

Manual: Corporate Ethics & Compliance	Manual Code: CEC.01.0070
Title: DRA -The False Claims Act and Prevention of Fraud, Waste and Abuse Policy Statement	
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DRA – THE FALSE CLAIMS ACT AND PREVENTION OF FRAUD, WASTE AND ABUSE POLICY STATEMENT

Statement of Purpose:

This policy statement has two main goals. The first is to inform employees, contractors and agents of The Hospital of Central Connecticut (the “Hospital”) about state and federal laws that relate to false claims for payment (the “false claims laws”) and the Hospital's efforts to fight fraud, waste, and abuse in the healthcare system. The second goal is to describe the remedies and fines that may apply if violations of the false claims laws happen.

False Claims and Similar Laws:

The federal False Claims Act (31 USC 3729-33) makes it a crime for any person or organization to knowingly make a false record or file a false claim with the government for payment. “Knowing” can include deliberate or reckless ignorance of facts that make the claim false.

Examples of possible false claims include knowingly billing Medicare for services that were not provided, or for services that were not ordered by a physician, or for services that were provided at sub-standard quality where the government would not pay.

In Connecticut, it is a crime to bill Medicaid or the general assistance program fraudulently. Anyone who seeks or accepts payment for services to a state Medicaid or general assistance beneficiary when those services were not delivered or not needed is subject to possible imprisonment and fines. Depending on the amount of the payment involved, these crimes carry penalties of up to 20 years in prison and fines of up to \$15,000.

Detailed Information about the Federal False Claims Act and the Federal Program Fraud Civil Remedies Act:

A person who knows a false claim was filed for payment can file a lawsuit in Federal Court on behalf of the government and, in some cases, receive a reward for bringing original information about a violation to the government’s attention. Penalties for violating the federal False Claims Act can be up to three times the value of the false claim, plus from \$5,500 to \$11,000 in fines, per claim. If any funds are recovered, the federal court can award a portion of those funds to the person who initiated the lawsuit. This amount, if awarded, generally is between 15% and 30% of the total funds to be repaid. If the federal government does not pursue the claim, the individual may still proceed with the case on his or her own, without the government's assistance, and at his or her own expense.

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In addition to the False Claims Act, the Program Fraud Civil Remedies Act ("PFCRA") helps the government to prevent and detect fraud by penalizing people who commit fraud on the federal government. Specifically, PFCRA has penalties of \$5,000 per false claim made by a person or company to the federal government that the person or company knows or has reason to know is false in some way, including charges for property or services that are not provided as claimed.

Reporting Fraud, Waste, or Abuse:

Through its compliance plan, the Hospital seeks to prevent and detect fraud, waste, and abuse. Some of the efforts we make include auditing and monitoring our billing, coding and contracting activities, training our staff about ethics and compliance, investigating reported concerns and correcting errors we find, and protecting our staff from adverse actions if they do the right thing and report genuine concerns through our established reporting mechanisms.

The existence of false claims and similar laws help the Hospital's efforts to prevent and detect fraud, waste and abuse. All of our employees, contractors, agents, and volunteers who have any suspicion that false claims for payment are being made at the Hospital must immediately report that suspicion to:

a supervisor, or any member of the Hospital's corporate compliance committee or its staff, or a human resources staff member, or the hospital's chief executive, or through the Hospital's AlertLine at 1-888-371-4445.

If you would like more information on the Hospital's ethics & compliance program or policies, or on how to report any concerns, please contact our Corporate Ethics & Compliance Officer.

Protecting People Who Do the Right Thing:

The False Claims Act protects anyone who files a false claim lawsuit from being fired, demoted, threatened or harassed by their employer for filing the suit. If a court finds that the employer retaliated, the court can order the employer to re-hire the employee, and to pay the employee twice the amount of back pay that is owed, plus interest and attorney's fees.

Connecticut law also protects employees who report suspected violations of state or federal law, including reports of criminal fraud. An employer may not discharge, discipline or otherwise penalize an employee for reporting a violation of the law, or suspected violation, as long as the employee does not know the information being reported is false.

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References: Section 6032 of the Deficit Reduction Act of 2005
31 U.S.C. §§ 3729-3733
31 U.S.C. §§ 3801-3812
Connecticut General Statutes § 31-51m
Connecticut General Statutes § 53a-290 *et seq.*
Connecticut General Statutes § 17b-127

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)

Fraud: Conn. Gen. Stat. Sec. 17b-25a (Toll free vendor fraud telephone hotline)
Conn. Gen. Stat. Sec. 17b-99 (Vendor Fraud)
Conn. Gen. Stat. Sec. 17b-102 (Financial Incentive for Reporting 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)

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)