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| Corporate E&C Policies and Procedure Manual | Policy # EC.024 |
| Department: Ethics & Compliance | Policy Description: False Claims Education |
| Department Manager's Signature: | Executive Compliance Committee Chairman's Signature: |
| Date Retired: | Date Approved: 4/1/2011 |
| Revised Date: | Effective Date: 4/1/2011 |

SCOPE

All Company-affiliated facilities and operations including, but not limited to, hospitals, ambulatory surgery centers and imaging centers, dialysis centers, cancer centers, sleep disorder centers, home health agencies, retirement living centers, skilled nursing facilities, psychiatric facilities, physician clinics, laboratories, medical office buildings and all Company corporate departments.

RESPONSIBLE PARTIES

Chief Ethics and Compliance Officer (CECO)
 Facility Ethics and Compliance Officer (ECO)
 Human Resources
 Vice President Materials Management
 Facility Materials Management

PURPOSE

To comply with certain requirements set forth in the Deficit Reduction Act of 2005 (DRA) with regard to federal and state laws.

POLICY

Company-affiliated Facilities must adopt policies to ensure that all employees, including management and any contractors or agents, receive information regarding the federal and applicable state false claims statutes, including applicable whistle blower provisions, and the roll of such laws in preventing and detecting fraud, waste and abuse in federal health care programs.

Deficit Reduction Act Requirements

Within the DRA a provision exists requiring all entities receiving at least \$5 million in Medicaid revenue annually to establish and distribute policies and procedures regarding federal and state false claims acts, as well as information regarding whistleblower protections and the entities' policies to reduce fraud and abuse. These policies may be on paper or in electronic form, but must be readily available to all employees, contractors, or agents. The entity shall also include in any employee handbook, if applicable, as specific discussion of the laws described in the written policies, the rights of employees to be protected as whistleblowers and a specific discussion of the entity's policy and procedures for detecting and preventing fraud, waste and abuse.

State-Specific Policies

The Company has adopted a policy for each state in which a Company-affiliated Facility is located or from which a Company-affiliated Facility receives at least \$5 million in Medicaid annually, describing such state's false claims acts and the federal false claims acts and recovery mechanisms, including a description of applicable whistle blower and *qui tam* provisions.

Other Company Policies Regarding Fraud, Abuse and False Claims

The Company takes issues regarding false claims and fraud and abuse seriously. The Company encourages all employees, management, and contractors or agents of the Company's affiliated Facilities to be aware of the laws regarding fraud and abuse and false claims, and to identify and resolve any issues immediately. Issues are resolved fastest and most effectively when given prompt attention at the local level. Therefore, the Company encourages its affiliated Facilities' employees, managers, and contractors to report concerns to their immediate supervisor, when appropriate. If the supervisor is not deemed to be the appropriate contact or if the supervisor fails to respond quickly and appropriately to the concern, then the individual with the concern should be encouraged to discuss the situation with the Facility's Human Resources manager, the CECO, the ECO, another member of management, or with the Ethics Line.

Employees, including management, and any contractors or agents of Company-affiliated Facilities, should be aware of related Facility policies regarding detection and prevention of health care fraud and abuse. In particular, all such employees and contractors should be aware of the contents of the Code of Conduct and with Ethics and Compliance policies and procedures.

PROCEDURE

1. Facility responsibilities include, but are not limited to:
 - a. Ensuring that all employees, including management and any contractors or agents of the Facility, are provided with the applicable state policy.
 - b. Ensuring that the state policies are incorporated into employee handbooks distributed to employees.
 - c. Making revisions to this policy as necessary to comply with changes in the law. Changes must be documented and implemented.
2. The CECO with the assistance of Legal Counsel shall be responsible for developing additional state specific policies as the Company acquires additional facilities in new states.
3. Facility Human Resources is responsible for ensuring compliance with this policy for all Facility-affiliated personnel. Facility Materials Management is responsible for ensuring compliance with this policy for all vendors contracting with Facility.

DEFINITION

Contractor or *agent* includes any contractor, subcontractor, agent, or other person which or who, on behalf of the facility, furnishes, or otherwise authorizes the furnishing of Medicaid health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by the facility.

**False Claims Education
REFERENCE INFORMATION****BACKGROUND**

The Federal False Claims Act prohibits a person from knowingly presenting, or causing to be presented, a false or fraudulent claim to the U.S. government. The statute defines “knowingly” to include not only actual knowledge of a claim’s falsity, but also reckless disregard for or intentional ignorance of the truth or falsity of a claim. The fines include a penalty of up to three times the government’s damages, civil penalties ranging from \$5,500 to \$11,000 per false claim, and the costs of the civil action against the entity that submitted the false claims. In addition, some courts have held that a violation of the Federal Anti-Kickback Statute or the Stark Law can result in liability under the Federal False Claims Act.

REFERENCES

Deficit Reduction Act of 2005, Sections 6031, 6032