

Circare is committed to preventing, detecting, and correcting any fraud, waste, abuse, or wrongful conduct in Medicare, Medicaid, and other state and federal health care programs. Circare has adopted a Compliance Program designed to ensure compliance with Medicaid requirements and all applicable laws, regulations, and administrative guidance by its workforce and contractors.

The purpose of this Policy is to provide you with detailed information regarding: 1) how to report Compliance Issues to Circare; and 2) federal and state fraud and abuse laws.

Any questions regarding the Compliance Program or this Policy may be addressed to the Compliance Officer.

DEFINITIONS

Compliance Issue: actual or suspected fraud, waste, abuse and other wrongful violations of law, regulation, administrative guidance, or Circare's Compliance Plan or policies.

Contractor: third-party individuals or entities who furnish Medicaid health care items or services, perform billing and coding functions, or are involved in monitoring health care provided by Circare.

Workforce: agency, embedded state, and temporary employees, Board of Directors, interns, and volunteers.

WHAT IS FRAUD, WASTE, AND ABUSE?

Fraud: any intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself, herself or some other person. It includes any act that constitutes fraud under applicable federal or state law.

Waste: involves the taxpayers not receiving reasonable value for money in connection with any government funded activities due to inappropriate act or omission by player with control over, or access to, government resources.

Abuse: provider practices that are inconsistent with sound fiscal, business or medical practices and result either in an unnecessary cost to the Federally funded programs or in reimbursement for services that are not medically necessary or provider practices that fail to meet professionally recognized standards for healthcare. It also includes recipient practices that result in unnecessary cost to the federally funded programs.

POLICY

If you are aware of a Compliance Issue, you should report it to:

- a. the Compliance Officer;
- b. any Compliance Committee member;
- c. Circare's Compliance Hotline
- d. any Circare Supervisor; or
- e. any other appropriate individual at Circare in a higher position of authority, up to and including the Executive Director or the President of the Board of Directors.

You are encouraged to first report Compliance Issues directly to Circare to allow Circare the opportunity to efficiently and effectively address the issue. Any member of the workforce who reports a Compliance Issue in good faith has the right to do so confidentially and anonymously and will be protected against intimidation and retaliation. However, if you have participated in a Compliance Issue, you are not protected against intimidation and retaliation and Circare has the right to take appropriate action. Circare is committed to investigating Compliance Issues. Circare requires that you fully cooperate in an investigation. While Circare encourages you to first report such issues directly to Circare, certain laws provide that individuals may also bring their concerns to the government.

LAWS REGARDING THE PREVENTION OF FRAUD, WASTE, AND ABUSE**A. Federal Laws**

Federal False Claims Act: Any person or entity who submits a claim to the federal government that the person or entity knows (or should know) is false, is subject to civil penalties of \$10,781 to \$21,563 per false claim and treble damages. Individuals may be entitled to bring an action under this Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing Circare, the individual may have to pay Circare for its legal fees and costs.

Administrative Remedies for False Claims and Statements: If a person or entity submits a claim that the person or entity knows is false, or contains false information, or omits material information, such person or entity may be subject to a \$5,000 penalty per claim and double damages. Individuals are not entitled to share in any recovery.

Federal Anti-Kickback Law: Persons or entities may not knowingly offer, pay, solicit, or receive remuneration in exchange for referring, furnishing, purchasing, leasing or ordering a service or item paid for by Medicare, Medicaid, or other state or federal health care programs. Criminal or civil penalties include repayment of damages, fines, imprisonment, and exclusion from participation in federal healthcare programs.

B. State Laws.

New York has laws that are similar to the federal laws listed above. These include the New York False Claims Act, False Statements Act, Anti-Kickback Law, Self-Referral Prohibition Law, Health Care and Insurance Fraud Laws.

New York State False Claims Act. Any individual or entity who submits a claim to state government that the person or entity knows (or should know) is false, is subject to civil penalties of \$6,000–\$12,000 per false claim and treble damages. Individuals may be entitled to bring an action under the False Claims Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing Circare, the individual may have to pay Circare for its legal fees and costs.

C. Whistleblower Protections.

Federal Whistleblower Protection: A workforce member who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of their lawful acts conducted in furtherance of a False Claims Act action may bring an action against the employer. However, if the workforce member's action has no basis in law or fact or is primarily for harassment of Circare, the workforce member may have to pay Circare its attorneys' fees and costs.

New York State Whistleblower Protection: Workforce members who, in good faith, report a false claim are protected against discharge, demotion, suspension, threats, harassment, and other discrimination by their employer. Remedies include reinstatement, two times back pay plus interest, and litigation costs and attorneys' fees.