

Federal Deficit Reduction Act Notice

BACKGROUND:

The Federal Deficit Reduction Act allows states to tailor certain aspects of their Medicaid programs to prevent and detect fraud, waste, and abuse.

The Federal Deficit Reduction Act enacted regulations that allow states to expand eligibility, increase flexibility in the modification of their Medicaid program and to prevent and detect fraud waste and abuse in Federal health care programs. To help reduce Medicaid spending, this legislation mandates entities that receive \$5 million dollars or more in Medicaid payments to educate employees, contractors, or agents of Jai Medical Systems Managed Care Organization, Inc. about the Federal False Claims Act 31 USCS 3729-3733, administrative remedies for false claims and statements 31 USCS 3801, any Maryland State laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws. As a condition of enrollment in the Maryland Medical Assistance Program, all providers are required to certify that they are in compliance with the Social Security Act 1396(a)(68).

SUMMARY OF LAWS:

Below is a summary of the laws associated with fraud, waste, and abuse that can be used to educate employees, contractors, or agents of Jai Medical Systems Managed Care Organization, Inc. Submitting false claims and statements could result in the civil or criminal penalties outlined below. Whistleblower protections are in place for those acting in accordance with the listed laws

False Claims Act

- Individuals or entities that knowingly make and submit false claims will receive fines, potential imprisonment, and/or any additional costs incurred to recover resources and government losses.
- Whistleblowers will be provided protection if presented with an unlawful exit from a current position.

Anti-Kickback Statute Related to Federal HealthCare Programs

- It is illegal to financially benefit from the use of products or services. Payment can include cash or anything of value such as gifts, discounts, services, or travel.
- Penalties for violating the Anti-Kickback Statute can include a fine per kickback plus three times the amount of the remuneration, imprisonment and/or exclusion from participation in Federal health care programs.

Physician Self-Referral Law

- The Physician Self-Referral Law prohibits physicians from referring patients for health services to organizations in which they, or an immediate family member, have ownership or financial interest.
- Penalties for violation of the Stark Law include loss of payment, civil monetary penalties, and exclusion from the Federal program.

Social Security Act

- The exclusion statute of the act listed above bars any individual or entity from Federal health care programs that has been convicted of a felony criminal offense for Medicaid or Medicare fraud, patient abuse or neglect, and/or other health care related fraud theft or financial misconduct.
- Penalties for violations of the Exclusion Statute of the Social Security Act for making payment directly or indirectly for these items or services include a civil monetary penalty and/or repayment.

Statute and the Civil Monetary Penalties Law

- The Civil Monetary Penalties Law gives the OIG authorization to seek monetary penalties and/or exclusion for various conduct
- Penalties for violating The Civil Monetary Penalties Law is based on the type of violation or issue.

Health Insurance Portability and Accountability Act

- The Health Insurance Portability and Accountability Act (HIPAA) created national standards to protect sensitive patient health information from being disclosed without the patient's consent or knowledge.
- HIPAA defines the circumstances under which a person may disclose or use protected health information (PHI), sets minimum standards for protecting electronic protected health information (ePHI) and sets standards for notification when protected health information (PHI) is disclosed that compromises the privacy and security of the PHI rules.
- Penalties can vary significantly depending on factors such as the date of the violation, knowledge of the failure to comply, or if the failure to comply was due to willful neglect.

Prevention & Detection of Fraud, Waste & Abuse

- Medicaid fraud is the intentional deception or misrepresentation by a person who is aware that this action could result in an unauthorized benefit for themselves or others.
- Waste is overusing or inappropriate use of Medicaid resources.
- Abuse is the practice of causing unnecessary cost to the Medicaid program.
- If fraud, waste, or abuse is suspected, report it immediately!
- You have the choice to remain anonymous when you make the report. Provide as much information as possible; this will assist those investigating the report. There are many ways to report fraud, waste, and abuse. Please see the options below:

Contact Jai Medical Systems:

- o Customer Service Department at (888) JAI-1999 or
- o By Mail to: 301 International Circle, Hunt Valley, MD 21030

Contact the Maryland Department of Health, Office of the Inspector General:

- o 866-770-7175
- o http://dhmh.maryland.gov/oig/Pages/Report_Fraud.aspx

Contact the U.S. Department of Health and Human Services, Office of the Inspector General

- o 800-447-8477
- o <https://oig.hhs.gov/fraud/report-fraud/index.asp>