False Claims Act (FCA)
Policy & Statutes

Policy Type: Operational

Last Updated: 6-27-2024

This policy is applicable to all employees and, as defined, contractors or agents of Myers-Davis Life Coaching, Inc. affiliates located in Arkansas or providing services to Medicare or Medicaid providers within the state. This includes, but is not limited to, hospitals, ambulatory surgery centers, outpatient imaging centers, home health agencies, physician practices, service centers, and all Corporate Departments, Groups, Divisions, and Markets. Myers-Davis Life Coaching, Inc. will re-evaluate this policy as needed.

PURPOSE

The policy aims to ensure compliance with the requirements set forth in the Deficit Reduction Act of 2005 regarding federal and state false claims laws.

POLICY

Affiliates of Myers-Davis Life Coaching, Inc. that are Medicare or Medicaid providers in Arkansas, or that provide services to these providers, must educate all employees, including management, and any contractors or agents about federal and state false claims statutes. This education should highlight the role of these laws in preventing and detecting fraud, waste, and abuse in federal healthcare programs.

FALSE CLAIMS LAWS

False claims laws are designed to combat fraud and abuse in government healthcare programs by enabling the government to bring civil actions to recover damages and penalties when false claims are submitted. These laws often include qui tam provisions, allowing private individuals, typically employees or former employees, to file lawsuits on behalf of the government. Both federal and Arkansas state laws have provisions to address false claims.

Federal False Claims Laws

The federal False Claims Act holds any person or entity liable if they knowingly submit false or fraudulent claims for payment from the U.S. Government or retain overpayments beyond 60 days. Penalties include up to three times the government's damages, civil penalties ranging from $10,957 to $21,916 per false claim, plus the costs of legal action. This act applies to any federally funded program, such as Medicare and Medicaid.

A unique feature of the federal False Claims Act is the qui tam, or whistleblower, provision. It allows private individuals with knowledge of false claims to file civil actions on behalf of the U.S. Government. Successful lawsuits can result in a percentage of the recovered funds being awarded to the whistleblower. The government can choose to join the suit, which may reduce the whistleblower's share, as the government assumes the legal costs. However, the whistleblower's share may also be reduced if they were involved in the false claims violation. Whistleblowers convicted of related criminal conduct will be dismissed from the civil action without any award.

The federal act also protects whistleblowers from retaliation by their employers. Employees who face adverse employment actions due to their involvement in false claims actions can sue for reinstatement, double back pay, interest, and compensation for special damages, including legal fees.

The Program Fraud Civil Remedies Act of 1986 (PFCRA) also provides administrative remedies for false claims and statements. It imposes a maximum civil penalty of $5,000 per claim and up to twice the amount of each false or fraudulent claim.

Arkansas False Claims Laws

The Arkansas Medicaid Fraud False Claims Act (AMFFCA) is a civil statute designed to combat fraud and recover losses in the Medicaid program. Violations include making false statements, converting benefits, accepting kickbacks, overcharging, and participating in Medicaid after a fraud conviction. Penalties include actual damages, fines of $5,000 to $10,000 per claim, and treble damages. Violators may also be suspended from Medicaid or have their provider agreements revoked (Ark. Code Ann. §§ 20-77-901 et seq.).

The Arkansas Medicaid Fraud Act (AMFA) provides criminal sanctions for Medicaid fraud, including false statements, converting benefits, accepting kickbacks, and overcharging. Penalties include restitution, fines, and possible suspension from Medicaid (Ark. Code Ann. §§ 5-55-101 et seq.). Violations are classified as

misdemeanors or felonies based on the amount involved. Both statutes allow individuals reporting fraud to receive a percentage of the recovered amount. Investigations are conducted by the Attorney General, who can demand relevant information and maintain confidentiality until legal action is initiated.

Reporting Concerns Regarding Fraud, Abuse, and False Claims

Myers-Davis Life Coaching, Inc. takes fraud and abuse seriously and encourages awareness of false claims laws among all employees, management, and contractors. Concerns should be reported to immediate supervisors or, if necessary, to the human resources manager, Ethics and Compliance Officer, and/or other management members. Employees and contractors should be familiar with related policies on fraud detection and prevention, accessible on Myers-Davis Life Coaching Inc.'s intranet or website.

Definition

A contractor or agent includes anyone who, on behalf of the facility, provides or authorizes Medicare or Medicaid services, performs billing or coding, or monitors healthcare.

Procedure

Myers-Davis Life Coaching, Inc. responsibilities under these rules includes:

- Ensure all employees, management, and contractors receive this policy within 30 days of employment or contractor status.
- Include a detailed summary of this policy in the employee handbook.
- Revise the policy as needed to comply with legal changes and retain previous versions for ten years.

References

- Ark. Code Ann. §§ 20-77-901 et seq.
- Ark. Code Ann. §§ 5-55-101 et seq.
- 31 U.S.C. §§ 3801-3812
- 31 U.S.C. §§ 3729-3733
- Deficit Reduction Act of 2005, Sections 6031, 6032