Dear Board Member:

Increasingly, the government and other significant third-party payers require that health care institutions share with their boards the compliance education that they provide to their employees. Toward that end, this document highlights areas covered with staff as part of their ongoing training that we utilize at the University of Pennsylvania Health System (UPHS) in our compliance initiatives regarding regulatory risk areas such as fraud, waste, and abuse.

We would be happy to have our compliance staff provide you with additional information if you have any questions.

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Fraud, Waste & Abuse

The Federal False Claims Act allows for triple damages and civil money penalties for anyone who "knowingly" submits or causes the submission of a false or fraudulent claim to the government.

Pennsylvania and New Jersey laws prohibit the submission of false or fraudulent claims to the state Medicaid program. Possible penalties include fines and termination from participating in the Medicaid program.

Authorities include:

- Office of the Inspector General (OIG)
- Department of Justice
- Centers for Medicare & Medicaid Services
- Offices of State Attorney General

Fraud: Intentional deception or misrepresentation made by an entity or person with the knowledge that the deception could result in unauthorized benefit to the entity, themselves or others. The most common kind of fraud involves a false statement, misrepresentation or omission. Examples include billing for services not furnished, "upcoding", misrepresenting diagnoses to justify payment, soliciting, offering or receiving kickbacks, unbundling charges, and falsifying medical records to justify payment.

Waste: Extravagant, careless, or needless expenditure or consumption of resources that results from deficient practices, system controls, or decisions.

Abuse: Incidents or practices which are inconsistent with accepted sound medical practice. This abuse may directly or indirectly result in unnecessary costs to Federal, State or private insurance programs. Examples include providing medically unnecessary services and billing Medicare/Medical Assistance based on a higher fee schedule than other payers.

UPHS' Compliance Program incorporates multiple aspects including education, monitoring, auditing, reporting systems and sanctions to ensure compliance with billing requirements and the prevention of fraud, waste and abuse.

UPHS has resources for any faculty member, medical staff or employee who becomes aware of inappropriate practices or has questions on billing practices:

- Principles of Responsible Conduct
- UPHS Policy #03-03 "Fraud, Waste and Abuse"
- UPHS Compliance Hotlines