

OFFICE OF THE DEPUTY COMMISSIONER FOR ADMINISTRATION

Grants and Contracts (Attachment A) Combating Fraud, Waste and Abuse/False Claims

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Policy No employee, contractor or agent of the Department of Children and Families shall participate in fraud, waste or abuse of state or federal resources, including the submission of false claims for payment.

Reporting Fraud, Waste or Abuse All employees, contractors and agents of DCF shall immediately report any suspicion of fraud, waste or abuse in connection with the business of DCF to the designated Compliance Officer, an administrative manager designated by the Director of Fiscal Services.

DCF shall engage in specific compliance efforts to detect and prevent fraud, waste and abuse including:

- new employee orientation;
- Office of the Inspector General federal program exclusion screening;
- clinical education;
- training regarding medical records documentation and billing protocols; and
- training regarding the application of other pertinent state and federal laws.

The Federal False Claims Act The Federal False Claims Act ("FCA") imposes civil penalties on persons and entities that knowingly submit false claims or statements to a federally-funded program, or otherwise conspire to defraud the government, in order to receive payment. FCA also protects people who report suspected fraud, abuse or waste.

The FCA covers any payment requested from the federal government, including payments related to health care programs. The FCA applies to billing and claims sent from DCF to any government payor program, including Medicare and Medicaid.

DCF shall report any employee, contractor or agent who submits a false claim to the necessary authorities. Any person or entity that submits a false claim or statement to the government may be fined under the FCA between \$5,500 and \$11,000 for each such claim submitted, regardless of the size of the false claim, and the person or entity may be required to pay an additional fine of three times the value of any charges.

Part of the FCA's purpose is to create an environment in which employees and others feel safe reporting concerns about fraud, waste and abuse. DCF fully supports that goal. Any person who lawfully reports information about false claims or suspected false claims may not be retaliated against, demoted, suspended, threatened or harassed by DCF for making such a report. The FCA also protects individuals who assist in an investigation, provide testimony or otherwise participate in the government's handling of a false claim.

The FCA provisions are generally enforced by the U.S. Department of Justice (DOJ).

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The Federal False Claims Act (Continued)

The FCA also permits a person to initiate a formal claim to DOJ if he or she is the "original source" of the information. This means that the person bringing the claim must have direct and independent knowledge of the alleged fraud. If any funds are recovered, a portion of the funds may be paid to the person who initiated the formal claim, at the discretion of a federal court. This amount, if awarded, is generally between 15% and 30% of the total damage amount.

If a person wishes to file a claim directly with DOJ, he or she must first present a formal complaint, along with all material evidence relating to the alleged fraud, to the authorities at DOJ. The authorities have 60 days to investigate and can seek an extension of the time period, during which time the complaint will be kept confidential. Upon completion of the investigation, DOJ will decide either to pursue the case on its own or decline to proceed with the case. If DOJ declines the case, the individual may still proceed with the case on his or her own, but without DOJ's assistance and at his or her own expense.

A private legal action under the FCA must be brought within six years from the date that the false claim was submitted to the government. (A government-initiated claim may be brought up to ten years after the false claim, depending on the circumstances).

The Program Fraud Civil Remedies Act

Persons or entities that commit fraud against the federal government, by false claim or statement, can be assessed additional monetary penalties over and above the penalties of the False Claims Act under the federal Program Fraud Civil Remedies Act ("PFCRA"). Specifically, PFCRA imposes a penalty of \$5,000 per false claim or statement if a person or company submits a claim to the federal government that:

- the person or entity knows or has reason to know is false, fictitious or fraudulent;
- includes or is supported by written statements containing false, fictitious or fraudulent information;
- includes or is supported by written statements that omit a material fact, which causes the statement to be false, fictitious or fraudulent, and the person or entity submitting the statement has a duty to include the omitted fact; or
- is for payment of property or services that are not provided as claimed.

The \$5,000 PFCRA penalty also applies if a person or entity provides written backup documentation or materials relating to the claim for which the person or entity asserts a material fact that is false, fictitious or fraudulent; or omits a fact that the person or entity had a duty to include, the omission causes the statement to be false, fictitious or fraudulent, and the statement contains a certification of accuracy.

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Connecticut State Law

It is a crime in Connecticut to bill Medicaid or the general assistance program fraudulently. All employees, contractors and agents of DCF shall immediately report suspicion of any criminal activity occurring at DCF, including criminal fraud, to the DCF Compliance Officer.

Anyone who provides services to a state Medicaid beneficiary and seeks or accepts payment for unnecessary or improper services is subject to possible imprisonment and criminal fines under state law. Depending upon the amount of the fraudulent services involved, such offenses carry penalties of up to 20 years in prison and a maximum fine of \$15,000.

Anyone who provides services to a recipient of Connecticut's general assistance program and seeks or accepts payment for unnecessary or improper services is also subject to civil and criminal penalties. Depending upon the amount of the fraudulent services involved, such offenses carry a minimum one-year prison sentence (with a maximum of 20 years), as well as a maximum fine of \$15,000. Any person who defrauds Connecticut's general assistance program is also excluded from participating in the program for a minimum of one year.

Connecticut law protects employees who report suspected violations of state or federal law including reports of criminal fraud. An employer may not discharge, discipline or otherwise penalize an employee for reporting a violation of the law, or a suspected violation, as long as the employee does not knowingly report false information.

Additional Information

If you would like more information about DCF fraud prevention activities or policy, or about how to report any concerns, please contact the DCF Compliance Officer.
