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| <b>Series</b>           | Compliance                                  |                              |
| <b>Policy Name</b>      | <b>Prevention of Fraud, Waste and Abuse</b> |                              |
| <b>Policy Number</b>    | <b>1509</b>                                 |                              |
| <b>Origination Date</b> | 11/1/2013;                                  | <b>Revised: July 1, 2018</b> |
| <b>Regulation</b>       | N/A   |                              |

### **Background/Purpose**

Communities Connected for Kids is required by law to establish written policies for its employees, agents and independent contractors that provide detailed information regarding: (1) the federal False Claims Act and similar state laws, (2) an employee's right to be protected as a whistleblower, and (3) Communities Connected for Kids policies and procedures for detecting and preventing fraud, waste and abuse. This Policy contains the information required by law under Section 6032 of the Deficit Reduction Act of 2005.

### **Policy**

#### **1. The Federal False Claims Act and Similar State Laws**

##### ***a. The False Claims Act***

The federal False Claims Act (31 USC § 3729-33) helps the federal government combat fraud, waste and abuse and recover losses resulting from fraud in Federal programs, including Medicare and Medicaid. Violations of the False Claims Act can include "knowingly" (1) submitting a false claim for payment, (2) making or using a false record or statement to obtain payment for a false claim, (3) conspiring to make a false claim or get one paid, or (4) making or using a false record to avoid payments owed to the U.S. Government. "Knowingly" means that a person: (1) has actual knowledge that the information is false; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information.

Examples of potential false claims include:

- Billing for services that were not provided at all
- Submitting inaccurate or misleading claims about the type of services provided
- Making false statements to obtain payment for products or services

The False Claims Act contains provisions that allow individuals with original information concerning fraud involving government programs to file a lawsuit on behalf of the government. If the lawsuit is successful, the individual may be eligible to receive a portion of the recoveries received by the government.



Penalties for violating the federal False Claims Act are significant. Financial penalties for submitting a false claim can total as much as three times the amount of the claim, plus fines of \$5,500 - \$11,000 per claim.

***b. Federal Program Fraud Civil Remedies Act of 1986***

The Program Fraud Civil Remedies Act (31 U.S.C. §§ 3801 et seq.) establishes an administrative remedy against any person who presents or causes to be presented to certain federal agencies a claim or written statement that the person knows or has reason to know is false, fictitious, or fraudulent.

Under this statute, the term “knows or has reason to know” is defined in the Act as having actual knowledge of the information, acting in deliberate ignorance of the truth or falsity of the information, or acting in reckless disregard of the truth or falsity of the information. No proof of specific intent to defraud is required. The term “claim” includes any request or demand for property or money, e.g., grants, loans, insurance or benefits, when the United State Government provides or will reimburse any portion of the money.

The federal government may investigate and, with the Attorney General’s approval, commence proceedings if the claim is less than \$150,000. A hearing must begin within six years from the submission of the claim. The Act allows for civil monetary sanctions to be imposed in administrative hearings, including penalties of \$5,500 per claim and an assessment, in lieu of damages, of not more than twice the amount of the original claim.

***c. State False Claims Acts***

In addition to the federal False Claims Act, many states have or are in the process of adopting similar laws. For a listing of the states with false claims acts, see Attachment A.

**2. Whistleblower Protections**

The federal False Claims Act and many state false claims acts contain whistleblower protections to encourage and protect individuals who report violations, and thereby assist the government in preventing and detecting fraud, waste and abuse in federal and state health care programs. These whistleblower laws protect individuals from retaliation – including termination, demotion, threats or harassment -- based upon their good faith actions in reporting false claims violations or instituting a False Claims Act lawsuit. An individual who experiences retaliation may be entitled to reinstatement (at the seniority level they would have if not for the retaliation), up to twice their back pay, plus interest, and compensation for their costs or damages.

**3. Policies and Procedures for Detecting and Preventing Fraud, Waste and Abuse**

Communities Connected for Kids is committed to fully comply with all laws and regulations that apply to our organization. We adhere to the Compliance Program as an expression of our commitment to ethical behavior. Our Compliance Program includes Communities Connected for Kids policies and procedures, the Communities Connected for Kids Standards of Conduct, training and education programs, auditing and monitoring operations, an Employee Helpline and other opportunities for individuals to raise issues and concerns without fear of retaliation.

Whether you are an employee, agent or independent contractor of Communities Connected for Kids, you are reminded to:



- Exercise good faith and honesty in all dealings and transactions;
- Observe all laws and regulations that govern what we do, including the requirements of Medicare, Medicaid and other federal and state health care programs;
- Provide accurate and truthful information in all transactions;
- Contact one of the following resources available within Communities Connected for Kids if you have any knowledge or concern regarding a potential false claim, waste, or abuse:
  - Speak with your supervisor or another manager;
  - If the supervisor or manager is not available, or you are not comfortable speaking with him or her or you believe the matter has not been adequately resolved contact Human Resources.
  - You may also report a concern by calling the Communities Connected for Kids *Employee Compliance Helpline*. If you wish, you may remain anonymous when calling the Helpline. The *Employee Compliance Helpline* is a confidential service available 24 hours a day, seven days a week. **The *Employee Compliance Helpline* number is: 1-877-780-9374.**

Communities Connected for Kids strictly prohibit retaliation in any form against any individual making a report, complaint or inquiry in good faith. If Communities Connected for Kids determines that an individual, whether employee or independent contractor, has engaged in such retaliation, Communities Connected for Kids will take appropriate action – including disciplinary action up to and including dismissal from employment or termination of its business relationship.

Approved: Carol Deloach

Carol Deloach, Chief Executive Officer

July 1, 2018