

# IEHP SUBCONTRACTOR MANUAL POLICY

## Fraud, Waste and Abuse Program Requirements

### Introduction

IEHP believes that Compliance with fraud prevention and reporting is everyone's responsibility. IEHP has developed a Fraud, Waste and Abuse (FWA) Program to comply with certain requirements set forth in the Deficit Reduction Act of 2005 with regard to Federal and State False Claims laws, the Department of Managed Health Care (DMHC), as well as to meet the expectations of the Federal and State government in preventing and detecting fraud in Federal or State funded programs. The objective of the IEHP FWA Program is to identify and reduce costs caused by fraudulent activities and to protect consumers, Members, Health Care Providers, and others in the delivery of health care services. This Fraud, Waste and Abuse Program Description sets forth the requirements in which IEHP expects Subcontractors to develop their Fraud, Waste and Abuse Programs.

### Fraud, Waste and Abuse (FWA) Program Scope

- A. Subcontractors must implement a Fraud, Waste and Abuse (FWA) Program to comply with certain requirements set forth in the Deficit Reduction Act of 2005 with regard to Federal and State False Claims laws, the Department of Managed Health Care (DMHC), as well as to meet the expectations of the Federal and State government in preventing and detecting fraud in Federal or State funded programs.
- B. Subcontractors must implement a FWA detection and prevention program that meets regulatory guidelines and includes:
  1. Education for Subcontractors and Downstream Entities, regarding the Federal and State False Claims statutes and the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs.
  2. Processes and procedures to identify, investigate, manage, and address all instances of suspected fraud.
  3. Reporting of fraud prevention activities and suspected fraud to IEHP, regulatory and law enforcement agencies as required by law and contractual obligations.
  4. Ensure Subcontractors and Downstream Entities adhere to Federal and California State laws, including but not limited to False Claims laws.
  5. Subcontractors and Downstream Entities with IEHP will comply with Federal and California State laws in regard to the detection, reporting, and investigation of suspected fraud, waste and abuse.
  6. Subcontractors and Downstream Entities will participate in investigations as needed.
  7. FWA Program is designed to deter, identify, investigate, and resolve potentially fraudulent activities that may occur in daily operations, both internally and externally.

### Definitions

- A. Subcontractor: Any party that enters into a written arrangement with an organization or

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contract applicant to provide administrative or health care services for an eligible individual.

- B. Downstream Entity: Any party that enters into an acceptable written arrangement below the level of the arrangement between an organization (and contract applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.
- C. A complaint of Fraud, Waste and/or Abuse is a statement, oral or written, alleging that a Practitioner, supplier, or beneficiary received a benefit to which they are not otherwise entitled. Included are allegations of misrepresentations and violations of Medicaid or other health care program requirements applicable to persons applying for covered services, as well as the lack thereof of such covered services.
- D. Fraud and Abuse differ in that:
  - 1. Abuse applies to practices that are inconsistent with sound fiscal, business, medical or recipient practices and result in unnecessary cost to a health care program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. Mistakes that are repeated after discovery or represent an on-going pattern could constitute abuse.
  - 2. Fraud is an intentional or knowing misrepresentation made by a person with the intent or knowledge that could result in some unauthorized benefit to him/herself or another person. It includes any portion that constitutes fraud under applicable Federal or State law. Mistakes that are not committed knowingly or that are a result of negligence are not fraud but could constitute abuse.
  - 3. Waste includes overuse of services, or other practices that, directly or indirectly, results in unnecessary cost. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources (i.e., extravagant careless or needless expenditure of healthcare benefits / services).

### **IEHP Responsibilities**

- A. Both IEHP and Subcontractors have responsibilities for fraud prevention.
- B. IEHP's Compliance Officer is responsible for ensuring that the objectives of IEHP's FWA Program are carried out, and for preventing, detecting, and investigating fraud-related issues in a timely manner. To accomplish this, the Compliance Officer designates and oversees the Compliance Department to perform the following responsibilities:
  - 1. Developing fraud, waste, and abuse training programs to educate staff, Providers, Practitioners, Members, Subcontractors, and Downstream Entities on prevention, deterrence and detection of fraud, waste, and abuse.
  - 2. Identifying, detecting, thoroughly investigating, managing, and resolving all suspected instances of fraud, waste, and abuse, internally and externally.
  - 3. Cooperating with, reporting, and referring suspected fraud, waste, and abuse to the

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appropriate governmental and law enforcement agencies, as applicable, including exchange of information as appropriate.

- a. IEHP responsibilities include, but are not limited to the following: Training IEHP staff, Providers, Practitioners, Subcontractors, and Downstream Entities on fraud; IEHP Fraud, Waste and Abuse Program, and fraud prevention activities at least annually.
- b. Communicating its FWA Program and efforts through the IEHP Provider Policy and Procedure Manual, IEHP Provider Newsletter, Joint Operation Meetings, the IEHP website, targeted mailings, or in-service meetings.
- c. Continuous monitoring and oversight, both internally and externally, of daily operational activities to detect and/or deter fraudulent behavior. Such activities may include, but are not limited to:
  - 1) Monitoring of Member grievances.
  - 2) Monitoring of Provider and physician grievances.
  - 3) Claims Audits and monitoring activities, including audits of the P4P Program and other direct reimbursement programs to physicians.
  - 4) Review of Providers' financial statements.
  - 5) Medical Management Audits.
  - 6) Utilization Management monitoring activities.
  - 7) Quality Management monitoring activities.
  - 8) Case Management Oversight activities.
  - 9) Pharmacy Audits.
  - 10) Encounter Data Reporting Edits.
  - 11) Chart Audits; and
  - 12) Clinical Audits.
- d. Investigating and resolving all reported and/or detected suspected instances of fraud and taking action against confirmed suspected fraud, waste, or abuse, including but not limited to reporting to law enforcement agencies, termination of the IEHP contract (if a Provider, direct contracting Practitioner, Subcontractors, and Downstream Entities), and/or removal of a participating Practitioner from the IEHP network. IEHP reports suspected fraud, waste, or abuse to the following entities, as deemed appropriate and required by law:
  - 1) The California Department of Justice, Bureau of Medi-Cal Fraud
  - 2) The California Department of Health Care Services (DHCS), Investigations Branch
  - 3) The Centers for Medicare & Medicaid Services (CMS) through the National Benefit Integrity Medicare Drug Integrity Contractor (Qlarant).
  - 4) Department of Managed Health Care (DMHC)
- e. Local law enforcement agencies
- f. Submitting periodic reports to DHCS, DMHC, or CMS as required by law.
- g. Encouraging and supporting Provider activities related to fraud prevention and detection.

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### Subcontractors, Downstream Entities, and Contractor's Responsibilities

- A. IEHP's Subcontractors and Contractor's responsibilities for fraud prevention and detection include, but are not limited to, the following:
1. Developing a FWA Program, implementing fraud, waste and abuse prevention activities and communicating such program and activities to staff, contractors, and subcontractors.
  2. Training staff, on Fraud, Waste, and Abuse (FWA) Program and fraud, waste, and abuse prevention activities and false claims laws within ninety (90) days of hire/start and at least annually thereafter.
  3. Verifying and documenting the presence/absence of office staff and contracted individuals and/or entities by accessing the Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE); the General Services Administration Excluded Parties List (GSA); and/ or the DHCS Medi-Cal exclusion list, available online, prior to hire or contracting and monthly thereafter.
  4. Terminating the IEHP network participation of individuals and/or entities who appear on any of the aforementioned exclusion lists. See Policy, "Compliance Program Requirements".
  5. Communicating awareness, including:
    - a. Identification of fraud, waste, and abuse schemes.
    - b. Detection methods and monitoring activities to contracted and subcontractors and IEHP.
  6. Promptly investigating and addressing potential fraud, waste, and abuse issues as they arise, no later than 2 weeks after notice of such activity.
  7. Reporting suspected fraud, waste, and abuse issues to IEHP within ten (10) days of becoming aware of or notified of such activity.
  8. Participating in the investigation process as needed.
  9. Taking action against suspected or confirmed fraud, waste, and abuse.
  10. Policing and/or monitoring own activities and operations to detect, deter and correct fraudulent behavior.
  11. Cooperating with IEHP in fraud, waste and abuse detection and awareness activities, including monitoring, reporting, etc., as well as cooperating with IEHP in fraud, waste or abuse investigations to the extent permitted by law.
  12. Returning identified overpayments of State and/or Federal claims within federal timelines.

### Reporting Concerns Regarding Fraud, Waste, Abuse, and False Claims

- A. IEHP takes issues regarding false claims and fraud, waste and abuse seriously. IEHP's Subcontractors are to be aware of the laws regarding fraud, waste and abuse and false claims and to identify and resolve any issues immediately. Affiliated employees, managers, and contractors are to report concerns to their immediate supervisor when appropriate.

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- B. IEHP provides the following ways in which to report alleged and/or suspected fraud, waste and/or abuse directly to the plan:
1. Compliance Hotline: (866) 355-9038.
  2. E-mail: [compliance@iehp.org](mailto:compliance@iehp.org);
  3. Secure Fax: (909) 477-8536; or
  4. Mail: Compliance Officer, PO Box 1800, Rancho Cucamonga, CA 91729.
  5. Web: IEHP.org – Compliance Program
- C. The following information is needed in order for IEHP to investigate suspected fraud, waste and/or abuse:
1. Your name, title, and organization name, unless you choose to report anonymously. If you choose to give your name, please provide a contact number and a date and time for a return call at a time and place confidential for you.
  2. The name(s) of the party/parties/departments involved in the suspected fraud.
  3. Where the suspected fraud may have occurred.
  4. Details on the suspected activity.
  5. When the suspected fraud took place, for example over what period of time.
  6. A description of any documentation in your possession that may support the allegation of fraud, waste and/or abuse.
  7. Information reported to the IEHP Compliance Department or Special Investigation Unit will remain confidential to the extent allowable by law.
- D. IEHP expressly prohibits retaliation against those who, in good faith, report potential fraud, waste, and abuse. Information about whistleblower protections and the False Claims Act is included in the annual Compliance Training Program available to Providers, Subcontractors, and Downstream Entities.

**REFERENCES:**

- A. Title 31 United States Code (U.S.C) §3729.
- B. Health and Safety Code §1348.
- C. Title 42 Code of Federal Regulations (CFR) §§ 422, 423 and 438.608.
- D. Department of Health Care Services (DHCS)-IEHP Two-Plan Contract, 1/10/20 (Final Rule A27), Exhibit E, Attachment 2. Section 26 Fraud and Abuse Reporting.

<b>INLAND EMPIRE HEALTH PLAN</b>		
<b>Written By:</b> Director, Compliance & Risk Management	<b>Original Effective Date:</b>	January 1, 2022
<b>Approved By:</b> Vice President Compliance/Compliance Officer	<b>Approval Date:</b>	
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