



PENINSULA RSN

HIPAA AND MEDICAID COMPLIANCE POLICIES AND PROCEDURES

Policy Name: FRAUD AND ABUSE COMPLIANCE
REPORTING STANDARDS

Policy Number: 5.17

Reference: 42 CFR 438.610, 42 CFR 455

Effective Date: 1/2005

Revision Date(s): 12/2011

Approved by: PRSN Executive Board

CROSS REFERENCES

- Plan: Compliance Plan
- Policy: Corrective Action Plan
- Policy: Protections Against Retaliation
- Policy: Third Party Liability and Coordination of Benefits
- Table: PRSN Compliance Plan Checklist

PURPOSE

The PRSN Compliance Plan states the fundamental policy of Peninsula Regional Support Network (PRSN) that all of PRSN business shall be conducted in compliance with state and federal requirements, all applicable laws and regulations of the United States (including False Claims Act) and the State of Washington, applicable local laws and ordinances and the ethical standards/practices of the industry.

To outline and define the scope, responsibilities, and activities to prevent, detect, and report incidents of Medicaid fraud and abuse. To outline the activities conducted by PRSN to identify and report instances of fraud and abuse including prevention, detection, and reporting of occurrences of fraud and abuse.

DEFINITIONS

(Medicaid) Abuse: Provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care.

(Medicaid) Fraud: An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable federal or state law.

Medicaid Fraud and Abuse can include but not be limited to:

- “Phantom Patients”
- Enrolling deceased persons
- Failure to identify, pursue and document Third Party resources
- Intentional billing for services not performed or improper billing
- Duplicate billing
- Unnecessary or misrepresented services
- Billing Medicaid enrollees for PRSN covered services
- Billing for services provided to non-Medicaid individuals
- Upcoding
- Unbundling
- Kickbacks
- Evidence of intentional false or altered documents
- Unlicensed or excluded professional or facility at time of service
- Falsification of health care provider credentials or no credentials
- Falsification of agency financial solvency
- Agency management knowledge of fraudulent activity
- Incentives that limit services or referral
- Evidence of irregularities following sanctions for same problem
- Embezzlement and theft

Persons associated with PRSN: Means all board and committee members, consultants, PRSN employees, and agencies receiving PRSN funding directly or indirectly to support mental health services.

Provider: Means any individual or entity providing PRSN funded mental health services through contractual agreement with PRSN. The term does not include employees of PRSN.

PROCEDURE

PRSN Administration

1. PRSN does not enter into contracts or other arrangements with providers which, directly or indirectly, pay or offer to pay anything of value, be it money, gifts, space, equipment or services, in return for the referral of consumers to PRSN for services paid by the Medicaid program or by any other federal health care program.
2. PRSN does not enter into financial arrangements with providers that base compensation on the volume of Medicaid services provided.

3. PRSN does not approve, cause claims, nor allow encounter data to be transmitted or submitted to the Medicaid program or any other federal health care program:
 - a. For services provided as a result of payments made in violation of (1.) above.
 - b. For services that are not reasonable and necessary.
 - c. For services which cannot be supported by the documentation in the clinical and/or medical record.
 - d. PRSN does not falsify or misrepresent facts concerning the delivery of services or payment of claims in connection with the Medicaid program or any other federal health care benefit program.
 - e. PRSN does not provide incentives to providers to reduce or limit medical necessary mental health services to Medicaid beneficiaries or recipients of other federal health care programs.
 - f. PRSN conducts all business with providers at arm's length and pursuant to written contract, with frequent and various monitoring mechanisms.
 - g. No PRSN employee or person associated with PRSN prevents or delays the communication of information or records related to violation of the PRSN Compliance Plan to the PRSN Corporate Compliance Officer.
 - h. The PRSN shall not employ or contract with providers excluded from participation in federal health care programs. The PRSN screens monthly the federal OIG website for local provider agencies who are excluded. The PRSN requires network agencies to attest to monthly screening of all staff, board members, volunteers/interns, and subcontractors for excluded providers.
 - i. All PRSN employees and all provider agencies are screened upon hire to determine whether they have been (1) convicted of a criminal offense related to health care; or (2) listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation, as required by current federal and state laws. The latter is verified through the United States Health and Human Services website at <http://exclusions.oig.hhs.gov>. Employees or subcontractors found to have a conviction or sanction or found to be under investigation for any criminal offense related to health care are to be removed from direct responsibility for, or involvement with, PRSN funded services.
 - j. Agencies or individuals listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation, as required by current federal and state laws, or found to have a conviction or sanction related to health care will be excluded from providing PRSN funded services.
 - k. The PRSN requires network contractors to sign assurances that they are not excluded from participation and do not employ individuals who are excluded.

PRSN Corporate Compliance Officer and Committee

1. PRSN has designated the Compliance Officer as the PRSN Corporate Compliance Officer who will be responsible for overseeing the PRSN Compliance Plan and coordinating monitoring activities.
 - The Compliance Officer role is designated to the PRSN Resource Development Manager.
 - The PRSN Corporate Compliance Officer is also referred to as the Program Integrity Officer (“PIO”) under the Medicaid program.
2. The PRSN Compliance Officer reports to the PRSN Corporate Compliance Committee (CCC). The PRSN Quality Improvement Committee (QUIC) serves as the CCC. The CCC reports to the PRSN Advisory Board.
 - While the Compliance Officer generally reports to the CCC, the Compliance Officer always has the right to directly meet with the PRSN Advisory Board if the circumstances warrant (e.g., in case of CCC inaction).
3. The Compliance Plan is reviewed at least annually by the PRSN Compliance Officer. In consultation with the CCC, the Compliance Officer may revise the PRSN Compliance Plan, as appropriate.
4. The PRSN Compliance Officer duties include the following:
 - To oversee and monitor the PRSN overall compliance activities, including facilitating the PRSN Compliance Committee, also referred to as the Quality Improvement Committee (QUIC), fraud and abuse agenda items.
 - Continue to develop with the PRSN Compliance Committee, Compliance and Compliance Training Plans and monitoring activities that have PRSN wide application to the provider entities.
 - To report on a periodic basis to the PRSN Governing Boards (Executive and Advisory Boards) on the progress of implementation of the PRSN Compliance Plan.
 - To assist the Governing Board and staff in establishing methods to reduce PRSN vulnerability to Medicaid fraud and abuse.
 - To periodically review the PRSN Compliance Plan and recommend revisions as necessary.
 - To track and coordinate internal auditing and monitoring activities within PRSN according to the PRSN Compliance Plan Checklist, reviewing established procedures for periodic audits of the operations of providers.
 - To receive and investigate, with assistance from PRSN legal counsel, reports of possible violations of the PRSN Compliance Plan.

- To receive and investigate reports in a timely responsive manner to possible violations of the Plan.
- To develop remediation action plans for the PRSN and the network providers to correct violations and prevent future incidents of noncompliance.
- To develop policies and programs that encourage employees and contractors to report suspected violations of the PRSN Compliance Plan without fear of retaliation.
- To identify areas where corrective actions are needed and, in consultation with the Governing Board and PRSN legal counsel, develop strategies to improve compliance. May consult with the state Mental Health Division Compliance Officer.
- As a part of the ongoing monitoring and auditing of the PRSN Compliance Plan, the Compliance Officer and PRSN legal counsel, establishes a mechanism to notify employees and contractors of changes in laws, regulations or policies, as necessary, to assure continued compliance.
- Conduct monthly federal exclusion website screening for PRSN employees, Board members, volunteers/ interns, and subcontractor agencies.

Monthly screenings are also conducted for Kitsap Dispute Resolution Center (Ombuds program) and RMH employees, Board members, and volunteers/ interns.

Network agencies are required to attest in writing to monthly screening conducted by the 5th of the proceeding month. These letters of attestation are tracked.

PRSN Medicaid Fraud and Abuse Monitoring

1. The PRSN detects and prevents Medicaid fraud and abuse through the following activities, as outlined in the PRSN Compliance Activity checklist:
 - Annual Fiscal Review.
 - a. 20% of charts that identify a third party resource will be audited for documentation that the third party resource was pursued.
 - b. Data integrity and encounter data verification with the clinical documentation in a clinical chart, to include all the services provided in one month increments for at least 411 encounters (per year) from each network agency.
 - PRSN Annual Administrative Reviews with each network provider agency
 - a. As part of the random direct staff interview, 10% of all agency staff are asked to identify activities of Medicaid fraud and abuse that they could encounter while performing their daily duties. As a follow-up question, they are asked how and who would they report suspected Medicaid fraud and abuse issues to. These interviews

have been extremely insightful to the breadth of training that the agency has provided the direct service staff.

- b. As part of the PRSN Administrative Review, PRSN staff verify the newly hired network provider agency staff have been screened through the Federal Exclusion websites, as evidenced in at least 10% of personnel files of new hires. The PRSN verify the screening through a website verification printout located in the personnel file.
- Annual PRSN network Fiscal Review includes monitoring for third party collection at the network provider level.
 - a. The PRSN uses the data system to pull a three-month sample of individuals identified as non-Medicaid and having received outpatient services. The data pull is manually cross-walked with the network agency accounting systems to verify what third party was billed or invoiced, third party revenue received, and how benefits were coordinated
- Internal monitoring and auditing for Medicaid fraud and abuse includes reviewed PRSN financial statements by State Auditor's Office, network provider annual independent audits, multiple feedback loops through the PRSN QUIC committee and individual sources to receive timely and confidential information. The PRSN staff periodically review PRSN/Kitsap County Personnel Policies related to required conduct and disciplinary action.

Examples of specific internal monitoring activities include, but are not limited to:

- a. Review of Provider Quarterly Financial and Performance Reports
- b. PRSN Profiling of Provider Client Data
- c. Monthly review of Community Inpatient Claims
- d. Ombuds participation and reporting at QRT, QUIC, and other in-network committees
- e. PRSN Complaint, Grievance, and Fair Hearing quarterly Tracking Report
- f. PRSN Utilization Management Monthly Tracking Reports
- g. PRSN review of the DSHS Network Provider Licensing Reports
- h. Availability of PRSN Corporate Compliance Officer to discuss suspected fraud and abuse and help staff accurately assess the likelihood that fraud and/or abuse has occurred.
- i. When fraud and/or abuse is detected the PRSN Compliance Officer immediately reports the abuse to the appropriate authorities, and conducts an investigation of the incident and

reports the results of the investigation to the PRSN Corporate Compliance Committee (QUIC) and others as is appropriate.

Network Contractors and Subcontractors Responsibilities

1. Providers are required to develop internal compliance programs, to include an agency Compliance Plan which compliments the PRSN Compliance Plan
2. Providers implement procedures to screen employees and subcontractors to determine whether they have been (1) convicted of a criminal offense related to health care; or (2) listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation as verified through the United States Health and Human Services website at http://www.oig.hhs.gov/fraud/exclusions/exclusions_list.asp or <http://go.usa.gov/CPn>

Employees or subcontractors found to have a conviction or sanction or found to be under investigation for any criminal offenses related to health care are to be removed from direct responsibility for, or involvement with PRSN funded services.

3. Providers are required to report all suspected incidents of Medicaid abuse and fraudulent and abusive activities to the PRSN Compliance Officer. See Developing Effective Lines of Communication Section, listed below.
4. Contractors are made aware of their obligation to report to PRSN their good faith belief of any possible instances of non-compliance through terms identified in the PRSN Statement of Work.
5. Network contractors certify, and monthly attest, that they do not contract with or employ any individuals who have been identified as federally excluded, debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded individuals by any federal department or agency.
6. The reporting requirements are referenced in PRSN network provider contracts.
7. The PRSN Compliance Plan is posted on the PRSN website (PRSN Manual-chapter 5).

PRSN Provided Education and Training

1. The Plan and reporting requirements are referenced in PRSN contracts. Contractors are made aware of their obligation to report to PRSN their good faith belief of any possible instances of non-compliance.

2. PRSN trainings provide information and encourage employees and contractors to report suspected violations of the PRSN Compliance Plan without fear of retaliation.
3. The PRSN will notify subcontractors of applicable fraud and abuse training opportunities offered through Centers for Medicare and Medicaid or Compliance Officer at the state.
4. All PRSN employees and network providers receive a copy of the PRSN Fraud and Abuse Compliance Plan, related policies and activity checklist.
5. The PRSN Corporate Compliance Officer provides training to the PRSN staff, governing boards, and Quality Review Team, and network providers. The PRSN training curriculum addresses the following:
 - a. The PRSN's commitment to compliance with all laws, regulations and guidelines of federal and state programs.
 - b. The elements of the PRSN Compliance Plan, related PRSN policies, and PRSN activity checklist.
 - c. An overview of what constitutes fraud and abuse in a Medicaid managed care environment.
 - d. A review of the specific state contract requirements applicable to PRSN business.
 - e. Responsibilities to report violations.
 - f. Various options of where and how to report violations.
 - g. The consequences of failing to comply with applicable laws.
6. The PRSN Corporate Compliance Officer co-facilitates network agency trainings with the agency designated Compliance Officers. These trainings cover the above curriculum, as well as the network agency Compliance Plan and related policies and procedures.

Developing Effective Lines of Communication

1. An open line of communication between the PRSN Compliance Officer and employees or others associated with the PRSN is critical to the successful implementation and operation of the plan.
 - All employees and persons associated with the PRSN have a duty to report all incidents of Medicaid abuse and fraudulent activities, suspected or otherwise, to the PRSN Corporate Compliance Officer.
 - The PRSN trainings provide information to encourage employees and contractors to report suspected violations of the PRSN Compliance Plan without fear of retaliation.

2. As outlined in the PRSN training curriculum and widely distributed information material, an individual may use any of the following mechanisms to report incidents of suspected violation(s):
 - a. In person, to the PRSN Corporate Compliance Officer
 - b. Calling the PRSN Corporate Compliance Officer directly at (360) 337-4886 or (800) 525-5637
 - c. By faxing the PRSN Compliance Officer at (360) 337-5721
 - d. By e-mailing the PRSN Corporate Compliance Officer at sasmith@co.kitsap.wa.us
 - e. By calling, on an anonymous basis, the PRSN Corporate Compliance Office at (360) 337-4886 or (800) 525-5637
 - f. By mailing a written concern to the PRSN Corporate Compliance Officer:
Corporate Compliance Officer
Peninsula Regional Support Network
614 Division St. MS-23
Port Orchard, WA 98366
 - g. By calling the Washington State Department of Behavioral health and Rehabilitation line and choosing Compliance option 1-800 (446-0259). The direct number to the DBHR Compliance Officer is (360) 725-1039.
 - h. Contacting the Washington State Attorney Generals Office
 - by calling (360) 586-8888, or
 - writing to: Attorney Generals Office
1019 Pacific Avenue, 3rd Floor
P O Box 2317
Tacoma, WA 98401
3. In addition, any person may seek guidance with respect to the PRSN Compliance Plan or the procedures contained in this policy at any time by following the same reporting mechanisms outlined above.

POLICY MONITORING

This Policy is a mandated by contract and statute.

1. This Policy will be monitored through use of PRSN:
 - PRSN Compliance Committee review, at least annually
 - Annual PRSN Provider and Subcontractor Administrative Review
 - Annual PRSN Provider Fiscal Review

- Monthly Provider Chart Reviews
 - Exhibit N Report and Grievance Tracking
 - Biennial Provider Quality Review Team On-site Review
 - Semi-annual Provider Revenue and Expense Report
 - Quality Management Plan activities, such as review targeted issues for trends and recommendations
 - Review of previous Provider Corrective Action Plans related to policy, including provider profiles related to performance on targeted indicators
2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for PRSN approval. Reference PRSN Corrective Action Plan Policy.
 3. Additional disciplinary actions and sanctions, per the PRSN Compliance Plan and PRSN contract, may also be enforced for failure to comply with this policy.