



400 E. Fifth Avenue
P.O. Box 3649
Spokane, WA 99220-3649
509.838.2531 / 800.776.4048 tel
509.459.1597 fax
www.rockwoodclinic.com

CONTRACTORS AND AGENTS

Contractors and Agents who deal with Rockwood Clinic are responsible to adopt these policies (to the extent applicable to their dealings with the Clinic). A “contractor” or “agent” includes any contractor, subcontractor, agent, or other person which or who, on behalf of the entity, furnishes, or otherwise authorizes the furnishing of, Medicaid health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by the entity.

DETECTING AND PREVENTING FRAUD, WASTE, AND ABUSE

When the terms "our," "we" and “us” are used, they refer to Rockwood Clinic. When the terms "you" and "your" are used, they refer to our employees, contractors and agents.

It is our policy to submit accurate claims for payments. That includes claims that we submit to government programs such as Medicare and Medicaid.

It is our policy that all of our employees (including management), and all of our contractors or agents, do the same.

It is our policy to provide detailed information about laws that are designed to prevent and detect fraud, waste, and abuse in Federal health care programs. Those laws include:

- the federal False Claims Act;
- administrative remedies for false claims and statements under federal law;
- State laws pertaining to civil or criminal penalties for false claims and statements; and
- “whistleblower” protections under such laws.

It is our policy to include this information in our employee handbook.

THE FEDERAL FALSE CLAIMS ACT

The False Claims Act prohibits any person or entity from making a false or fraudulent Claim to the U. S. Government. A Claim includes any request for money or property (if the Government provides any portion of the money).

A false Claim can result from (among other things)—

- presenting a false or fraudulent claim for payment or approval;
- using a false record or statement to get a false or fraudulent claim paid or approved;

- conspiring to defraud the Government by getting a false or fraudulent claim allowed or paid; or
- using a false record or statement to conceal, avoid, or decrease an obligation to pay money to the Government.

The penalties for making a false Claim can be as much as \$5,500 to \$11,000 per claim, plus 3 times the amount of any damages the Government sustains.

For a Claim to be false, the entity must—

- know the information on the Claim to be false, or
- act in deliberate ignorance of the truth or falsity of the information, or
- act in reckless disregard of the truth or falsity of the information.

A private citizen may file suit under the False Claims Act on behalf of the Government. The citizen must have direct and independent knowledge of the submission of a false Claim. The Government will then decide whether to take over the case, or let the private individual pursue the case on his or her own.

If the Government takes over the case, then the person who initially filed the case may receive between 15 and 25 percent of any amount recovered in either litigation or settlement of the claim. If the Government does not step in, then the person who initially filed the case may receive between 25 and 30 percent of amount recovered (plus reimbursement of reasonable expenses and attorneys' fees).

ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS OR FALSE STATEMENTS

There is also an administrative process the federal government can initiate against a person or entity for submitting false Claims or making false Statements in connection with Claims. This administrative process is initiated and controlled by regulators (but the information about the false Statement or false Claim could come from private citizens).

A false Statement exists when a person asserts a material fact that is false, fictitious, or fraudulent. Something is material if it is important to a decision. A Statement may also be false if a person has

- a duty to disclose a material fact,
- does not disclose that fact,
- certifies that the statement is true, and
- the omission makes the statement that is made false, fictitious or fraudulent.

The sanction for making a false Claim or Statement is a penalty of not more than \$5,000 for each such Claim or Statement.

WASHINGTON STATE LAWS

Under Washington State law it is a felony for any person or entity to knowingly make or cause to be made any false statement or representation of a material fact:

- in any application for any payment under any state medical care program; or
- for use in determining rights to such payment

It is also a felony to conceal, cover up or fail to disclose:

- any material fact in connection with any application for payment under any state medical care program; or
- the occurrence of any event affecting either the initial or continued right to any payment with the intent fraudulently to secure payment either in a greater amount than what is due or when no such payment is authorized.

These crimes may be punishable by up to 5 years in prison and/or a fine not to exceed \$25,000.

In addition to criminal sanctions, a person or entity who obtains or attempts to obtain payment from a state health care benefit program in an amount greater than that to which the person or entity is entitled by means of:

- willful false statements;
- willful misrepresentation or concealment of any material facts; or
- any fraudulent scheme (including billing for items or services not provided, misrepresenting the items billed, or billing for purportedly covered items, which were in fact not covered).

Must repay the amounts wrongfully obtained plus interest and may be subject to a civil penalty in an amount up to 3 times the amount of the excess payments received.

THE RIGHT OF EMPLOYEES TO BE PROTECTED

We may not and will not retaliate or discriminate against an employee who, acting in good faith, investigates, reports or assists in uncovering a false Claim or Statement. An employee who suffers discrimination or retaliation based on protected activities has the right to sue under the Federal False Claims Act. If the employee proves that we retaliated against him or her for engaging in protected activity, the employee is entitled to be “made whole.” The remedies may include:

- reinstatement of the employee to his/her position,
- two times the amount of back pay,
- interest on the back pay, and
- compensation for any special damages (including litigation costs and reasonable attorneys’ fees).

OUR POLICIES AND PROCEDURES FOR DETECTING AND PREVENTING FRAUD, WASTE, AND ABUSE

It is our policy to prohibit retaliation against employees for engaging activity that the law protects.

It is our policy to encourage employees to raise any concerns about what they perceive to be false Claims or false Statements.

It is our policy to find out and understand the rules on submitting claims, and understand why we do what we do.

If you are not certain that something about submitting Claims is being done correctly, it is our procedure that you ask your supervisor about it, unless you either you think your supervisor is part of the problem; or you are afraid your supervisor might retaliate. In that case, our procedure is for you to raise the issue with an administrator that you trust. If you are not satisfied with the answer that you receive, it is our procedure that you keep asking “all the way to the top.”

Rockwood Clinic maintains an open communication policy, and prompt recognition and discussion of any question, concern, or potential problem is very important. All employees are required to promptly report all violations of the Rockwood Clinic Compliance Program or any laws, regulations, policies, or procedures applicable to their jobs or department, along with the information needed to pursue an investigation. Employees may report potential violations to their supervisor or manager, the Human Resources Department, or the Chair of the Compliance Committee. Rockwood Clinic will investigate all reported violations of the law or the Compliance Program promptly and discreetly, and will cooperate with investigations by governmental entities with proper jurisdiction. All Rockwood Clinic personnel are also expected to cooperate with these investigations.