



Charles E. Smith
LIFE COMMUNITIES

FRAUD/WASTE/ABUSE POLICY:

Charles E. Smith Life Communities (CESLC) is committed to upholding ethical and legal standards in the operation of its business, the provision of healthcare services and its participation in government healthcare programs. Preventing fraud, waste and abuse (FWA) is critical to building trust. CESLC expects its vendors, as trusted business partners, to avoid activities that may result in FWA. Furthermore, CESLC encourages vendors to report any suspected FWA involving CESLC to the CESLC Compliance Hotline. Retaliation for good faith reporting of suspected FWA is prohibited.

PURPOSE:

To inform vendors of CESLC's policies and procedures regarding the prevention of FWA, and to inform vendors of their right to report and seek remedies for suspected FWA, as required under Section 6032 of the Federal Deficit Reduction Act.

IMPLEMENTATION:

- A. There will be adequate documentation to support claims submitted for payment to avoid overpayments such as:
 - 1. duplicate billing;
 - 2. billing items or services to a federal or state health program that are not covered under that program;
 - 3. using an incorrect code to inappropriately increase reimbursement amounts; or
 - 4. billing for services/supplies that were not furnished, not medically necessary, of insufficient quality or should be included in a global fee.
- B. CESLC will not waive copayments or coinsurance except as permitted by law.
- C. CESLC will not bill for services or items known to be in violation of the Anti-Kickback Law.
- D. Claims to Medicare for services or supplies furnished to a skilled nursing facility (SNF) resident may not be submitted unless the resident's eligibility to receive Medicare benefits is verified.
- E. Claims to Medicaid may not be submitted unless the resident's eligibility to receive Medicaid benefits is verified.

- F. Vendors may report suspected FWA to the Director, HIPAA Privacy, Security and Corporate Compliance (240-514-5126), or to CESLC's external compliance Hotline.
1. The Hotline is accessible 24 hours a day, seven days a week via the Internet (<https://secure.reportit.net/creator>) or by calling a toll free number (877-778-5463).
 2. Making a report requires a universal user name (ceslcrpt) and password (Rockville1).
 3. Reports to the Hotline may be anonymous and there will be no retaliation for reports made in good faith.

REFERENCES

- A. Deficit Reduction Act of 2005 (DRA): The DRA contains many provisions intended to reduce healthcare fraud, waste and abuse. Section 6032 of the DRA requires providers such as CESLC that receive or make annual Medicaid payments of at least \$5 million to have written policies providing detailed information about the federal False Claims Act and similar state laws.
- B. Federal False Claims Act: The False Claims Act prohibits various acts, including for example, knowingly submitting or causing the submission of a false or fraudulent claim for payment to a federal program (such as Medicare, Medicaid or Tricare), knowingly making false records or statements to get claims paid by a federal program, knowingly avoiding or decreasing the repayment of funds owed to a federal program, and conspiring with others to commit any of the aforementioned acts. A claim for payment may be false if it misrepresents facts or omits material facts. "Knowingly" means the person has actual knowledge of the false information or acts in deliberate ignorance or reckless disregard of the false information. Penalties include repaying the government three times the damages sustained by the government, plus a substantial monetary penalty per claim, and potentially being excluded from participating in federal reimbursement programs. An employee or vendor with knowledge of the false claim (whistleblower) may file a lawsuit on behalf of the government. The whistleblower may be entitled to a percentage of any financial recovery resulting from a settlement or judgment in the lawsuit, as well as attorneys' fees and court costs. The whistleblower may not be subjected to retaliation for engaging in protected activity under the False Claims Act, including the investigation and reporting of concerns regarding possible violations of the False Claims Act or improper billing to federal programs. The whistleblower may file a lawsuit to seek reinstatement and damages if the whistleblower is subjected to retaliation for engaging in protected activity. The government also may pursue criminal, civil or administrative remedies for the submission of false claims to federal programs, including imprisonment, criminal fines, civil monetary penalties, damages and program exclusion.
- C. Maryland False Claims Act: The Maryland False Claims Act prohibits various acts, including for example, knowingly submitting a false claim for payment to a State program (such as Medicaid), knowingly making false records or statements to get claims paid by a State program, knowingly avoiding or decreasing the repayment of funds owed to a State program, or conspiring with others to commit any of the aforementioned acts. A claim for payment may be false if it misrepresents facts

or omits material facts. “Knowingly” means the person has actual knowledge of the false information or acts in deliberate ignorance or reckless disregard of the false information. Penalties include repaying the State up to three times the amount of the damages sustained by the State, plus a substantial monetary penalty per claim. The State may pursue criminal, civil or administrative remedies for the submission of false claims to State programs, including imprisonment, criminal fines, civil monetary penalties, damages and program exclusion. In addition, an employee or vendor (whistleblower) with knowledge of the false claim may file a lawsuit on behalf of the State. The whistleblower may be entitled to a percentage of any financial recovery resulting from a settlement or judgment in the lawsuit, as well as attorneys’ fees and court costs. The whistleblower may not be subjected to retaliation for engaging in protected activity under the Maryland False Claims Act, including the investigation and reporting of concerns regarding possible violations of the Maryland False Claims Act or improper billing to State programs. The whistleblower may file a lawsuit to seek reinstatement and damages if the whistleblower is subjected to retaliation for engaging in protected activity.

- D. Maryland False Health Claims Act: This law is similar to the Maryland False Claims Act, but applies specifically to false claims submitted to Maryland health care programs such as Medicaid. The State may pursue criminal, civil or administrative remedies for the submission of false claims to State health care programs, including imprisonment, criminal fines, civil monetary penalties, damages and program exclusion. In addition, an employee or vendor with knowledge of the false claim (whistleblower) may file a lawsuit on behalf of the State. The whistleblower may be entitled to a percentage of any financial recovery resulting from a settlement or judgment in the lawsuit, as well as attorneys’ fees and court costs. The whistleblower may not be subjected to retaliation for engaging in protected activity under the Maryland False Health Claims Act, including the investigation and reporting of concerns regarding possible violations of the Maryland False Health Claims Act or improper billing to State health care programs. The whistleblower may file a lawsuit to seek reinstatement and damages if the whistleblower is subjected to retaliation for engaging in protected activity.
- E. Federal and State criminal laws: Federal and Maryland laws also create criminal liability for persons that knowingly submit false claims to government health care programs, including but not limited to, Medicare, Medicaid and Tricare. Furthermore, federal and state laws create criminal liability for any person that knowingly pays or offers to pay, or accepts or offers to accept, kickbacks, payments, gifts, discounts, rebates and other forms of remuneration in exchange for referring services or items paid directly or indirectly, in whole or in part, by a federal or state health care program.