



University of Connecticut Health Center

POLICY NUMBER 2007-01

August 28, 2007

POLICY: PREVENTION OF FRAUD, WASTE AND ABUSE

PURPOSE: To provide general information regarding the efforts of The University of Connecticut Health Center (UCHC) to combat fraud, waste, and abuse in the healthcare system, describe the process for reporting any type of fraud and the remedies and fines for violations that can result from certain types of fraudulent activities.

SCOPE: All University of Connecticut Health Center faculty, staff, volunteers or students and representatives of any agency doing business with UCHC.

POLICY STATEMENT: UCHC and its employees are committed to upholding high standards of honesty and integrity in all areas of practice. All UCHC employees, contractors, agents, and volunteers are obligated to immediately report any suspicion of fraud, waste, or abuse in connection with health center business. Internal as well as external reporting mechanisms are available to any employee who suspects fraud and abuse within the institution. It is UCHC's policy that an employee, contractor, or agent of UCHC who submits a false claim will be reported to the necessary authorities. The UCHC Compliance Program engages in specific monitoring efforts to detect and prevent fraud, waste, and abuse. In addition, the Compliance Program provides education related to the prevention and reporting of fraud, waste and abuse for all newly hired employees as part of their orientation as well as for all employees through regular compliance education.

GENERAL INFORMATION

THE FALSE CLAIMS ACT (FCA)

The federal **False Claims Act (FCA)** imposes civil penalties on people and companies who knowingly submit a false claim or statement to a federally funded program, or otherwise conspire to defraud the government, in order to receive payment. The term "knowingly" is defined as a person, with respect to information, that has actual knowledge that a claim is false, knowingly ignores facts which may reveal false information or disregards the need to check the truth or accuracy of the information extends to any payment requested of the federal government. More specifically, the FCA applies to billing and claims sent from UCHC to any government payor program, including Medicare and Medicaid.

Under the FCA any individual or company that submits a false claim or statement to the government may be fined between \$5,500 and \$11,000 for each such claim submitted, regardless of the size of the false claim. The person or company may also be required to pay an additional fine of three times the value of any charges.

The FCA also includes provisions intended to protect individuals who report suspected fraud. The FCA also protects individuals from being retaliated against, demoted, suspended, threatened, or harassed for making a report. The FCA also protects individuals who assist in an investigation, provide testimony, or participate in the government's handling of a false claim.

QUI TAM LAWSUIT

The FCA provisions are generally enforced by the United States Department of Justice. Any person with direct and independent knowledge, otherwise known as "original source" knowledge of false claims to the government may initiate a formal complaint or "qui tam" lawsuit on behalf of the government. The plaintiff must notify the United States Department of Justice of all information regarding the fraudulent activity. If the Department of Justice accepts the case and fraud is proven the qui tam plaintiff is entitled to a portion of the funds recovered by the government. Under the FCA a "qui tam" plaintiff is protected from retaliation that may result from his or her involvement in the case. If the Department of Justice declines the case, the individual may still proceed with the case on his or her own, but without the government's assistance, and at his or her own expense.

A private legal action under the FCA must be brought within six years from the date that the false claim was submitted to the government. (A government-initiated claim may be brought up to ten years after the false claim, depending on the circumstances.)

THE FEDERAL PROGRAM FRAUD CIVIL REMEDIES ACT

Persons or companies that commit fraud against the federal government, by false claim or statement, can be assessed money penalties in addition to the penalties of the False Claims Act according to a law called the **Program Fraud Civil Remedies Act (PFCRA)**. Specifically, PFCRA penalties of \$5,000 per false claim or statement apply if a person or company submits a claim to the federal government that: the person or company knows or has reason to know is false, fictitious, or fraudulent; includes or is supported by written statements containing false, fictitious, or fraudulent information; includes or is supported by written statements that omit a material fact, which causes the statements to be false, fictitious, or fraudulent, and the person submitting the statement has a duty to include the omitted fact; or is for payment of property or services that are not provided as claimed.

The \$5,000 penalty also applies if a person or company provides written back-up or materials relating to the claim in which the person or company asserts a material fact that is false, fictitious or fraudulent; or omits a fact that the individual had a duty to include, the omission causes the statement to be false, fictitious, or fraudulent, and the statement contains a certification of accuracy.

CONNECTICUT STATE LAW

It is a crime in Connecticut to bill Medicaid or the general assistance program fraudulently. Anyone who provides services to a state Medicaid beneficiary and seeks or accepts payment for unnecessary or improper services is subject to possible imprisonment and/or criminal fines under state law.

Anyone who provides services to a recipient of Connecticut's general assistance program and seeks or accepts payment for unnecessary or improper services is also subject to civil and criminal penalties. In addition, any person who defrauds Connecticut's general assistance program is also excluded from participating in the program for a minimum of one year.

Connecticut law also protects employees who report suspected violations of state or federal law, including reports of criminal fraud. An employer may not retaliate in any way for reporting a violation or suspected violation of the law.

UCHC PROCEDURES

INTERNAL REPORTING MECHANISMS

Employees, students or volunteers may contact any of the following to report fraud and abuse within the UCHC system:

- Your immediate supervisor.
- Your immediate supervisor's supervisor (if the concern relates to your immediate supervisor).
- An appropriate manager with the UCHC operating structure.
- Associate/Assistant Dean or Dean of the appropriate school.
- The Office of Audit, Compliance and Ethics.

Office of Audit, Compliance and Ethics contact information:

Phone: (860) 679-4180

Email: compliance.officer@uchc.edu

Individuals who, in good faith, report issues related to fraud and abuse will be provided confidentiality to the extent possible under the law. If you wish to remain anonymous, you may call **REPORTLINE** at 1-888-685-2637, a confidential service operated by a private (non-UCHC) company, which forwards information to the compliance office.

EXTERNAL REPORTING MECHANISM

In addition to internal reporting options any employee as well as persons doing business with UCHC or members of the general public may report fraud and abuse to the State Auditors of Public Accounts. State Auditors contact information:

Phone: (860) 566-6150

Toll Free: (800) 797-1702

Website: <http://www.state.ct.us/apa/>

NON-RETALIATION

University policy prohibits retaliation against any individual who, in good faith, reports a compliance concern using any of the reporting mechanisms. Any person who feels that he or she has been the subject of retaliation should contact the Office of Audit, Compliance and Ethics immediately. The Corporate Compliance Integrity and Privacy Officer is responsible for investigating any reports of retaliation, retribution or harassment of reporters (also known as "whistleblowers"). In addition, any individual who feels that retaliation has occurred may contact the Commission on Human Rights and Opportunities (CHRO) Office of Public Hearings. CHRO contact information:

Phone: (860) 541-3452

Website: <http://www.state.ct.us/chro/>

Refer to the following documents for further information:

University of Connecticut Code of Conduct

Policy # 2003-33, *Reporting Compliance Concerns*

Policy # 2003-40, *Whistleblower Protection*

Policy # 2006-03, *Billing for Professional Services*

Policy # 2006-04, *Refiling of Claims*

References:

- Section 6032 of the Deficit Reduction Act of 2005
- 31 U.S.C. §§ 3729-3733
- 31 U.S.C. §§ 3801-3812

Connecticut Criminal:

- Conn. Gen. Stat. Sec. 53a-290 et seq. (Vendor Fraud)
- Conn. Gen. Stat. Sec. 53-440 et seq. (Health Insurance Fraud)
- Conn. Gen. Stat. Sec. 53a-118 et seq. (Larceny)
- Conn. Gen. Stat. Sec. 53a-155 (Tampering With Or Fabricating Physical Evidence)
- Conn. Gen. Stat. Sec. 53a-157b (False Statement Intending to Mislead Public Servant)

Connecticut Fraud:

- Conn. Gen. Stat. Sec. 17b-25a (Toll free vendor fraud telephone hotline)
- Conn. Gen. Stat. Sec. 17b-99 (Vendor Fraud Penalties)
- Conn. Gen. Stat. Sec. 17b-102 (Financial Incentive for Reporting Vendor Fraud)
- Conn. Gen. Stat. 17b-127 (General Assistance Fraud)
- Regs. Conn. State Agencies Sec. 17-83k-1 et seq. (Administrative Sanctions)
- Regs. Conn. State Agencies Sec. 17b-102-01 et seq. (Financial Incentive for Reporting Vendor Fraud and Requirements for Payment for Reporting Vendor Fraud)

Connecticut Whistleblower Protections:

- Conn. Gen. Stat. Sec. 4-61dd (Whistleblowing)
- Conn. Gen. Stat. Sec. 31-51m (Protection of Employee Who Discloses Employer's Illegal Activities or Unethical Practices)
- Conn. Gen. Stat. Sec. 31-51q (Liability of Employer for Discipline or Discharge of Employee on Account of Employee's Exercise of Certain Constitutional Rights)
- Regs. Conn. State Agencies Sec. 4-61dd-1 et seq. (Rules of Practice for Contested Case Proceedings under the Whistleblower Protection Act)

Iris Mauriello(signed)

8/28/07

UCHC Corporate Compliance Integrity and Privacy Officer

Date

Peter Deckers, M.D. (signed)

9/11/07

Executive Vice President for Health Affairs

Date

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