EDUCATION ABOUT FALSE CLAIMS RECOVERY ACT

I. Policy. It is the policy of UMMC to provide detailed information to its employees – and those of its contractors and agents – about the role of the federal False Claims Act, the federal Program Fraud Civil Remedies Act, and applicable state false claims laws in preventing fraud, waste, and abuse in federal health care programs, including the Medicaid program.

II. Purpose. The purpose of this policy is to comply with certain requirements set forth in the federal Deficit Reduction Act of 2005 (the "DRA"), and sections 6031 and 6032 of the DRA in particular, with regard to educating employees about federal and state false claims laws.

III. General. False claims laws seek to prevent fraud, waste, and abuse in government health care programs in two significant ways. First, they permit the government to bring civil lawsuits to recover damages and penalties against health care providers that submit false claims. Second, these laws often permit private persons, including current or former employees of such providers, to bring legal actions against the providers on the government's behalf.

There are both federal and state false claims laws.

A. Federal False Claims Laws. The federal False Claims Act ("FCA") makes any person or entity that knowingly submits a false or fraudulent claim for payment of United States government funds liable for significant penalties and fines. These sanctions include a penalty of up to three times the government's damages, civil penalties ranging from $5,500 to $11,000 per false claim, and the costs of the civil action against the entity that submitted the false claims. This law applies generally to federally-funded programs, including health care programs such as Medicaid and Medicare.

The federal FCA also provides that a private person with knowledge of a false claim may bring a civil action on behalf of the United States government to recover funds it has paid as a result of that false claim. The government will investigate the individual's allegations and may or may not choose to join in the lawsuit. If the government chooses to participate, it assumes responsibility for all of the expenses associated with the lawsuit. If the lawsuit is ultimately successful, the court may award the individual who initially brought the suit a percentage of the funds recovered. That percentage is lower when the government joins in the action. Regardless of whether the government participates, the court may reduce the individual's share of the proceeds if it finds that s/he planned and initiated the false claim violation. If the individual is convicted of criminal conduct related to his or her role in the preparation or submission of the false claim, the individual will be dismissed from the civil action without receiving any portion of the proceeds.

The federal FCA also contains a provision that protects a private person from retaliation by his or her employer for participation in a false claims action. That provision applies to any employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of the employee's lawful conduct in furtherance of a false claim action.

Like the federal FCA, the federal Program Fraud Civil Remedies Act ("PFCRA") provides for administrative remedies against those who knowingly submit false claims and statements. Under the PFCRA, a false claim or statement includes submitting a claim or making a written statement that is for services that were not provided, that assert a material fact that is false, or that omits a material fact. A violation of the statute may result in a maximum civil penalty of $5,500 per claim, plus an assessment of up to twice the amount of each false or fraudulent claim.

B. State False Claims Law. Mississippi has not adopted a state False Claims Act that contains a whistleblower provision and the like. Mississippi does, however, have a generally applicable Medicaid Fraud Control Act that makes it unlawful to submit a false and/or fraudulent claim. Violations of this Act are punishable by civil penalties or imprisonment, or both. See §§ 43-13-209, - 211, -213, and -215 of the Mississippi Code.

IV. Procedure. UMMC takes compliance with the federal and state false claims laws seriously. Any employee who becomes aware of a violation or potential violation of such laws, or any fraudulent or potentially fraudulent conduct, is expected to report the same immediately.

Employees, including UMMC management, contractors, and agents, should review, understand, and follow Section IV of UMMC's Compliance Plan, which sets forth general procedures for reporting and investigating suspected fraud. Employees may direct questions regarding the policy to their immediate supervisors or to UMMC's Chief Compliance Officer.

UMMC encourages employees initially to report compliance concerns to their immediate supervisors, when appropriate. In the alternative, reports may be made to UMMC's Compliance Hotline (at 601-953-1761) or to the Chief Compliance Officer. UMMC will internally address any compliance issues brought to its attention to the fullest extent possible.

Any information that employees provide to their supervisors, or any member of the administration or the Chief Compliance Officer, will be kept in confidence to the extent feasible and legal. In the event of a government investigation or lawsuit, or if the need otherwise arises for UMMC to disclose the information, such information may be disclosed at the direction of legal counsel.

UMMC will not take adverse action against an employee for reasonably requesting assistance from, or reporting potential violations of law or UMMC policy to, a supervisor, the Compliance Hotline, or the Chief Compliance Officer. By reporting his or her own misconduct, however, an employee will not insulate himself or herself from potential disciplinary action for such a violation. Employees should report concerns about possible retaliation or harassment to the Chief Compliance Officer.

UMMC will not tolerate abuse of the reporting process. Any employee who makes an intentionally false statement, or makes a report of alleged misconduct in bad faith, shall be subject to appropriate disciplinary action.

V. Websites for Obtaining Additional Information:

Deficit Reduction Act – Public Law 109-171
www.gpoaccess.gov/plaws/index.html
Mississippi Code of 1972 (as amended)
http://www.lexisnexis.com/hottopics/mscode/
U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Deficit Reduction Act
http://www.cms.hhs.gov/DeficitReductionAct/

VI. References.

31 U.S.C. §§ 3729-3733
31 U.S.C. §§ 3801-3812