



ADMINISTRATIVE MANUAL

SECTION 700
POLICY 716.5

Functional Section: Leadership (LD)

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TITLE: FRAUD DETECTION AND PREVENTION		
Date Effective: 3/1/07	Date Revised: 4/12	Revision: 2
Originating Signature: Larry Stahl Vice President – Ancillary and Support Services Corporate Responsibility Officer		Approving Signature: Gerald T. Kozai, Pharm.D., President/CEO
Reference/Key Words: Corporate Responsibility, Fraud and Abuse, Fraud Detection and Prevention		

SECTION 1. PURPOSE

- 1.1 To establish guidelines that address identification of and response to fraud, abuse, or potential fraud, potential abuse.
- 1.2 To raise awareness and encourage accountability.

SECTION 2. POLICY

- 2.1 This policy is available to all associates of St. Francis Medical Center (SFMC) and contractors or agents that, on behalf of a SFMC provide or authorize Medicaid items or services, perform billing or coding functions, or are involved in monitoring health care provided by SFMC.
- 2.2 Associates who are found to have committed, or attempted to commit, fraud will be subject to disciplinary action, which may include termination.
- 2.3 Vendors, contractors, or agents of SFMC who are found to have committed, or attempted to commit, fraud will have contracts or agreements terminated.
- 2.4 SFMC shall cooperate with, and refer cases to law enforcement and regulatory agencies, as appropriate.

SECTION 3. APPLICABILITY & SCOPE

- 3.1 This policy applies to all associates, volunteers, physicians, contractors and agents of SFMC.

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SECTION 4. PROCEDURE**4.1 Information on Corporate Responsibility and Fraud Detection and Prevention**

SFMC is committed to complying with all federal and state laws and regulations and ensuring that billing to the Medicare program, California Medical Assistance Program (Medi-Cal), and other health care programs conforms to all legal and regulatory requirements. As described more fully below, SFMC has implemented a Corporate Responsibility Program, which sets forth our commitment to ethics and compliance.

4.2 Implementation of Corporate Responsibility Program and Standards of Conduct

The Corporate Responsibility Program includes Standards of Conduct. The Standards of Conduct provide ethical guidance in the work place and are provided to associates upon hire. The Standards of Conduct require compliance with the law, accurate and honest reporting of work, and disclosures of conflicts of interests. The Corporate Responsibility Program follows the California Department of Public Health and the Office of Inspector General's compliance program guidance. The program is overseen by the Corporate Responsibility Officer (CRO), The CRO provides reports to the Board of Directors, routinely and otherwise as needed, regarding the Corporate Responsibility Program. Program effectiveness is reviewed on an ongoing basis by the Board, leadership, and the CRO.

For more information, please reference the policy "Corporate Responsibility and Standards of Conduct" on the DCHS intranet site under System Office, Policies and Procedures, for Corporate Responsibility.

4.3 Associate, Vendor, and Physician Screening

The government maintains lists of individuals and entities that are excluded from government health care programs because they committed fraud, waste, or abuse with government funds. Associates, physicians, contractor, and vendors are screened prior to starting, and annually, against these government lists to confirm that individuals / entities it works with are not on the list. Should SFMC find individuals / entities on this list, an investigation is initiated and appropriate action is taken, which may include terminating employment or the relationship.

For more information, please reference the policy "Exclusion from Participation in Federal Health Care Programs" on the DCHS intranet site under System Office, Policies and Procedures, for Corporate Responsibility.

4.4 Requiring Conflict of Interest Disclosures

Conflicts of interest have the potential to compromise individual professional judgment due to personal or financial interests outside of work. The organization requires disclosures of

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conflicts of interest annually and as they arise, in accordance with policy. When conflicts of interest are identified, appropriate action is taken to protect the organization and those it serves.

For more information, please reference the policy "Conflict of Interest Definitions, Disclosure, Resolutions and Reporting" on the DCHS intranet site under System Office, Policies and Procedures, for Corporate Responsibility.

4.5 Submission of Accurate Bills / Claims

Individuals in Patient Financial Services are oriented to the protocols for compliant billing upon hire and are required to complete a minimum of two (2) hours of specialized compliance training annually. Billing systems have an automated edits system to help detect errors such as services that can't be billed or invalid codes. The various process points that result in compliant billing, such as medical necessity and accurate documentation, are examined through risk assessments and monitoring. Audits are also performed both internally and through external firms to examine billing and coding practices. Risk assessments, monitoring, and auditing are done system wide and by SFMC. When over-payments are identified, determinations as to repayment and/or disclosure are made and action is taken to return funds to the government, as appropriate.

For more information, please reference the policies "Program Billing for Services Provided" on the DCHS intranet site under System Office, Policies and Procedures for Corporate Responsibility and "Corporate Auditing" on the DCHS intranet site under System Office, Policies and Procedures for Auditing.

4.6 Training and Education

Associates receive an orientation in compliance upon hire. This training includes a compliance overview, a description of the Corporate Responsibility program, the Standards of Conduct, and the Values Line. Compliance training is also required annually. Specialized compliance training is provided in high risk areas, as well as areas that are identified during risk assessments, monitoring, and auditing.

For more information, please reference the policy "Education and Training" on the DCHS intranet site under System Office, Policies and Procedures, for Corporate Responsibility.

4.7 Providing Information about Fraud and False Claims Laws

The federal False Claims Act, the federal Program Fraud Civil Remedies Act, the California False Claims Act, and certain other California statutes prohibit knowingly submitting false claims or statements to the government for payment. Although they differ in specific detail, these laws define false claims as: knowingly submitting false or fraudulent claims for payments to the government, making a false record or statement in connection with a claim submitted for payment to the government, or using a false record

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or statement in connection with a claim submitted for payment to the government. Violations can subject the organization to significant fines and penalties.

The organization provides detailed information about the federal False Claims Act, the federal Program Fraud Civil Remedies Act, and California's civil and criminal laws pertaining to false claims and statements.

For more information, please reference the policy "Information on False Claims Laws" found on the intranet site.

4.8 Investigating and Responding to Reported Concerns

SFMC investigates suspected non-compliance to determine if there has been a violation. A policy outlining guidelines for conducting internal investigations has been developed. When misconduct is found, appropriate measures are taken, which can include disciplinary action, and/or disclosing the violation to appropriate government authorities, and/or legal action. Organizational policy states associates are legally obligated to tell the truth when speaking to government authorities.

SFMC has responsibility to (as needed):

- Notify legal counsel.
- Conduct an investigation as directed by legal counsel.
- Refer cases to law enforcement or regulatory agency (ies) as directed by legal counsel.

For more information, please reference the policies "Investigating, Correcting, and Reporting of Compliance Issues", "Guidelines for Internal Investigations", "Associate Response to a Government Investigation", and "Voluntary Self Disclosure" found on the DCHS intranet site under System Office, Policies and Procedures, for Corporate Responsibility.

4.9 Reporting Compliance and Ethics Concerns

Associates are responsible to report their compliance and ethics concerns through their choice of venues, including but not limited to, their immediate supervisor, the Corporate Responsibility Officer, the on-line incident reporting system and the Values Line. The organization implemented the Values Line to provide an anonymous reporting option 24/7 through a toll free number, 1-800-371-2176. Reports are taken by an outside vendor for protection of identity. All concerns are evaluated for appropriate investigation and action.

The Values Line is promoted on posters throughout the facilities. Associates are reminded about the Values Line in annual compliance training. Brochures (in Spanish and English) and wallet cards promoting the Values Line are distributed to associates.

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For more information, please reference the policy “Response Procedure for Global Compliance Services Reporting” on the DCHS intranet site under System Office, Policies and Procedures, for Corporate Responsibility.

SECTION 5. DEFINITIONS

5.1 Suspected fraudulent and/or criminal acts include such things as:

- 5.1.1 Any dishonest or fraudulent act.
- 5.1.2 Forgery or alteration of policy related items, such as loans, surrenders, assignments, changes in beneficiary, etc.
- 5.1.3 Forgery or alteration of checks, drafts, promissory notes and securities.
- 5.1.4 Any misappropriation of funds, securities, supplies or any other asset.
- 5.1.5 Any irregularity in the handling or reporting of money transactions.
- 5.1.6 Disappearance of SFMC property such as furniture, fixtures, devices, computers (hardware and software), equipment.
- 5.1.7 Any disappearance of SFMC documents.
- 5.1.8 Any similar or related irregularity.

SECTION. 6 REFERENCES

Daughters of Charity Health System (DCHS) Corporate Responsibility Policies and Procedures

DCHS Intranet: http://dchsnet:81/lah/shared_drive/Policies%20%20Procedures/Forms/AllItems.aspx

Management Council	10/10/12
BOD	11/3/12