



APPLIES TO	Employees, Vendors, Contractors, Board Members
TOPIC	False Claims Act
CATEGORY	Corporate Compliance
Issue Date	October 1, 2007
Revision Date	Feb 2009, April 2011, May 2012, Nov 2013, Dec 2014, Dec 2016

POLICY: Inspire is committed to operating within a structure of appropriate business practices and to promoting the detection and prevention of health care fraud and abuse. Inspire complies with applicable state and federal fraud and abuse laws. Any employee, service partner, or member of the Board of Directors who suspects or has knowledge of false claims or inaccurate billing activities will report these activities to the Corporate Compliance Officer. Failure to report such information will result in disciplinary action up to and including termination or removal from the Board.

FEDERAL FALSE CLAIMS ACT

The Federal False Claims Act (FCA) makes it illegal to knowingly present, or cause to be presented, a false or fraudulent claim to be paid by the federal government. Under this law, “knowingly” means acting not only with actual knowledge but also with deliberate ignorance or disregard for the truth. The law imposes liability on any person who submits a claim to the federal government that he/she knows or should know is false or conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money to the government. The FCA imposes liability on any individual who knowingly submits a false record to obtain payment from the government, or obtains money from the government to which he/she may not be entitled and then uses false statements or records to retain the money. The Federal FCA provides for civil penalties up to \$21,563 (2016) per false claim plus three times the amount of damages that the government sustains.

NEW YORK FALSE CLAIMS ACT

The NYS False Claims Act makes it illegal to knowingly present a false claim to the state or local government, to make a false record to ensure payment of a false claim, or to decrease an obligation to pay money to state or local government. An employee may not create, assist or ignore the creation of a false business record, or omit true information from a business record. The NYS False Claims Act provides for civil penalties of between \$6,000 and \$12,000 plus three times the amount of damages sustained by the state and/or local government.

Individuals or organizations violating the False Claims Act may be excluded from participating in federal and state programs such as Medicaid and Medicare in addition to the penalties stated.

REVERSE FALSE CLAIMS

Reverse False Claims are instances in which an organization may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called “reverse false claim” may include an agency that obtains interim payments from Medicare throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicare program.

When money is paid by the federal or state government to which the agency is not entitled, the agency is required to notify the government and return the money within 60 days after they become aware of this situation.