

**FACEY MEDICAL FOUNDATION (FACEY)
POLICIES AND PROCEDURES**

POLICY NUMBER:

PAGE 1 OF 3

ORIGINATOR: ADMINISTRATION

ISSUE DATE: 11-16-10

**SUBJECT: CONFLICT OF INTEREST, FRAUD AND ABUSE,
AND SELF REFERRAL COMPLIANCE PLAN**

REVISION DATE: 3/11

SCOPE: ALL FACEY MEDICAL FOUNDATION (FACEY) EMPLOYEES

APPROVAL/S: ON FILE

I. PURPOSE

To define Facey Medical Foundation's (Facey) Conflict of Interest, Fraud and Abuse and Self Referral Compliance Plan.

II. POLICY TEXT

Facey employees are expected to comply with the Conflict of Interest, Fraud and Abuse and Self Referral Compliance Plan provisions referenced below when conducting business on behalf of Facey.

III. COMPLIANCE PLAN PROCEDURES

CONFLICT OF INTEREST:

Employees are expected to perform their duties honestly, in good faith, in compliance with all laws, and for the sole benefit of Facey. Employees should always act in a manner which will accomplish the public and charitable purposes of Facey, and not engage in any activity which may conflict with the interests of Facey or Facey's mission.

- A. Employees should promote, enhance and protect the interests of Facey and should avoid any actual or potential conflict in which the employee, or employee's immediate family or friends, may have an interest or gain a personal benefit.
- B. Employees are expected to conduct themselves according to the highest standards of integrity, honesty and fairness. All business decisions must not be influenced by personal considerations or interests which result in obtaining an improper personal gain or advantage for themselves, their immediate family or their friends.
- C. Employees and their families are never permitted to accept or give cash to any individual or company with whom Facey has, or in the future is likely to have, a business relationship. Employees and their families may not accept or give gifts, or provide or cover the cost of, any form of entertainment, to any individual or company with whom Facey has, or in the future is likely to have, a business relationship as a result of the provision or acceptance of such gifts or entertainment. Gifts, gratuities or entertainment may never be provided to any federal, state or local government official, agent or subcontractor, including Medicare contractors.
- D. No employee may be hired or promoted where the result will be that a Facey employee will be supervising a member of his or her own family.
- E. Employees are not permitted to engage in outside activities during working time without prior written approval of a supervisor. Even if an employee obtains such written approval, the employee may not, under any circumstances, use any Facey equipment, including telephone, facsimile and computer, supplies or information, whether considered by Facey as confidential or proprietary, or generally available, in connection with their outside activities.

**FACEY MEDICAL FOUNDATION (FACEY)
POLICIES AND PROCEDURES**

POLICY NUMBER:

PAGE 2 OF 3

ORIGINATOR: ADMINISTRATION

ISSUE DATE: 11-16-10

**SUBJECT: CONFLICT OF INTEREST, FRAUD AND ABUSE,
AND SELF REFERRAL COMPLIANCE PLAN**

REVISION DATE: 3/11

SCOPE: ALL FACEY MEDICAL FOUNDATION (FACEY) EMPLOYEES

APPROVAL/S: ON FILE

FRAUD AND ABUSE AND SELF-REFERRAL STATUTES:

Facey will maintain honest and accurate records concerning the provision of health care services, will submit accurate claims, and will never offer, pay, solicit or receive any money, gifts or services in return for the referral of patients, to induce patients to seek services from Facey, or to induce the purchase of items or services.

- A. Violations of federal and state laws concerning fraud and abuse, false claims and self-referral can result in significant criminal and civil penalties for Facey and its employees, including, imprisonment, fines, civil and criminal penalties and damages. Employees must be vigilant in avoiding any conduct that can potentially violate, or appear to violate these laws.
- B. Prohibited activities under the fraud and abuse laws include:
1. Billing for supplies or services not rendered or delivered.
 2. Misrepresenting services actually rendered.
 3. Duplicate billing for services actually rendered.
 4. Falsely certifying that services were medically necessary.
 5. Falsely certifying that an individual meets the Medicare or Medical requirements for home health services.
 6. Seeking to increase reimbursement by billing procedures commonly known as "upcoding", that is, reporting a code meriting higher reimbursement than what was actually furnished, or "unbundling", that is, dividing a procedure or services generally billed as one procedure or service into two or more component parts.
 7. Seeking to collect amounts exceeding the co-payment and deductible from a Medicare or Medical beneficiary who has assigned his or her rights to benefits.
 8. Routinely offering to waive the collection of co-payments or deductibles.
 9. Offering, accepting or transferring money, gifts, or other items of value to a patient or prospective patient to influence him or her in order to receive services or items from Facey.
 10. Promotional items of nominal value such as pens, notepads, or mugs that promote awareness of Facey's services may be offered to patients, provided the items have a retail value of no more than \$10 individually, and no more than \$50 in the aggregate annually per patient.
 11. Cash or cash equivalents may never be offered to patients.

**FACEY MEDICAL FOUNDATION (FACEY)
POLICIES AND PROCEDURES**

POLICY NUMBER:

PAGE 3 OF 3

ORIGINATOR: ADMINISTRATION

ISSUE DATE: 11-16-10

**SUBJECT: CONFLICT OF INTEREST, FRAUD AND ABUSE,
AND SELF REFERRAL COMPLIANCE PLAN**

REVISION DATE: 3/11

SCOPE: ALL FACEY MEDICAL FOUNDATION (FACEY) EMPLOYEES

APPROVAL/S: ON FILE

- C. The federal and state fraud and abuse laws prohibit knowingly and willfully offering, paying, soliciting or receiving any money, gifts, kickbacks, bribes, rebates or any other type of value, remuneration or services (under circumstances where a statutory exception or legally permissible “safe harbor” is not available) in return for the referral of patients or to induce the purchase, lease or ordering of any goods or services for which payment may be made by the federal or state government. Examples of situations that violate the fraud and abuse laws include:
1. Payment by Facey of an incentive each time a patient is referred to Facey.
 2. Payment by Facey for services in excess of their fair market value.
 3. Forgiveness of indebtedness to Facey.
 4. Routine waiver of co payments or deductibles.
 5. Preferential treatment by Facey in any form to obtain business.
- D. Unless an exception is met, it is unlawful for a licensee¹ to refer a person outside Facey for laboratory, diagnostic nuclear medicine, radiation oncology, physical therapy, physical rehabilitation, psychometric testing, home infusion therapy, or diagnostic imaging goods or services if the licensee or his or her immediate family has a financial interest with the person or in the entity that receives the referral.
- E. All business records must be accurate. All employees must record and report information accurately and honestly. All patient records, whether medical or for billing purposes, must contain only accurate information. Employees must not make any false statements or misrepresentations at any time, whether orally or in writing. Employees must submit all claims to federal and state health care programs that are in compliance with the published regulations of those programs.

¹ A licensee is any health care person licensed under the California licensure rules that includes physicians, nurses, physician assistants, optometrists, podiatrists, dieticians, psychoanalysts, speech therapists, physical therapists, social workers, marriage and family therapists, pharmacists, massage therapists, veterinarians, acupuncturists, clinical laboratory technicians and perfusionists.