

The Federal False Claims Act, 31 U.S.C. §§ 3729-3733, and similar state laws are some of the most important laws that govern our business. The False Claims Act and similar state laws impose liability on persons or companies that make or cause to be made false or fraudulent claims to the government for payment or who knowingly make, use or cause to be made or used, a false record or statement to get a false or fraudulent claim paid by the government. These laws apply to Medicare and Medicaid reimbursement and prohibit, among other things:

- Billing Medicare and Medicaid for services not rendered
- Billing Medicare and Medicaid for undocumented services
- Making improper entries on Medicare and Medicaid cost reports
- Billing Medicare and Medicaid for medically unnecessary services
- Assigning incorrect codes to secure higher Medicare and Medicaid reimbursement
- Characterizing non-covered services or costs in a way that secures Medicare and Medicaid reimbursement
- Failing to seek payment from beneficiaries who may have other primary payment sources; and
- Participating in kickbacks

A violation of the False Claims Act may result in monetary penalties of up to \$11,000 per false claim plus three times the amount of damages the government sustains, and exclusion from the Medicare and Medicaid programs. Private citizens, including employees, may file a lawsuit on behalf of the Federal government, and in return, may share a percentage of any monetary recovery or settlement. The False Claims Act prohibits employers from retaliating, discriminating or harassing employees because of their lawful participation in a Federal False Claims Act investigation, report, claim or legal proceeding.

Certain states have adopted Medicaid false claims reporting laws and regulations that may be more stringent than the federal false claims law. Please refer to your Employee Handbook Insert regarding the Medicaid False Claims reporting laws in the state in which you work. You may get a copy of the Employee Handbook insert for your state's Medicaid False Claims reporting laws by contacting your Corporate Payroll/Benefits Coordinator or by calling the Compliance Department at (800) 545-0749.