

MICHIGAN WORKFORCE BACKGROUND CHECK PROGRAM

LEGAL GUIDE

An interpretation of Public Acts 27, 28, and 29 of 2006, as they relate to the types of crimes and their implications to employment suitability in health/adult foster care facilities and agencies

Forward

This legal guide was developed by the Department of Community Health, Office of Legal Affairs, and the Department of Human Services to assist health care/adult foster care providers and agencies in understanding and applying the recent background check laws, Public Acts 27 – 29 of 2006 (MCL 330.1134a, MCL 333.20173a, and MCL 400.734b, respectively), and 42 USC 1320a-7 *as it is incorporated by the state laws*.

What's New?

The April 2007 legal guide includes MCL citations (with hyperlinks to the Michigan Legislature Website) for the most common disqualifying offenses. Although the list is not exhaustive, it provides a quick reference to how convictions under Public Acts 27 – 29 are categorized by department analysts. Hint: Use Ctrl-F to locate MCL citations quickly.

The distinction between assault/battery convictions under Public Acts 27 - 29 is made by categorizing MCL citations and references to case law supporting the categories are provided in the Table of Cases.

The guide has been reformatted for easier reference to exclusions based on the federal law (42 USC 1320a-7) and the state laws (MCL 330.1134a, MCL 333.20173a, and MCL 400.734b.)

To download a copy of the legislative authority for the Michigan Workforce Background Check Program, go to www.legislature.mi.gov or https://miltcpartnership.org/MainSite/W1.aspx

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Exclusion Authorities

Federal Law - 42 USC 1320a-7

The authority to permanently exclude individuals for relevant convictions under 42 USC 1320a-7 is granted by sections 330.1134a(1)(a), 333.20173a(1)(a), and 400.734b(1)(a) of the Michigan Compiled Laws.

42 USC 1320a-7 (effective August 22, 1996) is a statutory provision within the federal Social Security Act (§§1128 and 1156) which describes a number of crimes, for which a **Federal, State, or local court** "conviction" will exclude an individual from participation in all federal health care programs including Medicare, Medicaid, Tricare, and Veterans programs.

NOTICE: The definition of a conviction under 42 USC 1320a-7 applies only to that statute. Exclusions under the Michigan statutes are based on a judgment of sentence. Deferred/delayed/suspended sentences are not considered to be convictions under the Michigan law.

The bases for exclusion under 42 USC 1320a-7 include mandatory exclusions including convictions for program-related fraud and patient abuse, health care fraud and felony controlled substance (relevant crimes). Michigan's laws prohibit a health/adult foster care facility or agency from employing, contracting with, or granting clinical privileges to an individual who has been convicted of a relevant crime under 42 USC 1320a-7.

If a health care provider arranges or contracts (by employment or otherwise) with an individual or entity who is excluded by the OIG from program participation for the provision of items or services reimbursable under such a Federal program, the provider may be subject to civil monetary penalty (CMP) liability if they render services reimbursed, directly or indirectly, by such a program. CMPs of up to \$10,000 for each item or service furnished by the excluded individual or entity and listed on a claim submitted for Federal program reimbursement, as well as an assessment of up to three times the amount claimed and program exclusion may be imposed. For liability to be imposed, the statute requires that the provider submitting the claims for health care items or services furnished by an excluded individual or entity "knows or should know" that the person was excluded from participation in the Federal health care programs (section 1128A(a)(6) of the Act; 42 CFR 1003.102(a)(2)). Providers and contracting entities have an affirmative duty to check the program exclusion status of individuals and entities prior to entering into employment or contractual relationships, or run the risk of CMP liability if they fail to do so. http://oig.hhs.gov/fraud/docs/alertsandbulletins/effected.htm

Michigan Law – MCL 330.1134a, 333.20173a, and 400.734b

MENTAL HEALTH CODE (EXCERPT) Act 258 of 1974

Public Act 27 Sec. 134a(1) (MCL 330.1134a(1))

Except as otherwise provided in subsection (2), a psychiatric facility or intermediate care facility for people with mental retardation shall not employ, independently contract with, or grant clinical privileges to an individual who regularly has direct access to or provides direct services to patients or residents in the psychiatric facility or intermediate care facility for people with mental retardation after the effective date of this section if the individual satisfies 1 or more of the following:

PUBLIC HEALTH CODE (EXCERPT) Act 368 of 1978

Public Act 28 Sec. 20173a(1) (MCL 333.20173a(1))

Except as otherwise provided in subsection (2), a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency shall not employ, independently contract with, or grant clinical privileges to an individual who regularly has direct access to or provides direct services to patients or residents in the health facility or agency after the effective date of this section if the individual satisfies one or more of the following:

ADULT FOSTER CARE FACILITY LICENSING ACT (EXCERPT) Act 218 of 1979

Public Act 29 Sec. 34b (MCL 400.734b(1))

In addition to the restrictions prescribed in sections 13, 22, and 31, and except as otherwise provided in subsection (2), an adult foster care facility shall not employ or independently contract with an individual who regularly has direct access to or provides direct services to residents of the adult foster care facility after the effective date of this section if the individual satisfies 1 or more of the following:

Section 1: Exclusions under 42 USC 1320a-7

STATUTE	CRIME	MCL	DESCRIPTION
330.1134a(1)(a) 333.20173a(1)(a) 400.734b(1)(a) NOTE: 1. A conviction under 42 USC 1320a-7 as incorporated in the Michigan statutes results in permanent exclusion from employment in health/adult foster care facilities and agencies. 2. Under 42 USC 1320a-7 an individual or entity is considered to have been "convicted" of a criminal offense—	a relevant crime described under 42 USC 1320a-7	Exclusion under 42 USC 1320a-7 can be based on a conviction under Federal, State, or local court law. The MCL codes listed are for Michigan only and do not constitute a comprehensive list. 750.145m 750.145n 750.145p 750.145q 750.145r	The crimes include: - Any conviction (felony or misdemeanor) relating to neglect or abuse of a patient in connection with delivery of health care item or service - Felony conviction relating to health care fraud - Felony conviction relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance
(1) when a judgment of conviction has been entered against the individual or entity by a Federal, State, or local court, regardless of whether there is an appeal pending or whether the judgment of conviction or other record relating to criminal conduct has been expunged; (2) when there has been a finding of guilt against the individual or entity by a Federal, State, or local court;		<u>333.7401</u>	- Manufacturing, creating, delivering, or possessing with intent to manufacture, create, or deliver prescribing, or administering controlled substance controlled substance, prescription form, or counterfeit prescription form dispensing Rec'd deferred adjudication for pleading guilty to a felony controlled substance offense.

STATUTE	CRIME	MCL	DESCRIPTION
(3) when a plea of guilty or nolo contendere by the		333.7340	-Selling, distributing, delivering, or furnishing
individual or entity has			product containing
been accepted by a Federal,			ephedrine or
State, or local court; or			pseudoephedrine
(4) when the individual or			
entity has entered into		750.16	-Adulteration; drugs or
participation in a first		720110	medicine injurious to health
offender,			
deferred/delayed/suspended			
sentence, or other			
arrangement or program			
where judgment of			
conviction has been			
withheld, delayed or			
suspended			

Section 2: Exclusions under Public Acts 27, 28 and 29 of 2006

Tier One – Felony Crimes Involving Aggravated Assault, Force or Violence, Cruelty,			
Abuse and Neglect 15 year exclusion			
STATUTE	CRIME	MCL	DESCRIPTION
<u>Tier One – Felony</u>	(i) a felony	<u>750.316</u> , et seq	Murder, 1 st degree
330.1134a(1)(b)(i)-(vii) 333.20173a-1(1)(b)(i)- (vii) 400.734b(1)(a)(i)-(vii)	- that involves the intent to cause death or serious impairment of a body function,	750.81a (3)	Assault and infliction of serious or aggravated injury with spouse or dating relationship; 2 nd or subsequent conviction Assault against a family member; 3 rd
Has been convicted of any of the following felonies, an attempt or conspiracy to commit any of those felonies, or any other state or federal crime that is similar to the felonies described under this subdivision, other than a felony for a relevant crime	 that results in death or serious impairment of the body function, that involves the use of force or violence, or that involves the threat or the use of force or violence 		or subsequent offense NOTE: Assault under Spouse Abuse Act, may receive deferred/delayed/suspended sentencing under Michigan's Second Chance Statute (MCL §769.4a) Deferred/delayed/suspended sentences are not considered to be convictions under the Michigan law.
described under 42 USC 1320a-7, unless 15 years have lapsed since the individual completed all the terms and conditions of his or her		750.81c(2) and (3)	Family independence (DHS) agency employee; felonious assault (without intent to commit murder or to inflict great bodily harm less than murder)
sentencing, parole, and probation for that [felony] conviction prior to the date of application for employment or clinical privileges or the		750.81d	Assaulting, battering, resisting, obstructing, opposing person performing duty (police officer, conservation officer, sheriff or deputy, constable, peace officer, firefighter, EMT.
date of the execution of the independent contract:		750.82	Felonious assault; violation of subsection in weapon free school zone
Note: Clinical privileges do not apply to adult foster care facilities.		<u>750.83</u>	Assault with intent to commit murder
		<u>750.84</u>	Assault with intent to do great bodily harm less than murder
		<u>750.86</u>	Assault with intent to maim
		<u>750.91</u>	Attempt to murder

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STATUTE	CRIME	MCL	DESCRIPTION
Tier One -Felony (cont.)		750.529	Armed robbery; use or possession of dangerous weapon; aggravated assault
330.1134a(1)(b)(i)-(vii) 333.20173a-1(1)(b)(i)-		<u>750.529a</u>	Carjacking
(vii) 400.734b(1)(a)(i)-(vii)		<u>750.530</u>	Robbery - Use of force or violence, assault or putting anyone present in fear during the commission of larceny of money or other property
	(ii) a felony involving cruelty or torture	<u>750.50b</u> (2)	Willfully, maliciously and without just cause or excuse kills, tortures, mutilates, maims, disfigures, or poisons an animal
		<u>750.85</u>	inflicts great bodily injury or severe mental pain or suffering with the intent to cause cruel or extreme physical or mental pain and suffering
		750.50(2)(b)(f)	Second or subsequent findings of guilt re: animals
	(iii) a felony under chapter XXA of the Michigan Penal Code, 1931 PA 328, MCL 750.145m to 750.145r	750.145m 750.145n 750.1450 750.145p 750.145q 750.145r	These fall under 42 USC 1320a-7 when the offense is committed in connection with the delivery of a health care item or service and the conviction occurs after August 21, 1996. 1 st , 2 nd degree
	(iv) a felony involving	<u>750.520b</u>	Criminal sexual conduct, 1st degree
	criminal sexual conduct	<u>750.520c</u>	Criminal sexual conduct, 2 nd degree
		750.520d	Criminal sexual conduct, 3 rd degree
	(v) a felony involving abuse or neglect	<u>750.136b</u>	-Child abuse, 1 st and 2 nd degree
		See <u>750.135</u> through <u>750.145d</u> (2)(b-f)	Other felony crimes against minors
	(vi) a felony involving the use of a firearm or dangerous weapon	750.110a (2)(a) 1 st degree	Felony involving home invasion armed with a dangerous weapon

Tier Two- All Other Felony Crimes				
10 year exclusion	10 year exclusion			
STATUTE	CRIME	MCL	DESCRIPTION	
MCL sections	All other felony convictions	<u>750.131</u> (3)	Felony; non-sufficient funds	
330.1134a(1)(c)				
333.20173a(1)(c)	The crimes set forth in this part of the statute include all	750.357	Felony Larceny; from a person	
400.734(1)(c)	felony convictions other than	<u>730.337</u>	Telony Larceny, from a person	
Has been convicted of a	those described in Tier One	750.357b	Felony Larceny; stealing the firearm	
felony or an attempt or a	or a relevant crime under 42		of another person	
conspiracy to commit a felony, other than a	<u>USC 1320a-7.</u>	750.356	Folony I greeny: money goods or	
felony for a relevant	Any felony conviction	<u>/50.550</u>	Felony Larceny; money goods or chattel, a bank note, bank bill, bond,	
crime described under 42	disqualifies an individual for		promissory note, due bill, bill of	
USC 1320a-7 or a felony	at least 10 years. The		exchange or other bill, draft, order,	
described under	offenses listed are the most		or certificate, a book of accounts for	
subdivision (b), unless 10 years have lapsed	common occurrences.		or concerning money or goods due,	
since the individual		750.356a	to become due, or to be delivered Felony Larceny; from a motor	
completed all of the		<u> 750.550u</u>	vehicle	
terms and conditions of				
his or her sentencing,		<u>750.356b</u>	Felony Larceny; breaking &	
parole, and probation for that conviction prior to			entering a coin operated telephone	
the date of application		750.356c	Felony Larceny; retail fraud 1 st	
for employment or		750.5500	degree	
clinical privileges or the			S	
date of the execution of the independent contract.		<u>750.360</u>	Felony Larceny; places of abode,	
the macpendent contract.			work, storage, conversance, worship & other places	
			& other places	
		<u>750.362</u>	Felony Larceny; by conversion	
		750.110a(3)	Felony Home invasion; 2 nd Degree	
		<u>/50.110a</u> (5)	reiony Home invasion, 2 Degree	
		<u>750.174</u>	Embezzlement by agent, servant or	
			employee, or trustee, bailee, or	
			custodian	
		750.176	Embezzlement by administrator,	
			executor or guardian	
		750.177	Embezzlement by chattel mortgagor,	
			vendee or lessee	

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STATUTE	CRIME	MCL	DESCRIPTION
Tier Two – Felony (cont.) MCL sections		750.178	Embezzlement of chattel mortgage, lease, or contract property by others
330.1134a(1)(c) 333.20173a(1)(c) 400.734(1)(c)		<u>750.182</u>	Embezzlement by warehouseman or forwarder of property receipted for
		750.180	Embezzlement in bank, deposit, trust company, or credit union
		750.535(2) 750.535(3)	Felony receiving/concealing stolen property or felony embezzlement
		<u>750.535</u> (7)	Felony receiving & concealing motor vehicle
		<u>750.350a</u>	Taking or retaining child by adoptive or natural parent
		750.448	Accosting & soliciting or prostitution – 2 nd or subsequent conviction
		<u>257.625</u>	Felony DUI
			All felony convictions for controlled substances prior to August 21, 1996, the effective date of 42 USC 1320a-7

Tier Three – High Misdemeanor Crimes			
10 year exclusion			
MCL sections 330.1134a(1)(d)(i)-(v) 333.20173a(1)(d)(i)-(v) 400.734a(1)(d)(i)-(v)	(i) a misdemeanor involving the use of a firearm or dangerous weapon with the intent to	<u>750.81a</u> (1)	Assault and Battery with serious or aggravating injury with NO RELATIONSHIP
Has been convicted of any of the following	injure, the use of a firearm or dangerous weapon that results in a	<u>750.81a</u> (2)	Aggravated Assault with RELATIONSHIP
misdemeanors, other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or federal crime that is substantially similar to the	personal injury, or a misdemeanor involving the use of force or violence or the threat of the use of force or violence	750.81c	Threats or assault against employee of family independence agency (DHS)
misdemeanors described in this subdivision, within the 10 years immediately preceding the date of application for employment or clinical privileges or the date of the execution of the	(ii) a misdemeanor under Chapter XXA of the Michigan Penal Code, 1931 PA 328, MCL 750.145m to 750.145r	750.145m 750.145n 750.145o 750.145p 750.145q 750.145r	These statutory citations refer to misdemeanor crimes committed against "vulnerable adults," e.g., vulnerable adult abuse; 3 rd , 4 th degree
independent contract:	(iii) a misdemeanor involving criminal sexual conduct	<u>750.520e</u>	-Criminal sexual conduct, 4 th degree; instance of sexual contact with another person that does not involve sexual penetration
	(iv) a misdemeanor involving cruelty or torture unless otherwise provided under subdivision (e)	750.50(2)(b)(f)	-First conviction re: animals
		<u>750.356c</u>	Misdemeanor Retail Fraud, 1st Degree
			Any conviction stating "Felony reduced to a misdemeanor"

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Tier Four- Misdemeanor	Crimes
Five year exclusion	

STATUTE	CRIME	MCL	DESCRIPTION
MCL sections 330.1134a(1)(e)(i)-(vii) 333.20173a(1)(e)(i)-(vii) 400.734a(1)(e)(i)-(vii)	(i) a misdemeanor involving cruelty if committed by an individual who is less than 16 years of age	<u>750.49</u> et seq	The crime of "cruelty" involves cruel treatment of animals.
Has been convicted of any of the following misdemeanors , other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or	(ii) a misdemeanor involving home invasion	750.110a(4) 750.115(1)	Misdemeanor crime that typically involves "breaking and entering" or "entering without permission" into another person's home, building, outside area or other abode.)
federal crime that is substantially similar to the misdemeanors described in the subdivision, within the 5	(iii) a misdemeanor involving embezzlement	<u>750.174</u>	Misdemeanor embezzlement by agent, servant or employee, or trustee, bailee, or custodian
years immediately preceding the date of application for		<u>750.174a</u>	Person in relationship of trust with vulnerable adult
employment or clinical privileges or the date of the execution of the independent contract:		<u>750.535</u> (4)	Misdemeanor buying, receiving, possessing, concealing, or aiding in concealment of stolen, embezzled, or converted property or motor vehicle
	(iv) a misdemeanor involving negligent homicide	750.324	Negligent homicide (careless or reckless driving that causes death.)
	(v) a misdemeanor involving larceny	750.356a(2)(a)	Misdemeanor Larceny; motor vehicle or trailers
	"Larceny" is the legal	<u>750.359</u>	Larceny from vacant dwelling
	description of the act of stealing; also referred to as "theft"	<u>750.360a</u>	Misdemeanor electronic or magnetic theft detection; shielding merchandise
		<u>750.361</u>	Larceny or maliciously removing journal bearings or brasses
		<u>750.362</u>	Larceny by conversion
		<u>750.362a</u>	Misdemeanor larceny; rented motor vehicle, trailer or other tangible property

STATUTE	CRIME	MCL	DESCRIPTION
Tier Four - Misdemeanor (cont.) MCL sections 330.1134a(1)(e)(i)-(vii) 333.20173a(1)(e)(i)-(vii)	(vi) a misdemeanor of retail fraud in the second degree	750.356d	"Retail fraud in the second degree" involves shoplifting property from a store that is offered for sale at a price of \$200 or more but less than \$1,000, or less than \$200 if the
400.734a(1)(e)(i)-(vii)			person has been previously convicted of any crime of theft. Note: Misdemeanor retail fraud, 1 st degree- call the department
	(vii) any other misdemeanor involving assault, fraud, theft, or	<u>750.81</u>	- Misdemeanor Assault or Assault and Battery
	the possession or delivery of a controlled substance unless	750.131(3) 333.20173a (8)	- Misdemeanor Non-Sufficient Funds
	otherwise provided under subdivision (d), (f) or (g)		- Misdemeanor for providing false information in order to obtain employment in health care
		<u>750.181</u>	- Embezzlement of property belonging to person and part owner

Tier Five –Less Serious Misdemeanor Crimes			
Three year exclusion			
MCL sections 330.1134a(1)(f)(i)-(iii) 333.20173a(1)(f)(i)-(iii) 400.734a(1)(f)(i)-(iii)	(i) a misdemeanor for assault	750.81 750.81c(1)	A person commits an "assault" if he/she attempts or threatens to hurt another. Look for the words assault or simple assault without the word "battery."
Has been convicted of any of the following misdemeanors , other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or		<u>769.4a</u>	assault against a family; NOTE: Assault under Spouse Abuse Act, may receive deferred adjudication under Michigan's Second Chance Statute
federal crime that is substantially similar to the misdemeanors described in this subdivision, within the 3 years immediately preceding the date of application for employment or clinical privileges or the date of the execution of the independent contract:	(ii) a misdemeanor of retail fraud in the third degree	750.356d (4)	Retail fraud; 3 rd degree -shoplifting property from a store that is offered for sale at a price of less than \$200.
	(iii) a misdemeanor under part 74	333.7401, et seq. 333.7404 750.16	A misdemeanor "under part 74" refers to any <u>misdemeanor</u> involving the creation, delivery, or possession with intent to manufacture or deliver a controlled substance. NOTE: The Public Health Code provides for deferred adjudication as a 2 nd Chance statute.

Tier Six-Misdemeanor Juvenile Crimes One Year Exclusion

STATUTE	CRIME	MCL	DESCRIPTION
MCL sections 330.1134a(1)(g)(i)-(ii) 333.20173a(1)(g)(i)-(ii) 400.734a(1)(g)(i)-(ii) Has been convicted of any of the following	(i) a misdemeanor under <u>Part 74</u> if the individual, at the time of conviction, is under the age of 18		2nd Chance Statute • Holmes Youthful Trainee Act (HYTA)
misdemeanors, other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or federal crime that is substantially similar to the misdemeanors described in this subdivision, within the year immediately preceding the date of application for employment or clinical privileges or the date of the execution of the independent contract:	(ii) a misdemeanor for larceny or retail fraud in the second or third degree if the individual, at the time of conviction, is under the age of 16		Please see above.

Miscellaneous Crimes Permanent Exclusion

STATUTE	CRIME	MCL	DESCRIPTION
MCL section 330.1134a(1)(h) 333.20173a(1)(h) 400.734a(1)(h)	Is the subject of an order or disposition under section 16b of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.16b.		This section applies to an individual if they have ever pleaded "not guilty by reason of insanity" (NGRI) and it has been entered into the LIEN system.
MCL section 330.1134a(1)(i) 333.20173a(1)(i) 400.734a(1)(i)	Has been the subject of a substantiated finding of neglect, abuse, or misappropriation of property by a state or federal agency pursuant to an investigation conducted in accordance with 42 USC 1395i-3 or 1396r.		This statutory citation refers to violations of those provisions of the federal Social Security Act that set forth requirements for skilled nursing facilities and nursing facilities, respectively.

Table of Cases

42 USC 1320a-7

Dickerson v. New Banner Institute, Inc., 460 U.S. 103 (1983). S.Ct. 986, 74 L.Ed.2d 845

Definition of the term "conviction" under 42 U.S.C. §1320a-7 is a question of federal, not state law despite the fact that the predicate offense and its punishment are defined by the law of the state.

Pennington v. Thompson 249 F.Supp.2d 931

Presence of aggravating circumstances

Scheidler v. Secretary of Health and Human Services, 2006 WL 689107 (S.D. Ohio)

State offense with deferred adjudication; exclusion from participation in Medicare, Medicaid, and all Federal health care programs.

Tore v. Department of Health and Human Services, Not Reported in F.Supp2d, 2005 WL (N.D.Ohio) Treatment in lieu of conviction under state law is considered to be a conviction under 42 USC §1320a-7.

Turner v. The Inspector General, Department of Health and Human Services Departmental Appeals Board Decision, CR1176, 2004

Whether a crime is related to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance under 42 USC §1320a-7 must be a common sense determination based on all relevant facts.

Assault

People v. Ring, 407 Mich. 196, 284 N.W.2d 718 (1979)

Definition of assault

State of Michigan v. Branner, 53 Mich.App.541, 220 N.W.2d 183 (1974)

Assault defined; assault with intent