
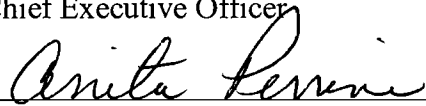


**KERN HEALTH SYSTEMS
POLICIES AND PROCEDURES**

SUBJECT: Prevention, Detection, and Reporting of Fraud, Waste and Abuse		INDEX NUMBER 14.04-P	Page 1 of 4
RESPONSIBLE DEPARTMENT HEAD: AIS/Compliance Manager			
Review Date		05/2007	
Effective Date	4/13/01	10/09/07	
Revision No.	2001-04	2007-10	

Approved		Date	10/9/2007
	Carol Sorrell, R.N. Chief Executive Officer		
Approved		Date	7/2/07
	Chief Compliance Officer		
Approved	_____	Date	_____
	AIS/Compliance Manager		

POLICY¹:

Kern Health Systems (KHS) shall establish a system for the prevention, detection, and reporting of fraud, waste, and abuse. Reports will be accepted from KHS employees, members, providers, and the public. Reports will be reviewed for possible action in accordance with the KHS Anti-Fraud Plan and applicable policies and procedures.

PURPOSE:

To establish written policies for KHS providers and KHS employees that provide²:

- Detailed information about the False Claims Act established under sections 3729 through 3733 of title 31, United States Code
- Administrative remedies for false claims and statements established under chapter 38 of title 31, United States Code
- Any State laws pertaining to civil or criminal penalties for false claims and statements
- Whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs(as defined in section 1128B(f)).

PROCEDURE:

1.0 PREVENTION AND DETECTION

The KHS Audit and Investigations Services/Compliance Department (AIS/C) is an internal independent review and investigation department which is responsible for developing and implementing an anti-fraud plan (the "Anti-Fraud Plan"). AIS/C conducts, coordinates, and reports audit and investigation activities for the purpose of preventing and detecting fraud, abuse,

**KERN HEALTH SYSTEMS
POLICIES AND PROCEDURES**

SUBJECT: Prevention, Detection, and Reporting of Fraud, Waste and Abuse	INDEX NUMBER 14.04-P	Page 2 of 4
---	-------------------------	-------------

and waste in the delivery of health care services to KHS member. AIS/C provides analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed or investigated. It initiates investigation and develops cases for any detected or suspected fraud and recommends necessary action or further investigation by KHS' legal counsel, a contracted fraud investigator, or by an appropriate federal or state investigating agent.

Additional information regarding the prevention and detection of fraud, waste, and abuse is available in the *KHS Anti-Fraud Plan*. A copy of the *KHS Anti-Fraud Plan* is available upon request.

2.0 REPORTING

Suspicious activities may be reported by phone, in writing, or in person to the KHS Audit and Investigation/Compliance (AIS/C) Department.

Kern Health Systems
AIS/Compliance Manager
9700 Stockdale Highway
Bakersfield, CA 93311

1-800-391-2000

KHS employees may make anonymous reports by calling the Ethics Line, a contracted employee hotline. This hotline is only available to KHS employees. The hotline number is 1-800-500-0333.

The hotline is open for calls 24 hours a day, 7 days a week.

It is recommended, but not required, that written reports be submitted on a *Suspicious Activity/Claim* form. (See Attachment A).

KHS accepts reports from anonymous sources. Reporting parties are encouraged to reveal their identity as it is highly probable that AIS/C staff and/or others conducting fact-finding/investigative activities will need additional information from the reporter at a later date. Individuals who are unwilling to reveal their identity are encouraged to contact KHS again at a later date for the purpose of answering additional questions.

To the extent reasonably possible, all reports of suspicious activity will be treated confidentially. There is no guarantee of confidentiality on the part of KHS, AIS/C staff, the Anti-Fraud Team, CCO, COO, or the CEO as KHS may be required to reveal such information to comply with governmental authorities. However, KHS will take efforts to respect the confidentiality of information by preserving attorney-client privilege whenever possible.

2.1 Investigation of Reports

All reports of suspicious activities are directed to the AIS/C Manager for review. Such reports are reviewed and investigated in accordance with the *KHS Anti-Fraud Plan*.

**KERN HEALTH SYSTEMS
POLICIES AND PROCEDURES**

SUBJECT: Prevention, Detection, and Reporting of Fraud, Waste and Abuse	INDEX NUMBER 14.04-P	Page 3 of 4
---	-------------------------	-------------

2.2 Prohibition of Retaliation and Whistleblower Protection

KHS prohibits retaliation against any employee, provider, or member who makes a good faith report of suspicious activity. No employee, provider, or member will be subject to disciplinary action solely because the employee, provider, or member made a report. However, an employee, provider, or member whose report contains an admission of personal wrongdoing cannot be guaranteed protection against disciplinary action. The fact that the individual volunteered the information will be considered as one favorable fact in any disciplinary action.

An employee, provider, or member may be subject to discipline if KHS determines that the employee, provider, or member knowingly fabricated a report in whole or in part.

3.0 THE FALSE CLAIMS ACT

False Claims Act is established under sections 3729 through 3733 of title 31, United States Code. Under this Act, any person who:

- A. Knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States a false or fraudulent claim for payment or approval;
- B. Knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government;
- C. Conspires to defraud the Government by getting a false or fraudulent claim allowed or paid;
- D. Has possession, custody, or control of property or money used, or to be used, by the Government and, intending to defraud the Government or willfully to conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;
- E. Authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
- F. Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge the property; or
- G. Knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government,

is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person, except that if the court finds that:

- A. The person committing the violation of this subsection furnished officials of the United States responsible for investigating false claims violations with all information known to

**KERN HEALTH SYSTEMS
POLICIES AND PROCEDURES**

SUBJECT: Prevention, Detection, and Reporting of Fraud, Waste and Abuse	INDEX NUMBER 14.04-P	Page 4 of 4
---	-------------------------	-------------

- B. Such person fully cooperated with any Government investigation of such violation; and
- C. At the time such person furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation;

the court may assess not less than 2 times the amount of damages which the Government sustains because of the act of the person. A person violating this subsection shall also be liable to the United States Government for the costs of a civil action brought to recover any such penalty or damages.

The False Claims Act includes information on judicial proceedings related to violations of the Act. Providers should review the Act and consult legal counsel to ensure adequate understanding of the requirements and procedures.

ATTACHMENTS

- Attachment A – *Suspicious Activity/Claim* form

¹ **Revision 2007-10:** Revised per MMCD All Plan Letter 07007. This letter directs Plans to revise policies in accordance with DRA Section 6032 which created a new Section 1902(a)(68) of the Social Security Act. This new section requires written policies regarding federal and state false claims laws and whistleblower protections. **Formerly:** Reporting of Suspicious Activities to KHS. Name changed during 05/2007 review to reflect the inclusion of items required by MMCD Letter 07007.

² 42 U.S.C. 1396a Sec 1902 (a)(68)(A). See MMCD Letter 07007 for instruction.



**KERN HEALTH
SYSTEMS**

SUSPICIOUS ACTIVITY REPORT

Instructions: Please use this form to report any suspicious activities. You may contact the AIS Compliance Department for further assistance by calling 1-800-391-2000. Please forward this form with any attachments or other documentation to:

*Kern Family Health Care
AIS/Compliance Department
9700 Stockdale Highway
Bakersfield, CA 93311
Fax: 661-664-5545*

Reported by

Name	
KFHC ID	
Date of Birth	
Address	
Phone Number	

Details of Activity

Who	
When	
What	



**KERN HEALTH
SYSTEMS**

REPORTE DE ACTIVIDAD SOSPECHOSA

Instrucciones: Por favor utilice este formulario para reportar cualquier actividad sospechosa. Usted puede llamar al 1-800-391-2000 al Departamento de Cumplimiento AIS para más ayuda. Por favor envíe este formulario y cualquier otra documentación a:

*Kern Family Health Care
AIS/Compliance Department
9700 Stockdale Hwy
Bakersfield, CA 93311
Fax: 661-664-5174*

Reportado por

Nombre	
KFHC ID	
Fecha de Nacimiento	
Dirección	
Número de Teléfono	

Detalles de la Actividad

Quien	
Cuando	
Que	