



## Compliance with False Claims Laws and Detection and Prevention of Fraud, Waste, and Abuse

**SCOPE:** All employees and, as defined below, contractors or agents of Ageless Healthcare affiliates located in the State of Louisiana.

**PURPOSE:** To comply with certain requirements set forth in the Deficit Reduction Act of 2005 with regard to federal and state false claims laws.

**POLICY:** Ageless Healthcare will ensure that all employees, including management, and any contractors or agents, are educated regarding the federal and state false claims statutes and the role of such laws in preventing and detecting fraud, waste, and abuse in federal health care programs.

### **FALSE CLAIMS LAWS**

One of the primary purposes of false claims laws is to combat fraud and abuse in government health care programs. False claims laws do this by making it possible for the government to bring civil actions to recover damages and penalties when healthcare providers submit false claims. These laws often permit qui tam suits as well, which are lawsuits brought by lay people, typically employees or former employees of healthcare facilities that submit false claims. There is a federal False Claims Act. Louisiana has adopted a similar false claims act that contains qui tam and whistleblower protection provisions that are similar to those found in the federal False Claims Act. Additionally, Louisiana has adopted a generally applicable Medicaid antifraud statute that is intended to prevent the submission of false and fraudulent claims to the Louisiana Medicaid program.

### **FEDERAL FALSE CLAIMS LAWS**

Under the federal False Claims Act, any person or entity that knowingly submits a false or fraudulent claim for payment of United States Government funds, or knowingly retains an overpayment of such funds more than 60 days, is liable for significant penalties and fines. The fines include a penalty of up to three times the Government's damages, civil penalties ranging from \$10,957 to \$21,916 per false claim, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990, plus the costs of the civil action against the entity that submitted the false claims. Generally, the federal False Claims Act applies to any federally funded program. The federal False Claims Act applies, for example, to claims submitted by healthcare providers to Medicare or Medicaid.

One of the unique aspects of the federal False Claims Act is the "qui tam" provision, commonly referred to as the "whistleblower" provision. This provision allows a private person with knowledge of



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a false claim to bring a civil action on behalf of the United States Government to recover the funds paid by the Government as a result of the false claim. If the suit is ultimately successful, the whistleblower who initially brought the suit may be awarded a percentage of the funds recovered. In addition, the United States Government may elect to join the qui tam suit. In this case, if the suit is successful, the percentage of the funds awarded to the whistleblower is lower because the government will take over the expenses of the suit. However, regardless of whether the Government participates in the lawsuit, the court may reduce the whistleblower's share of the proceeds if the court finds that the whistleblower planned and initiated the false claims violation. Further, if the whistleblower is convicted of criminal conduct related to his role in the false claim, the whistleblower will be dismissed from the civil action without receiving any portion of the proceeds.

The federal False Claims Act also contains a provision that protects a whistleblower from retaliation by his or her employer. This applies to any employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his or her employment as a result of the employee's lawful acts in furtherance of a false claims action. The whistleblower may bring an action in the appropriate federal district court and is entitled to reinstatement with the same seniority status, two times the amount of back pay, interest on the back pay, and compensation for any special damages as a result of the discrimination, such as litigation costs and reasonable attorney's fees.

A similar federal law is the Program Fraud Civil Remedies Act of 1986 (the "PFCRA"). It provides administrative remedies for knowingly submitting false claims and statements. A false claim or statement includes submitting a claim or making a written statement that is for services that were not provided, or that asserts a material fact that is false, or that omits a material fact. A violation of the PFCRA results in a maximum civil penalty of \$5,000 per claim plus an assessment of up to twice the amount of each false or fraudulent claim.

### **LOUISIANA FALSE CLAIMS LAWS**

The Louisiana Medical Assistance Programs Integrity Law (the "LMAPIIL") is a civil statute that helps combat fraud and recover losses resulting from fraud in Louisiana medical assistance programs.

Violations of the LMAPIIL include, but are not limited to, illegal remuneration for referrals, knowingly making false claims or statements material to false or fraudulent claims, or submitting claims for unnecessary or substandard goods, services or supplies. Penalties for violations under LMAPIIL include actual damages, civil fines, additional civil monetary penalties, and costs, expenses, fees and attorney's fees. *See* La. Rev. Stat. § 46:438.3, 46:438.5

The Attorney General may investigate suspected LMAPIIL violations and may bring civil action to



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seek recovery from persons who violate the LMAPIL. An individual may also bring a private civil action on behalf of the individual and the State. In the event the qui tam action is successful, the individual bringing the civil action may be awarded a percentage of the funds recovered. *See* La. Stat. Ann § 46:438.1, 46:439.4.

The State of Louisiana has also adopted a Medicaid fraud statute intended to prevent fraud and abuse as it relates to any department or agency of the State, including the Louisiana Medicaid program. These laws generally prohibit the filing of any false or fraudulent claim or documentation in order to receive compensation from the Louisiana Medicaid program. A person who violates the Medicaid fraud statute will be subject to imprisonment and/or fines. *See* La. Stat. Ann. § 14:70.1.

### **Whistleblower Protection**

The LMAPIL contains an employee protection provision that provides that no employee shall be discharged, demoted, suspended, threatened, harassed, or discriminated against in any manner because of any lawful act in furtherance of any action under the LMAPIL, and that violations of the whistleblower provisions allow the employee all relief to which he or she is entitled under state or federal law. *See* La. Stat. Ann. § 46:440.3.

### **REPORTING CONCERNS REGARDING FRAUD, ABUSE AND FALSE CLAIMS**

Ageless Healthcare takes issues regarding false claims and fraud and abuse seriously. Ageless Healthcare encourages all employees, management, and contractors or agents Ageless Healthcare'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, Ageless Healthcare 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 Ageless Healthcare's ECO, another member of management, or with the Ageless Healthcare's Ethics Hotline (337-266-5892).

Employees, including management, and any contractors or agents of Ageless Healthcare-affiliated facilities should be aware of related facility policies regarding detection and prevention of health care fraud and abuse. The following are some of the policies that are relevant to this policy and to the prevention and detection of fraud and abuse: (1) EC.025 - Reporting Compliance Issues and Occurrences to the Corporate Office Policy; (2) REGS.GEN.015 - Correction of Errors Related to



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Federal and State Healthcare Program FFS Reimbursement Policy; and (3) RB.009 - Reporting of Cost Report Overpayment Policy. Note that employees, contractors, and agents of Ageless Healthcare affiliates providing services to other, non-affiliated facilities should also understand that all such facilities are expected to have similar policies applying to contractors (including Ageless Healthcare)



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requiring (1) compliance with federal and state laws, including false claims laws; (2) reporting of potential overpayments and compliance concerns; and (3) the whistleblower protections described above.

### **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 Medicare or Medicaid health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by the facility.

### **PROCEDURE:**

Ageless Healthcare facilities will:

- a. Ensure that all employees, including management, and any contractors or agents of the facility, are provided with this policy, within 30 days of commencing employment or contractor status.
- b. Ensure that the policy is included Ageless Healthcare's handbook

Revise this policy as necessary to comply with changes in the law. Changes must be documented and implemented. When policies and procedures are revised, the previous versions of the policies and procedures will be retained for ten (10) years.

### **ENTITY WRITTEN POLICIES:**

- A. Knowingly presenting (or causing to be presented) to the Federal Government a false or fraudulent claim for payment can constitute a violation of the False Claims Act.
- B. Knowingly using (or causing to be used) a false record or statement to conceal, avoid, or decrease an obligation to pay money or transmit property to the Federal Government can constitute a violation of the False Claims Act.
- C. Conspiring with others to get a false or fraudulent claim paid by the Federal Government can constitute a violation of the False Claims Act.
- D. The civil penalty for violating the False Claims Act is three times the dollar amount that the government is defrauded (i.e. treble damages) and civil penalties for each offense.
- E. An individual can share in a percentage of a government recovery in a False Claims Act action or settlement if they bring an action on behalf of the United States as a "qui tam relator"



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- F. The False Claims Act protects these qui tam relators (sometimes called “whistleblowers”) against discharge, demotion, harassment, or other discrimination by their employers as a result of the claims under the False Claims Act.
- G. The entity’s policies reference Louisiana statues regarding civil or criminal penalties for false claims and statements.
- H. The entity has written policies and procedures regarding the detection and prevention of fraud, waste, and abuse (which can take the form of a compliance program).
- I. The entity’s policies and procedures include information on administrative remedies for false claims and statements.
- J. This employee handbook contains information about the False Claims Act, administrative remedies for false claims and statements, State laws pertaining to civil or criminal penalties for false claims and statements and whistleblower protections and policies and procedures for detecting and preventing fraud, waste, and abuse.
- K. These written policies with detailed information regarding the False Claims Act will be disseminated to all employees and management, including contractors and agents of Ageless Healthcare.
- L. Ageless Healthcare offers Administrative remedies for false claims and statements.
- M. Ageless Healthcare will detect and prevent fraud, waste, and abuse.