



Episcopal Health Services Inc.

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Distribution:

Corporate Compliance Manual
Human Resources Manual

Subject: Corporate Compliance

Title: Detecting and Preventing Fraud, Waste and Abuse

Effective Date: October, 2007

Law:

The Federal False Claims Act. "This law prohibits a person from knowingly filing a false or fraudulent claim for payment or knowingly using a false statement or representation in connection with filing a claim seeking reimbursement from Medicare, Medicaid or other federally funded programs. A person acts "knowingly" if the person has actual knowledge of the falsity of the information in the claim, acts in deliberate ignorance of the truth or falsity of the information in the claim, or acts in reckless disregard of the truth or falsity of the information in the claim."

APPLIES TO: All staff including temporary agency staff and independent contractors, vendors, and agents.

POLICY: Episcopal Health Services Inc. (EHS) is committed to following all applicable laws and regulations, including those laws and regulations that address fraud, waste and abuse in Federal health care programs and the proper billing of Medicare, Medicaid and other payors. EHS has policies and procedures for ensuring compliance with such laws and for detecting and preventing fraud, waste and abuse, including opportunities for reporting concerns internally.

PURPOSE:

1. In compliance with the Social Security Act (as amended in the Deficit Reduction Act [DRA] of 2005) EHS strives to provide detailed information to all of its employees, vendors, contractors and agents on the Federal False Claims Act, the New York State False Claims provisions, their administrative remedies, and their whistleblower provisions and protections.
2. Furthermore, EHS through its compliance program provides an environment for all employees to report suspicions of fraud, waste abuse and misconduct .
3. In compliance with the federal and state False Claims provisions EHS prohibits any employee or vendor, contractor or agent acting on its behalf, from knowingly submitting a claim for payment approval that includes fraudulent information or is based on fraudulent documentation, to any federal or state funded program.

4. All persons covered by this policy have a fiduciary duty to notify EHS of any suspected fraud, waste, or abuse, including giving EHS reasonable time to investigate and to respond to such allegations.

Guidelines:

Health care examples of potential violations of the False Claims Act include:

- Billing for services not performed and
- Falsifying, backdating, or altering entries in the medical record to obtain higher reimbursement.

The False Claims Act permits a person with actual knowledge of false claims activity to file a lawsuit on behalf of the federal government without retaliation. The whistleblower provisions contain detailed procedures for how such lawsuits are to be filed.

In certain circumstances, the person who files the lawsuit, known as a relater, may be entitled to share in a percentage of any recovery on behalf of the federal government. The False Claims Act protects employees as whistleblowers from retaliation or discrimination in the terms and conditions of their employment based on lawful acts done in furtherance of an action under the False Claims Act.

All of EHS' entities including but not limited to, Hospital, Ambulatory Care, and Nursing Home, undertake regular compliance efforts that relate to, among other things, the following:

- Proper billing and coding
- Prevention, detection and correction of coding and billing errors
- Investigation of and remedial action relating to potential noncompliance, as necessary.

PROCEDURE

1. Persons covered by this policy who suspect a violation of the federal or state False Claims Provisions are required to notify their supervisors and/or the Corporate Compliance Officer.
2. EHS maintains a confidential compliance hotline that employees may call with concerns relating to fraud, waste, abuse and other matters. The hotline number is 866 789-0943. Information about the compliance hotline also appears in the Corporate Compliance Handbook. For detailed information please request a copy of our Corporate Compliance handbook."

2. If an individual feels that their supervisor is not responding, s/he may address his/her concern through the hotline or directly with the Compliance Officer.
3. In accordance with the EHS policy the Compliance Officer will investigate allegations an individual brings forward and make every attempt to correct and prevent those found to be substantiated.
4. In accordance with EHS policy and the law, retaliation against employees who, in good faith, bring forth claims of fraud, waste and/or abuse, will not be tolerated.
5. Questions concerning behavior under this policy should be directed to one's supervisor and/or the Compliance Officer.

RESPONSIBILITIES

1. Human Resources is responsible for distributing copies of the Employee Handbook to all employees including obtaining an acknowledgment of receipt.
2. Management (at all levels) is responsible for encouraging a culture of compliance by stressing the importance of compliance, developing procedures specific to their area that assist in the prevention of fraud, waste, abuse, and misconduct and responding to staff who come forward with suspicions of fraud, waste, abuse or misconduct.
3. The Compliance Officer is responsible for implementing and maintaining the Compliance Program, which includes but is not limited to:
 - Providing compliance training that aids staff in their ability to prevent and detect fraud, waste, and abuse including updated information on the federal and state False Claims Acts.
 - Responding to reports of fraud, waste and abuse in a timely manner.
 - Developing and implementing new policies that assist EHS in preventing and detecting fraud, waste, and abuse.

References: OIG Model Compliance Program Guidance for Hospitals
 Deficit Reduction Act of 2005
 Approach to Fraud Control, Appendix C, Rev. 8
 Social Security Act, 1902(a)(68)
 Federal False Claims Act 31 USC §3279
 New York Social Services Law §145-b; §366b (2)
 New York Labor Law §740

RECOMMENDED BY: Phyllis Brady

APPROVED BY: _____
John Gupta, CEO

DISTRIBUTION:

- Nursing Staff
- Medical Staff
- Department Heads
- All Employees
- Other

