

THE CENTER FOR DISCOVERY

SUBJECT: False Claims Act and “Qui Tam” Provisions

MANUAL: Corporate Compliance

SECTION: Section 8

Purpose:

The Center for Discovery is committed to the prompt, complete and accurate billing of all services provided to individuals. The Center for Discovery and its employees, contractors and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or administrator, which results in the submission of a false or misleading entry on claims forms or in the documentation of services that result in the submission of a false claim.

It is the policy of The Center for Discovery to detect and prevent fraud, waste and abuse in federal healthcare programs in accordance with the False Claims Act. This policy applies to all employees, including administration, and all contractors and agents.

Overview of the False Claims Act:

The False Claims Act, 31 U.S.C. § 3729 *et seq.*, is a federal law designed to prevent and detect fraud, waste and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who “knowingly” submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of \$5,500 to \$11,000 for each false claim submitted.

The law was revised in 1986 to expand the definition of “knowingly” to include a person who:

1. Has actual knowledge of falsity of information in the claim;
2. Acts in deliberate ignorance of the truth or falsity of the information in the claim; and
3. Acts in reckless disregard of the truth or falsity of the information in a claim.

False Claims suits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a false claim. Some examples include knowingly making false statements, falsifying records, submitting claims for services never performed or items never furnished, double-billing for items or services, using false records or statements to avoid paying the Government, or otherwise causing a false claim to be submitted.

“Qui Tam” Provisions

In order to encourage individuals to come forward and report misconduct involving false claims, the False Claims Act contains a “Qui Tam” provision.

The Government, or an individual citizen acting on behalf of the Government, can bring actions under the False Claims Act. An individual citizen, referred to as a “Relator,” who has actual knowledge of allegedly false claims may file a lawsuit on behalf of the U.S. Government. If the lawsuit is successful, and provided certain legal requirements are met, the relator may receive an award ranging from 15% - 30% of the amount recovered.

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The False Claims Act prohibits discrimination by The Center for Discovery against any employee for taking lawful actions under the False Claims Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in False Claims actions is entitled to relief. Such relief may include reinstatement, double back pay, and compensation for any special damages.

Policy:

1. The Center for Discovery will provide training in this policy and procedure to all its employees, contractors and agents. This training will be provided to all new employees as part of the new employee orientation.
2. The Center for Discovery will perform billing activities in a manner consistent with the regulations and requirements of third party payers, including Medicaid and Medicare.
3. The Center for Discovery will conduct regular auditing and monitoring procedures as part of its efforts to assure compliance with applicable regulations.
4. Any employee, contractor or agency that has any reason to believe that anyone is engaging in false billing practices or false documentation of services is expected to report the practice according to The Center for Discovery’s Reporting of Compliance Concerns and Non-Retaliation Policy and Procedure.
5. Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited.
6. Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.

Procedures that Apply to All Employees:

1. The Corporate Compliance Officer will ensure that all employees and agents receive training related to the contents of this policy and the False Claims Act. The Corporate Compliance Officer will ensure that records are maintained to document the receipt of training.
2. The Corporate Compliance Officer will assure that an overview of the False Claims Act to include non-retaliation provisions will be made available to all contractors or agents.

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