vendor entity, leave Section 2A blank.

What information do I need to report in Section 2B of the DS 1891 Form?

For any person named in Section 2A of Form DS 1891, that is related to each other, such as a spouse, child, sibling, etc., list the individuals name, relationship, and address.

If this information does not apply to the applicant or the vendor entity, leave Section 2B blank.

What information do I need to report in Section 2C of the DS 1891 Form?

List the name, address, vendor number, service code, and Medi-cal provider number for any other applicant or vendor in which a person with an ownership or controlling interest in the applicant or vendor also has an ownership or control interest of at least 5% or more.

For example, identify any other individuals or persons in your business who have another business under a different medi-cal provider number. List only those individuals or persons with an ownership or control interest of at least 5% or more.

“Ownership Interest” and “Control Interest” means the possession or equity in the capital, the stock, or the profits of an applicant or vendor entity.

If this information does not apply to the applicant or the vendor entity, leave Section 2C blank.

What information do I need to report in Section 3 of the DS 1891 Form?

List the name, title, and address of an individual that is an “Excluded Individual”.

“Excluded Individuals or Entities” means one or more of the following:

1. Those individuals and entities that have been placed on the U.S. Department of Health and Human Services Office of Inspector General (OIG) List of Excluded Individuals/Entities reported on <http://files.medi-cal.ca.gov/pubsdoco/manuals>.
2. Those individuals and entities that have been placed on the Department of Health Care Services (DHCS) Medi-Cal Suspended and Ineligible Provider list reported on <http://exclusions.oig.hhs.gov/>.
3. Those individuals or entities that have been convicted of any felony or misdemeanor involving fraud or abuse in any government program
4. Those individuals or entities that have been convicted of any felony or misdemeanor involving neglect of a dependent adult or child
5. Those individuals or entities in connection with the interference with, obstruction of any investigation into health care related fraud or abuse
6. Those individuals or entities found liable in any civil proceeding for fraud or abuse involving any governmental program
7. Those individuals or entities that entered into a settlement in lieu of conviction involving fraud or abuse in any government program

If this information does not apply to the applicant or the vendor entity, leave Section 3 blank.

What information do I need to report in Section 4A of the DS 1891 Form?

List the name, title, and address of each person or entity that is a "Subcontractor" in which the applicant or vendor entity has director or indirect ownership of 5% or more.

"Subcontractor" means an individual, agency, or organization to which an applicant or vendor entity has contracted or delegated some of its management functions or responsibilities of providing services.

If this information does not apply to the applicant or the vendor entity, leave Section 4A blank.

What information do I need to report in Section 4B of the DS 1891 Form?

List the name, title, and address of each subcontractor or wholly owned supplier in which the applicant or the vendor entity has had any significant business transactions within 5 years of the application or request.

"Significant Business Transaction" means any business transaction or series of transactions that, during any one fiscal year, exceed the lesser of \$25,000 or 5% of an applicant or vendor's total operating expenses.

"Wholly Owned Supplier" means a supplier whose total ownership interest is held by an applicant or vendor entity or by a person, persons, or their entity with an ownership or control interest in an applicant or vendor entity.

If this information does not apply to the applicant or the vendor entity, leave Section 4B blank.

What action do I take if the information reported on the DS 1891 Form changes.?

Service providers are required to complete a new DS 1891 Form and submit it to the regional center.

What does the regional center do with the information I provide on the form?

Regional centers are required to screen all the individuals reported on the DS 1891 Form. If the regional center determines that one or more of the individuals or the entity screened is an "Excluded Individual or Entity", the regional center will contact you in writing. WIC, Section 4648.12 prohibits regional centers from purchasing services from service providers, individuals, or vendored entities that are found to be an "Excluded Individual or Entity".

For existing vendored individuals, service providers, and entities found to be an "Excluded Individual or Entity", regulations provide vendored individuals, entities, and service providers up to thirty (30) days to resolve the issue before their vendorization is terminated by the regional center.

For applicants entities found to be an "Excluded Individual or Entity", regulations provide that the regional center take no further action regarding the vendorization application until the issue is resolved.

Who do I call if I have questions in completing the DS 1891 Form?

Vendored consumers and family member vendors should contact your NLACRC Service Coordinator at one of the following phone numbers for assistance:

NLACRC Office	Phone Number
Van Nuys Office	818-778-1900
Santa Clarita Office	661-775-8450
Lancaster Office	661-9456761

Service providers, applicants, or prospective service providers, should contact the NLACRC Community Services Hotline at 818-756-6127.