**False Claims Act Policy and Procedure**

It is the policy of Pyramid Home Health Services, in compliance with the False Claims Act, to make every effort to detect and prevent fraud, waste and abuse of Medicare, Medicaid and all other government-financed healthcare programs.

**Federal False Claims Act:** The federal False Claims Act prohibits the knowingly submission of a false or fraudulent claim for payment. It also prohibits the use of false statements or records for the purpose of obtaining an improper payment or concealing the receipt of such payment. The Act applies to all claims for payment of an item or service furnished to a beneficiary of Medicare, Medicaid, or other federally financed health care programs. It also applies to certain claims-related filings and reports such as Medicare and Medicaid cost reports.

The term “knowingly” includes actual knowledge that a claim or statement is false, deliberate ignorance of the truth or falsity of a claim or statement (willful blindness), or reckless disregard for the truth or falsity of a claim or statement. This does not include honest mistakes or errors, but it may include failure to implement adequate measures to ensure the accuracy of claims or statements or failure to undertake prompt remedial steps to correct improper claims or statements once they are discovered.

Penalties for violation of the Act can include:

- Civil penalties of up to three times the value of any improper payments received as the result of a false claim or statement, plus;
- Additional civil penalties of $5,500 to $11,000 per false claim

As further encouragement to report false claims, the Act also authorizes private “Whistleblowers” to file a suit against another party for alleged false claims. The federal government has the option to join the suit or let the original private party pursue the matter on his or her own. If suit ultimately results in a monetary judgment or settlement, the whistleblower that initially brought the suit may be awarded a percentage of the funds recovered. A whistleblower’s share may be reduced or eliminated if he or she is found to have planned and initiated the false claims violation.

The Act prohibits retaliation against an employee who files a whistleblower suit. An employee may not be discharged, demoted, suspended, threatened, harassed, or otherwise discriminated against in his or her employment as a result of the employee’s lawful acts in furtherance of a false claims action. The whistleblower may be entitled to reinstatement with the same seniority status, two times the amount of back pay, interest on the back pay, and compensation for any special damages as a result of the discrimination such as litigation costs and reasonable attorney’s fees.

**State False Claims Act:** A number of states have adopted laws similar to the federal False Claims Act covering claims and statements relating to state government payments. These generally include items and services furnished to state Medicaid beneficiaries or beneficiaries of other state-sponsored healthcare programs.
Penalties for violation of state false claims acts vary, but are generally designed to be large enough to pose a significant deterrent to fraudulent behavior. Many state acts also include whistleblower provision and protections.

**Procedures:** Detection and prevention are achieved through a number of steps within Pyramid Home Health Services:

- Fraud, waste and abuse detection and prevention are taught and discussed in employee orientation classes.
- Field Supervisors perform random visits to client’s homes.
- Schedulers perform routine client telephone checks.
- The data processing department compares delivered units to scheduled units and enters unit delivery data into our system, which catches inconsistencies.
- The Quality Assurance department performs overall document reviews.
- The company utilizes interdisciplinary chart review to screen for compliance with Medicare COP.
- The company makes available ongoing OASIS and coding training including certification in each to key staff.
- The company intermittently employs outside auditors to audit for compliance with COP.
- All employee participate in mandatory continuing education covering Medicare/ Medicaid compliance.

Employees of Pyramid Home Health Services must familiarize themselves with this company’s policy and procedure for detecting and preventing fraud, waste and abuse. Employees are expected to report any Medicare or Medicaid fraud, waste or abuse that they may encounter.