CAROLINA FAMILY HEALTH CENTERS, INC.
PROCEDURE

TITLE: RM-509.01 Fraud, Waste, and Abuse

EFFECTIVE DATE: 11/08/2021

SECTION: Risk Management
REFERENCE POLICY: RM-509 Fraud, Waste and Abuse

RESPONSIBLE CHIEF OF STAFF: Chief Compliance Officer
RESPONSIBLE COMMITTEE: Central Compliance

REVIEWED: 03/11/2024, 11/10/2025

I. PURPOSE

The purpose of this procedure is to outline how Carolina Family Health Centers, Inc. (CFHC, Inc.) takes measures to prevent fraud, waste, and abuse of Federal and State dollars, and how it adheres to the Centers for Medicare and Medicaid Services (CMS) requirement to train individuals involved in patient care services.

II. PROCEDURE

Staff members are encouraged to report concerns regarding fraud, waste, or abuse of Federal or State dollars. Refer to *RM-501 Whistleblower Complaint*.

CFHC, Inc. provides training to employees within 90 days of employment and annually thereafter on the prevention, detection, and reporting of fraud and abuse of Federal and State dollars and laws regarding patient remuneration. Refer to *RM-509.02 Patient Remuneration*. Staff required to attend training include Licensed Independent Practitioners (LIP) (e.g., physicians, dentists, nurse practitioners, and physician assistants), Other Licensed Independent Practitioners (OLIP) involved in direct patient care and who receive reimbursement for their services (dental hygienists, licensed clinical social workers, and pharmacists), chiefs of staff, and staff involved in billing. The Pharmacy Department and its staff follow *PHR-101.06 Fraud, Waste, and Abuse, and General Compliance Training*.

CFHC, Inc. uses CMS's training modules available on the Medicare Learning Network (MLN) website, called: *Medicare Fraud & Abuse: Prevent, Detect, and Report*, or other equivalent training. The training covers information on fraud and abuse, detection and reporting, along with an overview of the False Claims Act, Anti-Kickback Statutes, the Physician Self-Referral Law (Stark Law), the Criminal Health Care Fraud Statute, and the Exclusion Statute.

Upon employment, staff are directed to the corporation's intranet where a link is provided to the CMS website and training module. Once training is completed successfully, the employee prints the certificate and provides it to Human Resources as documentation of training.

Annually, the Chief Compliance Officer or his/her designee emails staff needing training. He/she directs staff to the appropriate website and provides direction on completing the training. Once staff complete their training, they print their certificates and send a copy to Human

Resources as documentation of training. Failure to complete training by the deadline (30 days from the date of notification) results in disciplinary action up to and possibly including termination.

III. DEFINITIONS

False Claims Act – protects the government from being overcharged or sold substandard goods or services. The act imposed civil and criminal liability on any person who knowingly submits, or causes the submission of a false or fraudulent claim to the federal government.

Anti-kickback Statutes – make it a crime to knowingly and willfully offer, pay, solicit, or receive any remuneration directly or indirectly to induce or reward referrals of items or services reimbursable by a federal health program. Criminal penalties and administrative sanctions for violating this statute may include fines, imprisonment, and exclusions from participating in federal health care programs.

Physician Self-Referral Law (Stark Law) – prohibits a physician from referring certain designated health services payable to Medicare or Medicaid to an entity where the physician (or an immediate family member) has an ownership/investment interest or has a compensation arrangement, unless an exception applies. Penalties include fines, repayment of claims, and potential exclusions from participating in federal health care programs.

Criminal Health Care Fraud Statute- prohibits knowingly and willfully executing, or attempting to execute, a scheme or lie about the delivery of, or payment for, health care benefits, items, or services to either defraud any health care benefit program or get the money or property owned by, or under the custody or control of, a health care benefit program. Penalties for violating this statute include fines, prison, or both.