

<b>Policy Title:</b>	Fraud, Waste and Abuse		
<b>Policy Number:</b>	000052	<b>Department:</b>	COM
<b>Effective Date:</b>	02/08/2014		
<b>Review Date:</b>	01/10/2019		
<b>Revision Date:</b>	01/15/2016		

### **Purpose:**

Neighborhood is dedicated to providing quality healthcare services to members while conducting business in an ethical manner. Neighborhood supports the efforts of federal and state authorities in identifying incidents of fraud, waste and abuse (FWA). Neighborhood has established and will maintain, mechanisms to prevent, detect, investigate report and correct incidents of fraud, waste and abuse in accordance with contractual, regulatory and statutory requirements.

### **Scope:**

This Policy & Procedure applies to all members of the Neighborhood workforce.

### **Policy Statement:**

The purpose of this policy is to provide an overview of key provisions of the federal False Claims Act (the FCA) and related compliance requirements as required by the Deficit Reduction Act of 2005 (the DRA) for Neighborhood.

### **Procedure:**

1. The Compliance Department is responsible for overseeing the Fraud, Waste and Abuse Program, including but not limited to developing compliance policies/procedures, training, communications, and ensuring that all reports of suspected fraud, waste or abuse are fully investigated and if appropriate, reported to the proper authorities. The Compliance Department will provide oversight and assistance with all fraud, waste and abuse regulatory reports to state and/or federal agencies as needed to ensure compliance with statutory, regulatory and contractual requirements. The Compliance Officer is responsible to report fraud, waste and abuse activities to the appropriate governing committees as required and to the Finance and Audit Committee of the Board at least quarterly.
2. The Compliance Officer, in collaboration with operational areas as necessary, is responsible for developing and distributing fraud, waste and abuse training, educational materials and communications to employees and other individuals in accordance with statutory, regulatory and/or contractual requirements:
  - a. All employees including new hires, temporary workers, the Board of Directors, First Tier, Downstream and Related Entities (e.g. network and non-network providers) and

other individuals working on Neighborhood's behalf receive general education and training annually on the company's compliance program which includes the prevention, detection and correction of fraud, waste and abuse. General compliance training includes, but is not limited to, the following fraud, waste and abuse topics:

- i. The Compliance Program;
  - ii. Federal and State laws addressing the prevention and detection of fraud, waste and abuse in State and Federal health care programs, (i.e. The False Claims Act, The Stark Law & The Deficit Reduction Act);
  - iii. Whistleblower protections;
  - iv. How to report suspected or actual fraud, waste or abuse; and
  - v. Neighborhood's FWA policies and procedures.
- b. Evidence of completed general compliance training and receipt of certain educational materials and/or communications are captured through the use of email, agendas, attendance logs and acknowledgement or attestation statements, as applicable and required to meet statutory, regulatory and contractual requirements, and are maintained by the Human Resources, Marketing and Compliance Departments as applicable.
- c. Neighborhood educates members about the following fraud, waste and abuse topics as required by its governing regulatory bodies:
- i. examples of fraud, waste and abuse by providers, vendors and members;
  - ii. a dedicated hotline for members to report suspected or actual fraud, waste and abuse;
  - iii. information on how to contact EOHHS' fraud unit; and
  - iv. how to report suspected fraud and abuse to Neighborhood.
- d. Neighborhood communicates information and policies and procedures related to fraud, waste and abuse, such as false claims and how to report suspected or actual incidents, through the following communication methods which include, but are not limited to:
- i. The Standards of Business Conduct;
  - ii. Neighborhood Intranet;
  - iii. Neighborhood external website (e.g. Member or Provider sections);
  - iv. Member Handbooks;
  - v. annual notification to Members through the Neighborhood Newsletter;
  - vi. Provider Manuals;
  - vii. company policies and procedures;
  - viii. vendor contracts (including subcontractors); and
  - ix. other communication and training materials as needed.
- e. Neighborhood's written policies pertaining to false claims are readily available and distributed to employees, contractors, or agents as applicable and required and at least annually.

### 3. Prevention and Detection

- a. Neighborhood has established an operational infrastructure which includes policies, procedures, processes and standards that are designed to support Neighborhood in preventing and detecting fraud, waste and abuse as outlined below. In addition, Neighborhood is responsible for conducting interviews and other methods of investigation relating to suspected fraud, waste and abuse. Neighborhood will work with designated State and Federal agencies, the Medicare Drug Integrity Contractor (“MEDIC”) and law enforcement to pursue and prosecute individuals or organizations who may be involved in activities that fall under the fraud, waste and abuse umbrella.
- b. Neighborhood has established Standards of Business Conduct that are designed to represent the organization’s culture and work environment and serve as a set of guiding principles on compliance and ethics related issues. The Standards of Business Conduct outline what is expected of every employee, officers and others that work on behalf of Neighborhood and addresses fraud, waste and abuse. The Standards of Business Conduct are a set of guiding principles to help the company understand how to do the right thing when faced with situations that challenge the successful achievement of our mission, strategies and company goals. Every employee and those working on behalf of Neighborhood are expected to report improper conduct, either intentional or unintentional, so that it may be investigated and corrected as needed.
- c. Neighborhood has developed operational policies and procedures that address the prevention, detection, investigation, correction and reporting of fraud, waste and abuse in accordance with state and federal laws, rules and regulations and contractual requirements. Policies and procedures are developed and updated as needed to comply with the changing legal and regulatory environment and are reviewed annually for compliance with current applicable laws, rules and regulations and contracts.
- d. Neighborhood has established sanction screening policies, procedures and processes in operational areas, for verifying that individuals, such as employees, vendors, providers, practitioners and consultants, or anyone working on behalf of Neighborhood are not excluded or debarred from doing business with state or federal health care programs in accordance with statutory and contractual requirements.
- e. Neighborhood has implemented claims processing controls to address and safeguard against suspected or actual fraud, waste and abuse including, but not limited to:
  - i. Provider claims review and audits;
  - ii. Recouping provider payments processes;
  - iii. Monitoring of providers as requested by regulatory agencies;
  - iv. Employee role-based access to claims information;
  - v. Claims editing software;
  - vi. Claims editing processes;
  - vii. Recipient verification procedures;
  - viii. Explanation of Member Benefits samplings;

- ix. Electronic claims oversight;
  - x. Reporting to the appropriate internal governance committee and the appropriate regulatory body in accordance with contracts and company policies and procedures;
  - xi. Checks of state and federal exclusion and procurement databases to ensure that payments are not made to individuals that are excluded from doing business with state or federal health care programs; and
  - xii. The Vaccines for Children Program.
- f. Neighborhood has established a Special Investigations Unit that is responsible to conduct routine reviews and audits aimed at preventing and detecting suspected or actual fraud, waste and abuse.
- g. In accordance with 42 CFR 455.20, Neighborhood has procedures to verify with enrollees whether services billed by providers and/or vendors were received. These recipient verification procedures may include but are not limited to the following:
- i. Informing enrollees in writing when goods or services have been prior authorized by Neighborhood;
  - ii. notifying enrollees in writing when services which may require a concurrent authorization (such as a continued inpatient length of stay) have been approved by Neighborhood; and
  - iii. engaging in targeted outreach to enrollees whose pattern of health services utilization may warrant enrollment in any of Neighborhood's care coordination or complex case management programs.
- h. Based on member responses, Neighborhood will conduct appropriate investigations to identify possible fraudulent or abusive billing by providers or vendors as required by contract and in accordance with this policy.
- i. Neighborhood has established a Medicaid Pharmacy Lock-In Program for all populations to restrict members whose utilization of prescriptions is identified as excessive. Members are "locked-in" to a specific pharmacy in order to monitor prescriptions received and reduce unnecessary or inappropriate utilization. Neighborhood provides notification to members regarding pharmacy lock-in as required by state contracts.
- j. Neighborhood has established and maintains a formal accounting system that monitors the funds received from the State of Rhode Island to fulfill the administration of contracted state healthcare programs. Where Statutory Accounting Principles are required by the Rhode Island Division of Business Regulation, Neighborhood applies those statutory principles. Statutory Accounting Principles provide adequate safeguards to ensure the proper monitoring of financial transactions. Neighborhood is subject to an independent financial statement audit annually. The Rhode Island Department of Business Regulation conducts examinations of Neighborhood's financial statements each year and conducts an extensive on-site audit every three

years. These financial audits and examinations assist Neighborhood in identifying, addressing and mitigating potential financial risk.

- k. Neighborhood includes provisions in its agreements with subcontractors that require compliance with state and federal laws regarding fraud, waste and abuse. At a minimum, subcontractors are required to establish and maintain internal controls designed to detect, prevent, report, investigate and correct suspected or actual fraud, waste and abuse that may be committed by the subcontractor's employees, vendors, providers or other third party affiliations. Subcontractors are required to ensure that their employees and others performing work on the subcontractor's behalf receive training and guidance as it relates to fraud, waste and abuse.
  - l. Neighborhood has established a Delegation Oversight Committee and operational processes to support ongoing monitoring of subcontractor's compliance with statutory, regulatory and contractual requirements including those that relate to fraud, waste and abuse. The Delegation Oversight Committee is comprised of the Compliance Officer, the Manager for FDR/Delegation Oversight, and designated operational directors, managers and/or other cross functional staff who are responsible for continuous oversight of subcontractors that are performing delegated healthcare functions on Neighborhood's behalf.
4. Reporting Suspected or Actual Incidents
- a. All employees of Neighborhood are responsible for immediately reporting suspected or actual incidents of fraud, waste and abuse involving Neighborhood, its members, providers, contractors, subcontractors consultants or anyone else performing work on the company's behalf by contacting their manager, supervisor or a member of Neighborhood's Compliance Department or by using the reporting methods listed in paragraph C below.
  - b. All First Tier, Downstream and Related Entities (e.g. network and non-network providers) and members are encouraged to report suspected or actual incidents of fraud, waste and abuse, involving Neighborhood, in accordance with laws, rules and regulations and contracts using the methods listed in paragraph C below.
  - c. Suspected or actual incidents of fraud, waste and abuse are reported by using any of the following methods:
    - i. contacting the Compliance Officer directly either in person, by phone at (401) 427-6799, in writing to Neighborhood Health Plan of Rhode Island located at 910 Douglas Pike, Smithfield, RI 02917 or by dedicated fax at 401-709-7099;
    - ii. using the dedicated compliance email address at [compliance@nhpri.org](mailto:compliance@nhpri.org);
    - iii. calling the confidential Compliance Hotline at 1-888-579-1551; or
    - iv. contacting Neighborhood's Member Services Department at 1-800-459-6019.
  - d. For vendors, contractors, subcontractors, and consultants performing functions on behalf of Neighborhood, the appropriate contract business lead liaison should be contacted within specified contractual timeframes to report fraud, waste and abuse.

Business lead liaisons are responsible to immediately report the suspected or actual fraud, waste and abuse to the Compliance Officer. If the contract business liaison is unavailable subcontractors and vendors are instructed to contact the Compliance Officer directly.

5. Enforcement and Correction

- a. Neighborhood has a system in place for promptly responding and correcting fraud, waste and abuse issues that are reported or otherwise identified in the normal course of business or through self-evaluations and audits. Fraud, waste and abuse investigations may be triggered by, but not limited to:
  - i. claims data mining to identify aberrant billing patterns;
  - ii. feedback from enrollees based upon EOMB transmittal processes;
  - iii. calls received on the confidential toll-free telephone number for reporting possible
  - iv. Medicaid fraud and abuse;
  - v. peer profiling and provider credentialing functions;
  - vi. analyses of utilization management reports and prior authorization requests;
  - vii. monthly reviews of the CMS' List of Excluded Individuals and Entities (LEIE); and
  - viii. queries from State or Federal agencies.
- b. All reports of suspected or actual fraud, waste and abuse are thoroughly investigated and resolved to reduce the potential for future occurrences and to ensure ongoing compliance with requirements that govern business activities. Neighborhood works to correct identified issues promptly including recouping funds in accordance to statutory, regulatory and contractual requirements (See Section VIII. below). Neighborhood cooperates with state and federal agencies in the investigation and resolution of identified fraud, waste and abuse as necessary and requested.

6. Notifying State Agencies and Other Entities

- a. Neighborhood has established policies and procedures for reporting suspected or actual fraud, waste and abuse including any judgments or settlements involving incidents of fraud, waste and abuse to the appropriate state and/or federal agency in accordance with statutory, regulatory and contractual requirements.
- b. The Compliance Department will work with the appropriate internal departments to communicate with state and federal agencies on fraud, waste and abuse issues and will provide oversight and assistance for regulatory reporting to state and/or federal agencies as necessary to ensure compliance with requirements.
- c. Neighborhood will forward all cases of suspected or actual fraud, waste, and abuse to EOHHS and the Office of Program Integrity (OPI) and CMS within five (5) business days of Neighborhood's conclusion of the initial investigation of the case. OPI will investigate and will refer the case to the Attorney Generals (RI AG) if warranted. Neighborhood will notify EOHHS in writing of any actions undertaken to terminate



- or suspend a practitioner from Neighborhood's network due to quality, Medicaid fraud or abuse, or integrity, within ten (10) business days.
- d. For cases that are not determined to be a credible allegation of fraud but are cases of abuse and waste, a referral using the RI EOHHS approved referral form will be completed and forwarded to CMS and OPI.
  - e. Notification is sent to the Regional Plan Manager at the Centers for Medicare and Medicaid Services as appropriate and required by contract.
  - f. When the incident of fraud and abuse involves a member that has knowingly given incorrect information to Neighborhood, Neighborhood may request an immediate disenrollment of the member.
7. Written notification will be sent by Neighborhood to EOHHS within five (5) business days of Neighborhood's intent to recover funds pursuant to fraud and abuse investigation outcomes, and approval will be obtained from EOHHS prior to collection of those funds.
  8. Neighborhood shall submit a quarterly report summarizing its fraud and abuse activities for the quarter to EOHHS which will be shared with the Medicaid Fraud and Patient Abuse Unit documenting neighborhood's open and closed cases as required by its line of business contracts. This report is due no later than thirty (30) days after the end of the reporting quarter.
  9. Program Oversight
    - a. The Compliance Officer or designee is responsible for developing and implementing the company's Fraud, Waste and Abuse Program in collaboration with operational areas, and in accordance with applicable laws, rules and regulations and contractual requirements.
    - b. The Fraud, Waste and Abuse Program is reviewed annually for compliance with current applicable laws, rules and regulations and contracts. The Compliance Officer, in collaboration with operational areas, will update the Fraud, Waste and Abuse Program as needed to comply with the changing legal, regulatory and business environment.
    - c. An electronic copy of the Neighborhood's written operating policies, procedures, workflows, and relevant chart of organization which focus on the prevention, detection, investigation, and reporting of suspected cases of Medicaid Fraud and Abuse is submitted to the Rhode Island Department of Human Services for review and approval on an annual basis as required.