

HUMAN RESOURCES POLICY AND PROCEDURE MANUAL	ORIGINAL DATE: AUGUST 2007	REVISED:
TITLE: HR 519 CT – PREVENTING HEALTHCARE FRAUD – CONNECTICUT ONLY		

Policy:

It is the policy of the company to comply with all relevant rules and laws including, but not limited to, the Federal False Claims Act (“FCA”) and Connecticut state law.

Purpose:

To promote an understanding and adherence to the FCA and all applicable policies and procedures designed to prevent healthcare fraud and ensure that the company is providing the government with accurate information regarding the services rendered.

Scope:

This policy applies to all officers, directors, employees and certain contractors that operate in the state of Connecticut.

Definitions:

- Contractor:** Includes any contractor, subcontractor, agent, or other person which or who, on behalf of the company, furnishes or otherwise authorizes the furnishing of Medicaid healthcare items or services, performs billing or coding functions, or is involved in the monitoring of healthcare provided by the company.
- False Claim:** Is a request for payment for a medical service or item that is not reasonable or necessary for the diagnosis or treatment of a patient. False claims may include billing for services or items that were not provided or costs that were not incurred, duplicate billing, billing for items or services that are not medically necessary, assigning an inaccurate code or patient status to increase reimbursement, providing false or misleading information about a patient’s condition or eligibility, failing to identify and refund credit balances or submitting bills without supporting clinical documentation.
- Whistleblowers or “Qui Tam” Relators:** Are employees who report the submission of false claims to appropriate government agencies.

Provisions:

- The FCA was designed to prevent false claims from being presented to the government for payment.
- The act allows any person who discovers that a government contractor or organization is fraudulently receiving funds from the government to report the fraud and possibly file a complaint on behalf of the government.
- The company will not tolerate any deliberately false or inaccurate billing. Any employee or contractor who knowingly submits a false claim, or provides information that may

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contribute to submitting a false claim such as falsified clinical documentation, to any payor – public or private – is subject to dismissal.

4. As a health care company receiving reimbursement from government Medicaid/Medi-Cal and Medicare funds, the company is considered a government contractor subject to the terms of the FCA.
5. Government contractors found to be in violation of the FCA can be subject to civil monetary penalties ranging from \$5,500 to \$11,000 for each claim submitted.
6. Contractors could be required to pay three times the amount of damages that the government incurred as a result of the false claims.
7. Employees and contractors who report the submission of false claims and who cooperate in the investigation of such reports are protected as whistleblowers, and cannot be retaliated against in accordance with the FCA.
8. The company will promote an understanding and adherence to the FCA, similar state laws, and relevant policies and procedures through new employee orientation and ongoing training. Employees will have access to relevant policies and procedures.
9. All employees and contractors must be vigilant in maintaining these standards at all times. Under the Deficit Reduction Act of 2005, all employees and certain contractors must understand the laws regarding false claims, as well as their right to report any attempts to defraud the government.
10. The following Connecticut state statutes and regulations are cited below for reference by employees and contractors:

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 et seq. (Tampering With or Fabricating Physical Evidence)
- Conn. Gen. Stat. Sec. 53a-157b et seq. (False Statement Intending to Mislead Public Servant)

Fraud:

- Conn. Gen. Stat. Sec. 17b-25a-290 (Toll free vendor fraud telephone hotline)
- Conn. Gen. Stat. Sec. 17b-99 (Vendor Fraud)
- Conn. Gen. Stat. Sec. 17b-102 (Financial Incentive for Reporting Vendor 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 (Whistleblower)
- 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 Employers for Discipline or Discharge of Employee on Account of Employee's Exercise of Certain Constitutional Rights)

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- Regs. Conn. State Agencies Sec. 4-61dd-1 et seq. (Rules of Practice for Contested Case Proceedings under the Whistleblower Protection Act)

Procedure:

1. The company will ensure that all employees and certain contractors shall be informed of and have access to applicable policies and procedures.
2. Contractors, as defined within this policy, are provided notification of and access to this policy and procedure as part of the new vendor setup procedure. For more information, refer to HR Policy 513, Vendor Background Screening.
3. If an employee or contractor observes or suspects that certain activity may contribute to the submission of a false claim, that activity must be reported in accordance with HR Policy 502, Reporting Issues of Concern and Non-retaliation.
4. The company does not tolerate retaliation against any employee or contractor who has reported the alleged submission of a false claim or who cooperates in the investigation of such reports.
5. All employees and contractors as defined within this policy are required to report any possible fraud, waste, or abuse to the company as soon as he or she becomes aware of it. Reports may be made to an immediate supervisor, compliance team member or the Sun Quality Line. Refer to HR Policy 502, Reporting Issues of Concern and Non-retaliation, for more information. Reports made to the Sun Quality Line are fully investigated in accordance with Compliance Department Policy 502, Sun Quality Line and Customer First Line Cases.
6. Direct questions concerning the FCA to a compliance director.

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