1. Purpose

The purpose of this policy is to set forth the manner in which Detroit Area Agency on Aging (DAAA) complies with the requirements of the Deficit Reduction Act of 2005 (DRA) and its obligations related to Fraud and Abuse under its state and federal contracts. The DRA became effective on February 8, 2006. Under this law, any entity who receives more than $5 million per year in Medicaid payments is required effective as of January 1, 2007 to provide information to its employees about the Federal False Claims Act, any applicable state False Claims Act, the rights of employees to be protected as whistleblowers, and the organization’s policies and procedures for detecting and preventing fraud, waste and abuse.

This policy also provides guidance regarding DAAA responsibilities under the DRA, Federal, Michigan False Claims Act, responsibilities of employees and contractors to report suspected or actual instances of fraud, waste or abuse, and whistleblower protections under these laws when such reports are made.
Scope

This policy applies to all contractors, employees, volunteers and participants.

Definitions

**Fraud** - An intentional deception or misrepresentation made by a person or entity with the knowledge that the deception could result in some unauthorized benefit under a state or federally funded program to himself or herself, the entity, or some other person. It also includes any act that constitutes fraud under applicable federal or state laws.

**Waste** – An over-utilization of services or other practices that, directly or indirectly, result in unnecessary costs to federal and state funded programs. Waste is generally not considered to be caused by criminally negligent actions but rather misuse of resources.

**Abuse** – Provider or enrollee practices that are inconsistent with sound fiscal, business or medical practices, and result in unnecessary cost to state and federally funded programs, including, but not limited to practices that result in reimbursement for services that are not Medically Necessary, or that fail to meet professionally recognized standards for health care. It also includes enrollee practices that result in unnecessary cost to state and federally funded programs.

**Contractor** - Includes any contractor, subcontractor, agent, or other person which or who, on behalf of the DAAA, furnishes, or otherwise authorizes the furnishing of, Medicaid health care items or services, performing billing or coding functions, is involved in the monitoring of health care provided by the entity, or otherwise acts with authority on the Plan's behalf.

**Employee** - Includes any employee of the DAAA.

Policy

The DAAA provides information to its Employees and Contractors about the federal and state False Claims Acts and the rights of its Employees and Contractors to protection as whistleblowers (outlined in the Whistleblower policy) and about the organization's policies and procedures for detecting and preventing fraud waste and abuse.

The DAAA is committed to complying with all applicable laws, including but not limited to the Fraud and Abuse laws described in this policy and Attachment I. As part of this commitment, The DAAA has established and will maintain a Corporate Compliance Program that includes a Fraud, Waste and Abuse Program. Employees and Contractors are expected to immediately report any potential false, inaccurate or questionable claims to their supervisors, the Corporate Compliance Officer, the Compliance Hotline 1-313-396-5567 in accordance with the DAAA's policies.
The DAAA is prohibited by law from retaliating in any way against any Employee or Contractor who in good faith reports a perceived problem, concern or fraud, waste, or abuse issue.

Examples of potential false claims include, but are not limited to, the following:

1. Claiming reimbursement for services that have not been rendered;
2. Characterizing the service differently than the service actually rendered;
3. Falsely indicating that a particular health care professional attended a procedure;
4. Billing for services/items that are not medically necessary;
5. Forging or altering a prescription or claim; and
6. Improperly obtaining prescriptions for controlled substances or card sharing.

The DAAA’s Employees and Contractors who prepare, process and/or review claims should be alert for false claims or billing errors.

**Procedure**

The DAAA has developed a comprehensive internal Fraud, Waste and Abuse Program, as part of its Compliance Program, to prevent and detect violations. As part of this program, and in compliance with federal and state requirements, The DAAA provides annual fraud, waste and abuse training for all Employees.

Employees and Contractors must immediately report any false, inaccurate or questionable claims or actions as well as questions, concerns or potential Fraud, Waste or Abuse issues to:

- Their immediate supervisor
- The DAAA’s Director and/or Corporate Compliance Officer
- The DAAA’s confidential, toll free Hotline, 24 hours/day, 365 days/year **1-313-396-5652** (Information may be left on the Hotline anonymously)

All activity reported pursuant to this Policy will be investigated in accordance with the DAAA’s Fraud, Waste and Abuse policy.

The DAAA will not discriminate or retaliate against any Employee or Contractor for reporting in good faith a potential or actual fraudulent activity or for cooperating in any government or law enforcement agency’s investigation or prosecution.

The DAAA will make diligent efforts to recover improper payments or funds misspent due to fraudulent or abusive actions by The Plan’s Employees, its Contractors, Providers, Enrollees, or any other person or entity.
The DAAA will conduct its Fraud, Waste and Abuse Program in accordance with federal and state requirements.

**Roles and Responsibility**

**The DAAA’s Employees and Contractors**— All the DAAA’s Employees and Contractors are responsible for reporting any suspected or actual instances of fraud, waste or abuse.

**The DAAA’s Compliance Department**— The Compliance Department has oversight for the Fraud, Waste and Abuse Program, including but not limited to policies/procedures, communications, and ensuring that all reports of suspected fraud, waste or abuse are fully investigated and if appropriate, reported to the proper authorities. The Compliance Department will communicate with state and federal agencies on fraud, waste and abuse issues and will provide oversight and assistance with the fraud, waste and abuse regulatory reports to state and/or federal agencies.

**The Corporate Compliance Officer** is responsible for developing and maintaining an automated reporting protocol within the claims processing system to identify billing patterns that may suggest Provider and/or Enrollee Fraud, including:

- Monitoring for under-utilization or over-utilization of services;
- Conducting regular reviews and audits of operations to guard against fraud, waste and abuse;
- Receiving all referrals from employees, enrollees or providers involving cases of suspected fraud, waste and abuse;
- Developing protocols to triage and investigate all referrals involving suspected fraud, waste and abuse;
- Educating employees, providers and enrollees about fraud, waste and abuse and how to report it, including informing employees of their protections when reporting fraudulent activities; and
- Establishing mechanisms to receive, process, and effectively respond to complaints of suspected fraud, waste and abuse from employees, providers and enrollees and reports such information to state and federal agencies.

The Corporate Compliance Officer will work with the Compliance Committee to meet these responsibilities.

**Exceptions**

None