Status **Active** PolicyStat ID **16990002**

Origination	09/2006
Last Approved	11/2024
Effective	11/2024
Last Revised	11/2024
Next Review	11/2025
Owner	David Lane: Chief Compliance Officer
Policy Area	Compliance
Applicability	Providence Systemwide + PGC
Departments	Posted on Internet

PSJH-CPP-711 Fraud, Waste and Abuse Prevention and Detection

Executive Sponsor:	Erik Wexler, President/CEO
Policy Owner:	David Lane, VP/Chief Compliance Officer
Contact Person:	Karen J. Coleman, System Director Compliance Auditing & Monitoring

Scope:

This policy applies to Providence and its Affiliates (collectively known as "Providence")[i] and their caregivers (employees), employees of affiliated organizations; members of system, community ministry and foundation boards; volunteers; trainees; independent contractors; and others under the direct control of Providence (collectively referred to as workforce members). Providence educational institutions are excluded from this healthcare related policy.

☑ Yes ☐ No Is this policy applicable to Providence Global Center (PGC) caregivers?

This is a management level policy reviewed and recommended by the Policy Advisory Committee for approval by senior leadership which includes vetting by Executive Leadership Committee with final approval by the President, Chief Executive Officer or appropriate delegate.

Purpose:

This policy confirms Providence's commitment to prevent and detect fraud, waste and abuse (FWA) by providing workforce members detailed information regarding: (1) the federal False Claims Act; (2) federal laws and penalties pertaining to reporting and returning overpayments; (3) state laws and penalties pertaining to false claims; and (4) whistleblower protections under

certain laws.

Definitions:

For purposes of applying this policy, the following definitions apply:

1. *Abuse:* includes actions that may, directly or indirectly, result in: unnecessary costs to the Medicare Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between “fraud” and “abuse” depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.
2. *Agents:* Anyone directly performing services on behalf of Providence.
3. *Caregiver:* Refers to all employees/workforce members of Providence.
4. *Claim:* As defined in the federal False Claims Act, a "Claim" includes any request or demand, whether under a contract or otherwise, for money or property which is made by a contractor, grantee, or other recipient, if the government provides any portion of the money or property, or will reimburse the requesting entity for any portion of the money or property, that is requested or demanded.
5. *False Claims Act (FCA):* 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. "Knowingly" means that the person or organization:
    a. Knows the record or claim is false, or
    b. Seeks payment while ignoring whether the record or claim is false, or
    c. Seeks payment recklessly without caring whether the record or claim is false.
6. *Fraud:* is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program. (18 U.S.C. § 1347).
7. *Overpayment:* Funds that a person or organization receives or retains under Medicare or Medicaid/Medi-Cal to which the person or organization, after applicable reconciliation, is not entitled under those programs.
8. *Waste:* is the over-utilization of services, or other practices that, directly or indirectly, result in unnecessary costs to Medicare or a federal health program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.
   Examples of potential FWA; this list is not conclusive:

Falsifying claims	Eligibility determination issues
Improper alteration of claim	Misrepresentation of medical condition
Incorrect coding	Failure to report third party liability

Double billing	Physical, mental, emotional, sexual abuse
Billing for services not provided	Neglect
Misrepresentation of services/ supplies	Discrimination
Improper substitution of services	Providing substandard care
Inaccurate cost reports	Providing medically unnecessary services
Kickback/Stark Law violations	Financial exploitation
Fraudulent credentials	Fraudulent recoupment practices
Embezzlement	Failure to refer for needed services
Under-utilization and over-utilization	Violations of Medicare's Conditions of Participation
Known retention of an overpayment	

9. *Whistleblower (Qui tam) Provision:* Allows a private person to bring a lawsuit on behalf of the government where the private person has information that the named defendant has knowingly submitted or caused the submission of false or fraudulent claims to the government.
10. *Workforce Members:* means caregivers, volunteers, trainees, interns, medical staff, students, independent contractors, vendors and all other individuals working at the ministry, whether they are paid by or under the direct control of the facility.

Policy:

It is the policy of Providence to comply with applicable federal and state laws and regulations pertaining to FWA in federal and state health care benefit programs and to disseminate information to its workforce members regarding such laws and regulations. Providence is committed to the diligent prevention and detection of FWA through its Board-approved Compliance Program Description and Standards/Code(s) of Conduct.

Requirements:

Providence will train and educate its workforce members and contractors as necessary to comply with the legal and regulatory requirements related to FWA and will work cooperatively with workforce members when problems are identified to resolve those problems as quickly as possible.
Providence will follow federal and state False Claims Acts, to educate new workforce members within 90 days of hire or engagement and will educate existing workforce members and contractors annually thereafter to the policies and procedures intended to meet those requirements. Providence will monitor education given to employees to verify this policy has been effectively implemented. Providence expects workforce members and contractors who are

involved with creating and filing claims for payment for Providence services will only use true, complete and accurate information to make the claim. Billing for clinical trials will follow clinical trial billing protocols and will be submitted in accordance with federal requirements.
Providence will monitor and audit compliance with billing and coding requirements (through the Revenue Cycle department, Providence Health Plan and other appropriate departments) in order to detect errors and inaccuracies and will take appropriate actions to correct any issues causing billing inaccuracies. Providence will exercise reasonable diligence to identify and investigate any instances in which an overpayment may have been received. In all situations where overpayments are identified, Providence will report and return overpayments identified in a timely manner (i.e., no later than 60 days after identification and quantification) and in accordance with applicable federal and/or state requirements.
Providence divisions, ministries or facilities will create policies and procedures to comply with any applicable state-level False Claims Act requirements and will provide education to their existing workforce members and contractors on those policies and procedures and will train new workforce members upon hire or engagement.
Workforce members and contractors are expected and have a responsibility and duty to report any concerns about billing issues, a potential overpayment, or any other issue they feel is illegal or otherwise inappropriate, in accordance with the Code of Conduct. Concerns may be reported to the Providence Integrity Hotline at (888) 294-8455 or to the Integrity Hotline online reporting system. Potential overpayment issues should be brought immediately to the attention of the Department of Legal Affairs, Compliance and/or Revenue Cycle department.
Workforce members have the right to be protected against retaliation for good faith reporting of suspected wrongdoing or assisting in an investigation of possible wrongdoing. This commitment is expressed in our Code of Conduct and Non-Retaliation Policies. Providence expects workforce members and contractors to be familiar with the Standards/Code(s) of Conduct and other policies and to follow them.
Management is responsible for ensuring that workforce members are educated to the requirements of this policy and that the education is documented and producible upon audit. The form and extent of that training will be determined by the workforce member's function. Other workforce members will receive informational materials or awareness training.
Providence workforce members who do not follow this policy may be subject to disciplinary action up to and including termination of employment or contractual relationships.
A person who knows a claim was filed for payment in violation of the False Claims Act 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.
Some states have a False Claims Act that allows a similar lawsuit in state court if a false claim is filed with the state for payment, such as under Medicaid or Workers' Compensation. Penalties are severe for violating the federal False Claims Act and may include repayment of up to three times the value of the false claim, significant fines per claim (e.g., 2024 fines range from $13,946 to $27,894 per claim) and/or imprisonment for 5 years. The amount is adjusted each year for inflation. In addition, individuals and entities can face administrative penalties such as exclusion from participating in federal and state-funded health care benefit programs, including Medicare and Medicaid.
Providence will notify impacted plan sponsors of any confirmed individuals or entities excluded

from federal or state programs that may impact plan participants of the sponsor as applicable. Additionally, Providence will notify impacted plan sponsors of any confirmed reports to the Integrity Hotline Regarding Medicare Program noncompliance and/or fraud, waste and abuse violations that may impact plan participants of the sponsor as applicable.

References:

- Providence Code of Conduct
- Compliance Program Description
- PSJH-CPP-733 Non-Retaliation
- PSJH-CPP-736 Compliance Hotline Policy
- PSJH-CPP-735 Investigations Policy
- PSJH-CPP-741 Disclosure Program Policy
- PSJH-CPP-743 Compliance Reporting Obligations Policy
- Federal False Claims Act
- Deficit Reduction Act of 2005
- Federal Register/Adjustment of Civil Monetary Penalty Amounts for 2024
- Section 1128J(d) (reporting and returning overpayments) and Section 1909 of the Social Security Act
  (establishes liability to state for false or fraudulent claims)
- 42 C.F.R. Part 401, Subpart D Reporting and Returning of Overpayments
- State False Claims Acts Reviewed by the OIG
- CMS Medicare Managed Care Manual Chapter 21, Section 50
- Combating Medicare Parts C and D Fraud, Waste and Abuse Web-Based Training, January, 2019
- Office of Inspector General Fraud and Abuse Laws
- MLN Booklet - MLN4649244 Medicare Fraud

State	***Links to False Claims Legislation or Information***
Alaska	http://www.legis.state.ak.us/basis/statutes.asp#47.05.210
California	The False Claims Act, Cal. Gov't Code §§ 12650 et seq.
Idaho	https://legislature.idaho.gov/sessioninfo/2004/legislation/S1332/
Montana	http://www.falseclaimsact.com/wp-content/uploads/2013/02/Montana.pdf
New Mexico	https://www.nmag.gov/medicaid-fraud-control.aspx
Oregon	https://www.doj.state.or.us/consumer-protection/sales-scams-fraud/medicaid-fraud/
Texas	https://oig.hhsc.texas.gov/report-fraud
Washington	https://apps.leg.wa.gov/rcw/default.aspx?cite=74.66&full=true; https://apps.leg.wa.gov/rcw/default.aspx?cite=74.09

Applicability:

[i] For purposes of this policy, “Affiliates” is defined as any not-for-profit or non-profit entity that is wholly owned or controlled by Providence St. Joseph Health (PSJH), Providence Health & Services, St. Joseph Health System, Western HealthConnect, Kadlec, Covenant Health Network, Grace Health System, Providence Global Center*, NorCal HealthConnect, or is a not-for-profit or non-profit entity majority owned or controlled by PSJH or its Affiliates and bears the Providence, Swedish Health Services, St. Joseph Health, Covenant Health, Grace Health System, Kadlec, or Pacific Medical Centers names (includes Medical Groups, Home and Community Care, etc.). *Policies and/or procedures may vary for our international affiliates due to regulatory differences.

Approval Signatures

Step Description	Approver	Date
Policy Owner	David Lane: Chief Compliance Officer [CJ]	11/2024
Policy Contact	Karen Coleman: Director Compliance	11/2024

Applicability

AK - Credena Health, AK - Providence Alaska MC, AK - Providence Kodiak Island MC, AK - Providence Medical Group, AK - Providence Seward MC, AK - Providence St. Elias Specialty Hospital, AK - Providence Valdez MC, CA - Credena Health, CA - Healdsburg Hospital, CA - Petaluma Valley Hospital, CA - Physician Enterprise Northern, CA - Physician Enterprise Southern, CA - Providence Cedars-Sinai Tarzana MC, CA - Providence Holy Cross MC, CA - Providence LCM MC San Pedro, CA - Providence LCM MC Torrance, CA - Providence Mission Hospitals, CA - Providence Queen of the Valley Medical Center, CA - Providence Redwood Memorial Hospital, CA - Providence Saint John's Health Center, CA - Providence Saint Joseph MC, Burbank, CA - Providence Santa Rosa Memorial Hospital, CA - Providence St. Joseph Hospital - Eureka, CA - Providence St. Joseph Hospital Orange, CA - Providence St. Jude Medical Center, CA - Providence St. Mary Medical Ctr Apple Valley, MT - Credena Health, MT - Providence St. Joseph MC, Polson, MT - St. Patrick Hospital, NM - Covenant Hobbs Hospital, OR - Credena Health, OR - Providence Ctr for Medically Fragile Children, OR - Providence Health Oregon Labs, OR - Providence Hood River Memorial Hospital, OR - Providence Medford MC, OR - Providence Medical Group, OR - Providence Milwaukie Hospital, OR - Providence Newberg MC, OR - Providence Portland MC, OR - Providence Seaside Hospital, OR - Providence St. Vincent MC, OR - Providence Willamette Falls MC, PHCC - Home & Community Care, PHCC - Home Health, PHCC - Home Medical Equipment, PHCC - Hospice, PHCC - Infusion/Pharmacy, PHCC - PACE, PHCC - Palliative Care, PHCC - Skilled Nursing/Assisted Living, Providence, Providence Express Care, Providence Global Center, Providence Physician Enterprise, Providence Traditional Health Workers, TX - Covenant Children's Hospital, TX - Covenant Health - ACO, TX

- Covenant Health Partners, TX - Covenant Hospital Levelland, TX - Covenant Hospital Plainview, TX - Covenant Medical Center, TX - Covenant Medical Group, TX - Covenant Specialty Hospital, TX - Grace Clinic, TX - Grace Surgical Hospital, WA - Credena Health, WA - EWA Providence Medical Group, WA - Kadlec Regional Medical Center, WA - NWR Providence Medical Group, WA - PacMed, WA - Providence Centralia Hospital, WA - Providence DominiCare, WA - Providence Holy Family Hospital, WA - Providence Mt. Carmel Hospital, WA - Providence Regional MC Everett, WA - Providence Sacred Heart Med Ctr & Children's, WA - Providence St. Joseph's Hospital, WA - Providence St. Luke's Rehabilitation Medical, WA - Providence St. Mary MC, WA - Providence St. Peter Hospital, WA - SWR Providence Medical Group, WA - Swedish Medical Center, WA - Swedish Medical Group, WA - USFHP

Standards

No standards are associated with this document