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Owner: David Lane: Chief Compliance Officer
Policy Area: Compliance
Departments:
Applicability: Providence St. Joseph Health Systemwide

PSJH-RIS-711 Fraud, Waste and Abuse Prevention and Detection

Executive Sponsor:	Sheryl Vacca, SVP/Chief Risk Officer
Policy Owner:	David Lane, VP/Chief Compliance Officer
Contact Person:	Karen J. Coleman, System Director Compliance Auditing & Monitoring

Scope:
 This policy applies to Providence St. Joseph Health and its Affiliates (collectively known as "PSJH") and their caregivers (employees), employees of affiliated organizations; members of system, community ministry and foundation boards; volunteers; trainees; independent contractors; and others under the direct control of PSJH (collectively referred to as workforce members). PSJH educational institutions are excluded from this healthcare related policy. This is a management level policy, reviewed and recommended by the Policy Advisory Committee (PAC) to consider for approval by senior leadership; vetted by Regional Leadership Council (RLC), approved by the Integrated Risk Management Committee (IRMC), Executive Council (EC) and approved/signed by the President, Chief Executive Officer.

Purpose:
 This policy confirms PSJH's commitment to prevent and detect fraud, waste and abuse (FWA) by providing workforce members detailed information regarding: (1) the federal False Claims Act; (2) federal laws and penalties pertaining to reporting and returning overpayments; (3) state laws and penalties pertaining to false claims; and (4) whistleblower protections under certain laws.

Definitions:
 For purposes of applying this policy, the following definitions apply:

1. *Agents:* Anyone directly performing services on behalf of PSJH.
2. *Caregiver:* Refers to all employees/workforce members of PSJH.
3. *Claim:* As defined in the federal False Claims Act, a "Claim" includes any request or demand, whether under a contract or otherwise, for money or property which is made by a contractor, grantee, or other recipient, if the government provides any portion of the money or property, or will reimburse the requesting entity for any portion of the money or property, that is requested or demanded.
4. *False Claims Act (FCA):* The federal False Claims Act (31 USC 3729-33) makes it a crime for any

person or organization to knowingly make a false record or file a false claim with the government for payment. "Knowingly" means that the person or organization:

- a. Knows the record or claim is false, or
 - b. Seeks payment while ignoring whether the record or claim is false, or
 - c. Seeks payment recklessly without caring whether the record or claim is false.
5. *Fraud*: An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to an organization or an individual. It includes any act that constitutes fraud under applicable federal or state law.
 6. *Overpayment*: Funds that a person or organization receives or retains under Medicare or Medicaid/Medi-Cal to which the person or organization, after applicable reconciliation, is not entitled under those programs.
 7. *Waste and Abuse*: Incidents or practices that are inconsistent with legal, ethical, accepted and sound business, fiscal or medical practices that result in unnecessary cost to federal health programs, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes Medicare and Medicaid/Medi-Cal practices that result in unnecessary costs to a federal health program.

Examples of potential FWA; this list is not conclusive:

Falsifying claims	Eligibility determination issues
Improper alteration of claim	Misrepresentation of medical condition
Incorrect coding	Failure to report third party liability
Double billing	Physical, mental, emotional, sexual abuse
Billing for services not provided	Neglect
Misrepresentation of services/supplies	Discrimination
Improper substitution of services	Providing substandard care
Inaccurate cost reports	Providing medically unnecessary services
Kickback/Stark Law violations	Financial exploitation
Fraudulent credentials	Fraudulent recoupment practices
Embezzlement	Failure to refer for needed services
Under-utilization and over-utilization	Violations of Medicare's Conditions of Participation
Known retention of an overpayment	

8. *Whistleblower (Qui tam) Provision*: Allows a private person to bring a lawsuit on behalf of the government where the private person has information that the named defendant has knowingly submitted or caused the submission of false or fraudulent claims to the government.

Policy:

It is the policy of PSJH to comply with applicable federal and state laws and regulations pertaining to FWA in federal and state health care benefit programs and to disseminate information to its workforce members regarding such laws and regulations. PSJH is committed to the diligent prevention and detection of FWA through its Board-approved Integrity and Compliance Program Description and Standards/Code(s) of Conduct.

Requirements:

PSJH will train and educate its workforce members and contractors as necessary to comply with the legal and regulatory requirements related to FWA and will work cooperatively with workforce members when problems are identified to resolve those problems as quickly as possible.

PSJH will follow federal and state False Claims Acts, to educate new workforce members within 90 days of hire or engagement and will educate existing workforce members and contractors annually thereafter to the policies and procedures intended to meet those requirements. PSJH will monitor education given to employees to verify this policy has been effectively implemented. PSJH expects workforce members and contractors who are involved with creating and filing claims for payment for PSJH services will only use true, complete and accurate information to make the claim. Billing for clinical trials will follow clinical trial billing protocols and will be submitted in accordance with federal requirements.

PSJH will monitor and audit compliance with billing and coding requirements (through the Revenue Cycle department, Providence Health Plan and other appropriate departments) in order to detect errors and inaccuracies and will take appropriate actions to correct any issues causing billing inaccuracies. PSJH will exercise reasonable diligence to investigate any instances in which an overpayment may have been received. In all situations where overpayments are identified, PSJH will report and return overpayments identified timely and in accordance with applicable federal and/or state requirements. PSJH regions, ministries or facilities will create policies and procedures to comply with any applicable state-level False Claims Act requirements, and will provide education to their existing workforce members and contractors on those policies and procedures and will train new workforce members upon hire or engagement.

Workforce members and contractors are expected to report any concerns about billing issues, a potential overpayment, or any other issue they feel is illegal or otherwise inappropriate, in accordance with the Code of Conduct. Concerns may be reported to the PSJH Integrity Hotline at (888) 294-8455 or to the [Integrity Online](#) web-based reporting site. Potential overpayment issues should be brought immediately to the attention of the Department of Legal Affairs, Compliance and/or Revenue Cycle department. Workforce members have the right to be protected against retaliation for good-faith reporting of suspected wrongdoing or assisting in an investigation of possible wrongdoing. This commitment is expressed in our Code of Conduct and Non-Retaliation Policy. PSJH expects workforce members and contractors to be familiar with the Standards/Code(s) of Conduct and other policies and to follow them.

Management is responsible for ensuring that workforce members are educated to the requirements of this policy and that the education is documented and producible upon audit. The form and extent of that training will be determined by the workforce member's function. Other workforce members will receive informational materials or awareness training.

PSJH workforce members who do not follow this policy may be subject to disciplinary action up to and including termination of employment or contractual relationships.

A person who knows a claim was filed for payment in violation of the False Claims Act can file a lawsuit in Federal Court on behalf of the government, and in some cases, receive a reward for bringing original information about a violation to the government's attention. Some states have a False Claims Act that allows a similar lawsuit in state court if a false claim is filed with the state for payment, such as under Medicaid or Workers' Compensation. Penalties are severe for violating the federal False Claims Act and may include repayment of up to three times the value of the false claim, fines ranging from \$11,463 to \$22,927 per claim and/or imprisonment for 5 years. In addition, individuals and entities can face administrative penalties such as exclusion from participating in federal and state-funded health care benefit programs, including Medicare and Medicaid.

PSJH will notify impacted plan sponsors of any individuals excluded from federal or state programs, as

well as individuals with confirmed compliance and/or fraud, waste and abuse violations that may have provided services on behalf of the sponsor as applicable.

References:

- [PSJH Standards/Codes of Conduct](#)
 - Integrity and Compliance Program Description
 - PROV-HR-419, Non-Retaliation/Non-Retribution
 - [Federal False Claims Act](#)
 - [Deficit Reduction Act of 2005](#)
 - [Federal Register/Adjustment of Civil Monetary Penalty Amounts for 2019](#)
- [Section 1128J\(d\) \(reporting and returning overpayments\)](#) and [Section 1909 of the Social Security Act](#) (establishes liability to state for false or fraudulent claims)
- [42 C.F.R. Part 401, Subpart D](#)
 - [State False Claims Acts Reviewed by the OIG](#)

State	Links to False Claims Legislation or Information
Alaska	http://www.legis.state.ak.us/basis/statutes.asp#47.05.210
California	The False Claims Act, Cal. Gov't Code §§ 12650 et seq.
Idaho	https://legislature.idaho.gov/sessioninfo/2004/legislation/S1332/
Montana	http://www.falseclaimsact.com/wp-content/uploads/2013/02/Montana.pdf
New Mexico	https://www.nmag.gov/medicaid-fraud-control.aspx
Oregon	https://www.doj.state.or.us/consumer-protection/sales-scams-fraud/medicaid-fraud/
Texas	https://oig.hhsc.texas.gov/report-fraud
Washington	https://apps.leg.wa.gov/rcw/default.aspx?cite=74.66&full=true; https://apps.leg.wa.gov/rcw/default.aspx?cite=74.09

Attachments:

No attachments.

Applicability:

^[1] For purposes of this policy, “Affiliates” is defined as any entity that is wholly owned or controlled by Providence St. Joseph Health (PSJH), Providence Health & Services, St. Joseph Health System, Western HealthConnect, Covenant Health Network, Inc., or is jointly owned or controlled by PSJH or its Affiliates and bears the Providence, Swedish Health Services, Swedish Edmonds, St. Joseph Health, Covenant Health Network, Covenant Health, Kadlec Regional Medical Center, or PacMed Clinics name.

Attachments

No Attachments

Approval Signatures

Approver	Date
Cynthia Johnston: Compliance Spec PSJH	04/2020
Cynthia Johnston: Compliance Spec PSJH	04/2020
Cynthia Johnston: Compliance Spec PSJH	04/2020

Applicability

AK - Providence Alaska MC, AK - Providence Kodiak Island MC, AK - Providence PEC/PTCC, AK - Providence Seward MC, AK - Providence St. Elias Specialty Hospital, AK - Providence Valdez MC, CA - LA Region, CA - Mission Hospitals, CA - PSJH Physician Enterprise Northern, CA - PSJH Physician Enterprise Southern, CA - Petaluma Valley Hospital, CA - Providence Cedars-Sinai Tarzana MC, CA - Providence Holy Cross MC, CA - Providence LCM MC San Pedro, CA - Providence LCM MC Torrance, CA - Providence Saint John's Health Center, CA - Providence Saint Joseph MC, Burbank, CA - Queen of the Valley Medical Center, CA - Redwood Memorial Hospital, CA - Santa Rosa Memorial Hospital, CA - St. Joseph Hospital - Eureka, CA - St. Joseph Hospital Orange, CA - St. Jude Medical Center, CA - St. Mary Medical Center Apple Valley, MT - Providence St. Joseph MC, Polson, MT - St. Patrick Hospital, OR - Clinical Support Staff (CSS), OR - Connections, OR - Credena Health (CH), OR - Home Health (HH), OR - Home Medical Equipment (HME), OR - Home Services, OR - Home Services Pharmacy (HSRx), OR - Hospice (HO), OR - Providence Ctr for Medically Fragile Children, OR - Providence Health Oregon Labs, OR - Providence Hood River Memorial Hospital, OR - Providence Medford MC, OR - Providence Medical Group, OR - Providence Medical Group, OR - Providence Milwaukie Hospital, OR - Providence Newberg MC, OR - Providence Portland MC, OR - Providence Seaside Hospital, OR - Providence St. Vincent MC, OR - Providence Willamette Falls MC, Providence Home and Community Care, Providence St. Joseph Health, Providence and Kadlec Express Care, Swedish Medical Center - Ballard Campus, Swedish Medical Center - Cherry Hill Campus, Swedish Medical Center - Edmonds Campus, Swedish Medical Center - First Hill Campus, Swedish Medical Center - Issaquah Campus, TX - Covenant Children's Hospital, TX - Covenant Hospital Levelland, TX - Covenant Hospital Plainview, TX - Covenant Medical Center, TX - Covenant Specialty Hospital, WA - EWA Providence Medical Group, WA - Kadlec Regional Medical Center, WA - NWR Providence Medical Group, WA - Providence Centralia Hospital, WA - Providence DominiCare, WA - Providence Holy Family Hospital, WA - Providence Mt. Carmel Hospital, WA - Providence Physician Services, WA - Providence Regional MC Everett, WA - Providence St. Joseph's Hospital, WA - Providence St. Mary MC, WA - Providence St. Peter Hospital, WA - Providence Surgery Center, Pacific Campus, WA - SWR Providence Medical Group, WA - Sacred Heart Med Ctr & Children's Hospital