

False Claims Act and Deficit Reduction Act	Policy No. 952-05
Joint Commission Chapter / Section:	Effective Date: 2-1-2021
Source: (i.e. author(s) or committee): Executive Compliance Committee	Publication Status: New <u>X</u> Revised Reviewed
Cross-referenced policy/policies: Code of Business Conduct; Compliance Investigation; Compliance Hotline.	

POLICY: Saint Peter's Healthcare System ("SPHS") is committed to full compliance with federal and state laws, as listed on Attachment A, which may be subject to change, or any other law or regulation that may be enacted related to the administration of federal or state healthcare programs or any other regulation pertaining to false claims and the Deficit Reduction Act of 2005 ("DRA"). This policy enforces procedures to detect and prevent fraud, waste and abuse regarding payments from federal or state healthcare programs. SPHS provides protection for those who report in good faith actual or suspected wrongdoing.

Saint Peter's Healthcare System does not tolerate making or submitting false or misleading claims or statements to any government agency or payor source. Employees shall be informed that it is illegal to knowingly submit an inappropriate bill to Medicare or Medicaid or to cause a false claim to be sent to Medicare or Medicaid.

Detection and timely reporting of misconduct will help maintain the integrity of SPHS and preserve its status as a reliable, honest and trustworthy healthcare provider. Furthermore, penalties and sanctions can be reduced by voluntary disclosures of violations of civil, criminal or administrative law in a timely manner.

REPORTING FALSE CLAIMS

Individuals may communicate their question or concern in any of the following ways:

- (1) Discuss the question or concern with any supervisor, department manager, or vice president with whom the individual feels comfortable;
- (2) Discuss the question or concern with any member of the Compliance department;
- (3) Call the chief compliance officer ("CCO") directly at 5071;
- (4) Forward letter or memo to any member of the Compliance department;
- (5) Visit the CCO on MOB 1 Room 1130;
- (6) Send an email to compliancevp@saintpetersuh.com; and/or
- (7) Call the SPHS Hotline at 1-888-491-3010, 24 hours a day/7 days a week.

Individuals may also contact the Medicaid Fraud Division Hotline: 888-937-2835 and the New Jersey Insurance Fraud Prosecutor Hotline: 877-55-FRAUD

INVESTIGATION & CORRECTIVE ACTION: The CCO will promptly and thoroughly investigate all potential compliance matters reported in order to determine what if any corrective actions are necessary. Additional information may be requested in order to complete an investigation. Once the investigation is complete, the Healthcare System shall

take necessary actions in order to correct, mitigate and/or report the false claim or report any other identified fraud, waste, or abuse. Corrective action will be taken based on the facts on a case by case basis.

WHISTLE BLOWER PROTECTION: Any employee of Saint Peter’s Healthcare System who reports such information will have the right and opportunity to do so anonymously. In addition, the employee will be protected from retaliation for coming forward with such information.

CORPORATE COMPLIANCE PLAN: The Corporate Compliance Plan adopted and implemented by SPHS confirms a culture of open lines of communication, problem resolution and a strict non-retaliation policy to protect from any form of retaliation against employees, agents, and contractors that report in good faith a potential compliance issue.

CODE OF BUSINESS CONDUCT: SPHS has a Code of Business Conduct that states, among other things, that employees shall comply with all federal and state laws.

EDUCATION & DISTRIBUTION: All SPHS employees are required to become and remain familiar, and to comply, with all aspects of the SPHS Code of Business Conduct.

SPHS will educate and distribute this Policy to all Hospital officers, administrators and staff. All employees will receive a copy of this Policy and will be advised of its availability on the SPHS intranet, website and Saint Peter’s webpage. Covered contractors and agents shall be advised of this policy and location on SPHS webpage.


References:

- Deficit Reduction Act of 2005, S. 1932 (February, 2006)
- Federal False Claims Act, 31 U.S.C. §3729 – 3733
- Federal Program Fraud Civil Remedies Act, 31 U.S.C. § 3801 – 3812
- New Jersey Medical Assistance and Health Services Act – Criminal Penalties, N.J.S.A. 30:4D-17(e) – (i); N.J.S.2C:51-5
- Conscientious Employee Protection Act, N.J.S.A. 34:19-1 et seq.
- New Jersey False Claims Act, P.L.. 2007, C. 265
- New Jersey Insurance Fraud Prevention Act (NJSA 17:33A-1 et seq.)

Approved by:



B.J. Welsh, Chief Compliance Officer



Date

ATTACHMENTS: Attachment A.

Revised July 2018, March 2019, April 2020, January 2021
Replaces S-M25

Attachment A:

Federal False Claims Act, 31 U.S.C. 3729 –3733

The False Claims Act is a statute that imposes civil liability (of ~\$11,181 to \$22,363* per claim and three times the total damages) on any person or entity who:

- Knowingly files a false claim, record or statement for payment or approval
- Knowingly makes or uses a false record or statement to obtain payment or approval of a claim by the Federal government.
- Uses a false statement to decrease an obligation to pay the Government.

A private person can bring an action (qui tam lawsuit) in the name of the Government for a violation of the Act.

Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801-3812

This Act provides for civil penalties of ~\$11,181 per claim for each false claim submitted to a federal agency and an assessment of twice the amount of the claim against anyone who submits a false claim, includes a false statement or material fact or omits a material fact, or makes claims for services that were not provided as claimed.

New Jersey False Claims Act (N.J.S.A 2A:32C-1 to 2A:32C-15 & 2A:32C-17 to 2A:32C-18)

This 2007 Act amends the New Jersey Medicaid statute and authorizes the NJ Attorney General and whistleblowers to initiate false claims litigation similar to what is authorized under the Federal False Claims Act, and has similar whistleblower protections.

New Jersey Health Care Claims Fraud Act (N.J.S.A. 2C:21-4.2 and 4.3 and 2C:51-5)

This law makes health care claims fraud a criminal offense and provides for the forfeiture of professional licenses in certain instances in which a practitioner commits health care claims fraud. The law also extends to non-practitioners who commit health care claims fraud. Liabilities under this law include fines of up to \$150,000 or five times the amount of damages for each false claim, and punishments can include prison terms of up to ten years.

New Jersey Medical Assistance and Health Services Act (N.J.S. 30:4D-17)

This law provides for civil and criminal penalties for fraud committed in connection with the NJ Medical Assistance Program. The Act allows for the imposition of a criminal penalty of up to \$10-25,000 or imprisonment for not more than 3 years or both for willfully obtaining medical assistance benefits to which the person is not entitled or for willfully receiving medical assistance payments to which the provider is not entitled. Providers are also subject to suspension or disqualification from participation in the Medical Assistance Program if found guilty of violation of this Act.

Conscientious Employee Protection Act, N.J.S. 34:19-1 et seq.

This Act prohibits retaliatory actions by employers against employees who, in good faith, disclose information to a supervisor or public body, that the employee reasonably believes is in violation of any law, regulation, statute or procedure or is fraudulent or criminal. The Act also protects the employee from retaliation for any objection or refusal to participate in any activity or practice that the employee reasonably believes is in violation of any law, regulation, statute, policy or procedure that is fraudulent or criminal.

New Jersey Insurance Fraud Prevention Act (NJSA 17:33A-1 et seq.)

The purpose of this act is to confront aggressively the problem of insurance fraud in NJ, by facilitating its detection and eliminating its occurrence through the development of fraud prevention programs. It requires the restitution of fraudulently obtained insurance benefits. Civil penalty may be up to \$5,000 for first violation, \$10,000 for second and \$15,000 for subsequent violations. It also includes a \$1,000 insurance surcharge.

* Penalty amounts may change due to inflation