

Fraud Waste and Abuse Training First Tier, Downstream and Related Entities

Revised: 01/2012



OVERVIEW

- Centene Corporation
- Purpose
- Bridgeway Compliance Program
- Definitions of Fraud Waste & Abuse
- Laws and Regulations Related to Fraud, Waste and Abuse
- Your Obligations as a First Tier, Downstream or Related Entity
- Reporting Process
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- Examples of Suspected Fraud, Waste and Abuse Cases

Centene Corporation

“It is the policy of Centene Corporation to conduct its business affairs in accordance with the standards and rules of ethical business conduct and to abide by all applicable laws, both in letter and spirit.

In this, there is no compromise”.

-Michael F. Neidorff

Medicare Advantage Special Needs Plan (MA-PD)

- The following are required to have appropriate policies and procedures to address waste, abuse and fraud:
 - **First Tier Entity** Any party that enters into a written arrangement acceptable to CMS with a Sponsor or applicant to provide administrative services or health care services for a Medicare eligible individual under MA and/or Part D.
 - **Downstream Entity** Any party that enters into a written arrangement, acceptable to CMS, below the level of the arrangement between a Sponsor and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
 - **Related Entity** Any entity that is related to the MA organization by common ownership or control and: Performs some of the MA organization's management functions under contract or delegation; Furnishes services to Medicare enrollees under an oral or written agreement; or Leases real property or sells materials to the MA organization at a cost of more than \$2,500 during a contract period.

Purpose

- Health care fraud and abuse account for over \$100 billion, annually, in losses in the United States' healthcare industry. As part of the federal government's efforts to combat fraud and abuses, Congress passed the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Balanced Budget Act of 1997 (BBA) to address the issues. Penalty Provisions Include:
 - Exclusion from federally-funded healthcare programs
 - Termination of, or refusal to enter into an agreement with a provider who has been convicted of any felony
 - Exclusion of an entity when ownership or controlling interest of it is transferred to a member of the immediate family of an excluded provider
 - Civil monetary penalties for "kickbacks" or individuals that knowingly contract with excluded providers.
 - Regulator enforced corrective action plans
- HIPAA includes a national healthcare fraud and abuse program that combines the efforts of the federal, state and local law enforcement. This includes a beneficiary incentive plan that offers a monetary award to beneficiaries who report suspected fraud and/or abuse.
- **Bridgeway (the "Plan") is committed to fighting fraud, waste and abuse to safeguard the health and welfare of Medicaid clients. Employees are required to report as suspected cases of potential fraud, waste and abuse.**

Bridgeway Compliance Program

- **Policies and Procedures**
 - Bridgeway has policies that cover every aspect of the compliance program including but not limited to the False Claims Act, Privacy and Security, Records Management, Reporting, Conflict of Interest and Employing or Contracting with Excluded Individuals and Entities
- **Compliance Officer and Compliance Committee**
 - The Bridgeway Compliance Officer is Nicole Larson who can be reached directly at (866) 475-3129 ext. 26818 or chross@centene.com
 - The Bridgeway Compliance Committee meets regularly and supports all efforts of the Compliance Officer
- **Training and Education**
 - Bridgeway has a mandatory comprehensive FWA training program in place for all employees, first tier, downstream and related entities.
- **Effective Lines of Communication/Reporting**
 - You can report compliance concerns directly to the Compliance Officer or by calling our anonymous hotline at: **1-866-685-8664**. Reports as kept confidential to the extent permitted by the law. Bridgeway has a zero tolerance policy for any retaliation related to reporting.
- **Prompt Responses to Detected Offenses**
 - The Compliance Officer promptly investigates all reported concerns. Each case is documented including any subsequent corrective actions. When applicable cases are forwarded to the appropriate regulatory agency.
- **Enforcement Standards**
 - Violators are subject to correction measures, warnings, suspension, termination, potential civil and/or criminal prosecution
 - Disciplinary measures are applied consistently to all offenders
- **Monitoring & Auditing**
 - Bridgeway conducts internal monitoring and auditing activities to ensure compliance with all CMS and AHCCCS requirements.

Definitions

- The Fraud, Waste and Abuse Program is a critical component of the overall Compliance Program. To understand the program requirements related to FWA the following are definitions of each term:
 - **Fraud**
Intentional deception or misrepresentation to obtain the money or property of a health care benefit program (by means of false or fraudulent pretenses, representations, or promises)
 - **Waste**
The over-utilization of services or other practices that result in unnecessary costs
 - **Abuse**
Obtaining payment for items or services when there is no legal entitlement to that payment, but without knowing and/or intentional misrepresentation of facts to obtain payments



FWA Laws & Regulations

- Federal False Claims Act (FCA)
- State False Claims Act
- Anti-Kickback/ Prohibition on Inducements
- Conflicts of Interest
- Excluded Individuals or Entities
- Health Insurance Portability and Accountability Act (HIPAA)



Federal False Claims Act (FCA)

- United States Code Title 31 § 3729-3733
 - Prohibitions
 - Knowingly present a false claim or fraudulent claim to the federal government for payment and/or approval
 - Knowingly make or use a false record or statement to get a false or fraudulent claim paid and/or approved by the federal government
 - Qui Tam Action
 - Allows citizens to sue those who defraud the government, referred to as “whistleblowers”.
 - Whistleblowers are usually current or former employees who have knowledge of the alleged violations
 - Whistleblowers are entitled to part of the recovery if the case is won
 - Prohibits any retaliation against anyone who reports a FCA violation
 - Penalties
 - Civil: Ranges from \$5,000- \$10,000 per false claims plus 3 times the amount the government was defrauded
 - Can include criminal penalties



Arizona State False Claims Act

- **Arizona Revised Statute Section 36-2918**
 - A person who violates the Arizona Act is subject to a civil penalty not to exceed \$2000 for each item or services claimed and is subject to an assessment not to exceed twice the amount claims for each item or service
 - The civil penalty will include the amount for conducting the investigation, audit or inquiry
 - The Arizona Act is enforced by the Arizona Health Care Cost Containment System (AHCCCS) and does not provide for qui tam actions.
 - Must be initiated by AHCCCS within 6 years after the date the claim is presented
 - The Arizona Act protects whistleblowers from civil liability for reporting suspicions of fraud unless that person has been charged with or is suspected of the fraud or abuse reported.



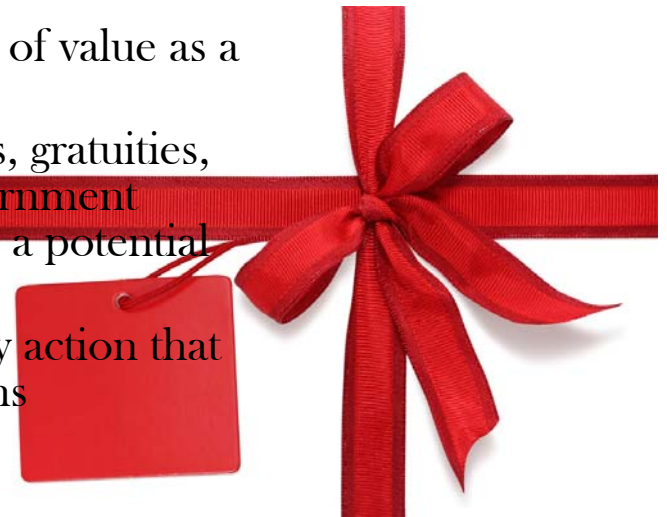
Anti-Kickback/ Prohibition on Inducements

- 42 U.S.C. §1320a-7b
- Prohibitions
 - Offering, soliciting, giving or receiving remuneration for referrals for services that are paid in whole or in part by a federal health care provider and/or
 - Offering, soliciting, giving or receiving **remuneration** in return for purchasing, leasing, ordering, arranging for, or recommending the purchase, lease or order of any goods, facility, item, or service for which payment may be made in whole or in part by a federal health care program
- Definition of Remuneration
 - Includes anything of value directly or indirectly, overtly or covertly in cash or kind (i.e. cash, credits, gifts, free services or goods, sale or purchase of items for less than full market value, sale or purchase of items of greater than full market value and forgiveness of debt)
- Penalties
 - A criminal violation is a felony and may include a fine up to \$25,000 and/or prison time for up to 5 years
 - Civil penalties can range to \$50,000 for each violation plus 3 times the amount of the unlawful remuneration
 - Exclusion from participation in Medicare and Medicaid programs
- Safe harbors (established by the Federal Department of Health and Human Services Office of The Inspector General to provide types of conduct that do not violate the Anti-Kickback Statute)
 - Discount Safe Harbor- Protects payments between parties that are appropriately disclosed rebates or discounts
 - Group Purchasing Organization (GPO) Safe Harbor- Provides protection for administrative fees paid by drug manufacturers to GPOs who provide services to the manufacturers
 - Personal Services Safe Harbor- Protects fair market value payments made for legitimate, commercially reasonable and necessary services, subject to certain additional requirements.



Anti-Kickback/ Prohibition on Inducements Continued...

- **Examples of Anti-Kickback Concerns**
 - A physician switches federal healthcare program customers to different drugs
 - A pharmacy steers patients to a particular Part D Plan
 - A manufacture pays a Pharmacy Benefit Manager to place a certain drug on the formulary
 - A provider is given a “signing bonus” to contract with Bridgeway
 - Giving payments to prescribing physicians for prescribing preferred drugs
- **Employee Requirements and Expectations**
 - Employees are prohibited from accepting anything of value as a result of working relationships
 - No employee is permitted to accept or request gifts, gratuities, kickbacks, bribes, or any other item from any government vendor, supplier, or resource where Bridgeway has a potential business relationship
 - Employees are required to be cautious to avoid any action that could be perceived as influencing business decisions



Conflicts of Interest

- Bridgeway employees, First Tier, Downstream and Related entities are expected to avoid or disclose any activities, financial interests, or relationships that may present a potential conflict of interest or the appearance of a conflict
- Examples of Potential Conflicts of Interest
 - An employer, contractor, officer, director or family member holds an undisclosed, substantial financial interest in a supplier, drug manufacturer, competitor or customer
 - Having an undisclosed interest in a transaction in which Bridgeway is known to be involved with
 - Receiving undisclosed fees, commissions or other compensation or benefits from a supplier, competitor or customer
- **All potential conflicts of interest should be reported to the Ethics and Compliance Department and disclosed annually through the code of conduct process**



Excluded Individuals or Entities

- Bridgeway first tier, downstream and related entities may not employ or contract with entities or individuals who are excluded from doing business with the government
- Exclusion lists should be checked at the time of hire or contracting and should be checked annually thereafter
- Bridgeway takes the reasonable and prudent steps to ensure eligibility for reimbursement from government health care programs by only employing and contracting individuals not excluded from doing business with the government. Activities include:
 - Conducting background investigations to confirm that individuals have not been debarred or excluded from participation in federal health care programs
 - Investigations are completed at the time of contracting/ hire and annually thereafter



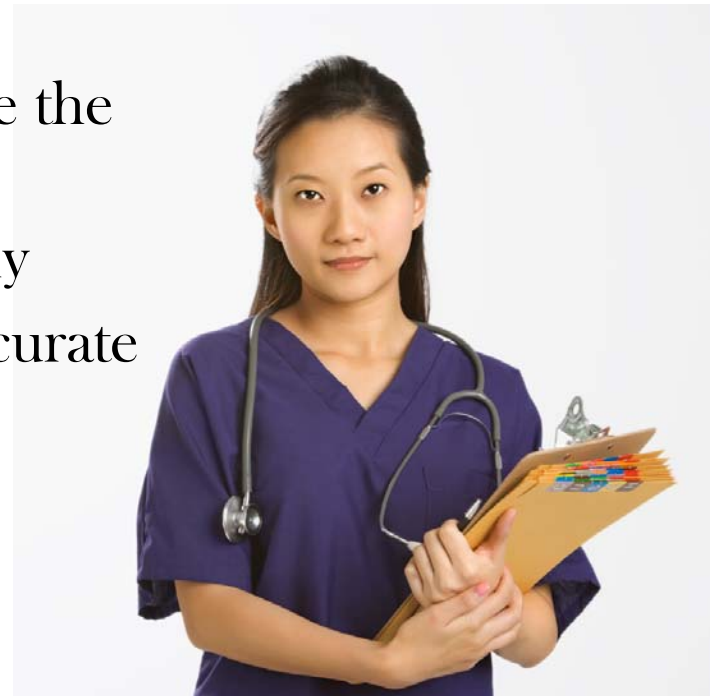
Health Insurance Portability and Accountability Act (HIPAA)

- HIPAA aims to improve the efficiency and effectiveness of health information systems.
- HIPAA regulations establish transaction standards, minimum security requirements, minimum privacy protections for protected health information and National Provider Numbers (NPIs)
- The Office for Civil Rights is responsible for implementing and enforcing the privacy regulations
- The Centers for Medicare & Medicaid Services (CMS) is responsible for implementing and enforcing other HIPAA regulations
- HIPAA Offshore (Outside of the United States or United States Territory) Requirements
 - CMS must be notified when you or your company contracts with an offshore contractor
 - You must provide Bridgeway with the required information about the arrangement with the offshore contract (Note: AHCCCS does not permit offshore contracting)



First Tier, Downstream or Related Entity Responsibilities

- Provide medically necessary services to Bridgeway members
- Ensure that Bridgeway members receive the negotiated prices of drugs
- Ensure prescriptions are filled accurately
- Ensure that billing documentation is accurate and complete
- Ensure billing documentation meets Bridgeway requirements



REPORT ALL VIOLATIONS TO THE BRIDGEWAY COMPLIANCE OFFICER!

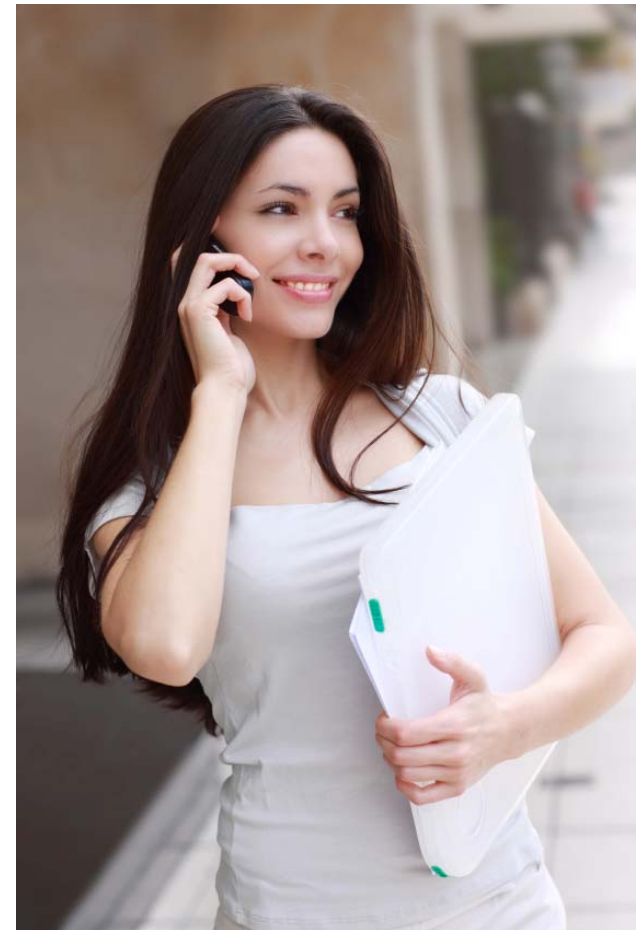
Example Fraud, Waste and Abuse Cases

- False Claim Act Violations
 - Pharmacies charging Part D members a higher rate than others for the same drug
 - Pharmacies billing for brand name drugs when generic drugs are provided
 - Billing for non-covered services
 - Billing for services the member did not receive
 - Ignoring billing discrepancies
- Billing for services and supplies not rendered
- Duplicate billing
- Unauthorized formulary changes
- Billing multiple payors
- Upcoding and unbundling
- Provider kickbacks for member referrals
- Lack of provider appointment availability
- Member forging prescriptions
- Member using stolen ID number
- Member residing out of state, receiving AHCCCS and/or Medicare benefits
- Physical, mental, sexual or emotional abuse of a member
- Employee illegal/ unapproved use of computer systems, software and data
- Employee falsifying timesheets and expense forms
- Employee misuse of company property (i.e. fax machines, phones, laptops)
- Employee theft of company property (i.e. fax machines, phones, laptops)
- **ALL SUSPECTED FRAUD WASTE AND ABUSE ISSUES SHOULD BE REPORTED TO COMPLIANCE IMMEDIATELY**



Reporting Process

- Everyone is responsible for reporting suspected fraud, waste and abuse.
- You can report to:
 - Your company's compliance officer
 - Bridgeway Compliance Officer:
Cheyenne Ross (866) 475-3129 ext. 26818 or chross@centene.com
 - The Centene WAF Anonymous Hotline: **1-866-685-8664**
 - Medicare: 1-800-Medicare
 - AHCCCS Office of Program Integrity: 602-417-4045



Employee Protections: Bridgeway Non-Retaliation Policy

- Under Section 3730(h) of the False Claims Act, any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in furtherance of an action under the Act is entitled to any relief necessary to make the employee whole
- Bridgeway will follow procedures to protect any party reporting from retaliation for exercising any rights under internal policies, applicable laws and/or regulations
- The identity of any person who, in good faith, reports a potential compliance violation will be kept confidential unless the investigation leads to civil or criminal prosecution.

