

Series 4000: District Employment

4200 Employee Conduct and Ethics

4227 False Medicaid Claims [Required for Districts that receive or make payments to the State Medicaid Program in an annual amount of at least \$5,000,000] [Note: If the Board elects not to adopt this Policy, delete the body of the policy and replace the title with “Intentionally Left Blank” after the policy number and in the Table of Contents to ensure accurate numbering of subsequent policies in the Policy Manual.]

Under federal law, when the District receives annual amount of at least \$5,000,000.00 in Medicaid payments, the District is required to inform all employees and contractors about legal requirements and remedies in order to comply with and prevent fraud and abuse in the Medicaid Program.

- A. The Federal False Claims Act (FCA). Medicaid prohibits individuals and organizations from submitting false or fraudulent claims to the government for payment or reimbursement. Any claim submitted by employees or contractors for Medicaid reimbursement must be accurate, correct, and complete.
 1. An employee or contractor shall not knowingly submit a false claim. The term “knowingly” does not require the claimant to have actual knowledge that the claim is false. An employee violates this Policy by acting with reckless disregard or in deliberate ignorance. A violation of this Policy includes, but is not limited to:
 - a. knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval;
 - b. knowingly making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim;
 - c. conspiring to commit a violation under the FCA;
 - d. having possession, custody, or control of property or money used, or to be used, by the government and knowingly delivering, or causing to be delivered, less than all of that money or property;
 - e. authorizing to make or deliver a document certifying receipt of property used, or to be used, by the government and, intending to defraud the government, making or delivering the receipt without completely knowing that the information on the receipt is true;
 - f. knowingly buying, or receiving as a pledge of an obligation or debt, public property from an officer or employee of the government, or a member of the Armed Forces, who lawfully may not sell or pledge property; or
 - g. knowingly making, using, or causing to be made or used, a false record or statement material to an obligation to pay or transmit money or property to

the government, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the government.

2. Penalties

- a. The FCA and Program Fraud Civil Remedies Act (“PFCRA”) provides civil and criminal remedies to individuals who violate federal law.
 - b. The District reserves the right to discipline, up to and including discharge, employees who violate this Policy.
 - c. The District reserves the right to terminate the contract with a third party contractor found to be in violation of this Policy.
- B. Michigan Medicaid False Claim Act (“MMFCA”) prohibits fraud in the obtaining of benefits or payments in connection with the medical assistance program.

1. An employee or contractor shall not knowingly:

- a. make or cause to be made a false representation of a material fact in the application for, or the determination of, Medicaid benefits;
- b. fail to report any event affecting the initial or continued right to receive a Medicaid benefit or fails to report an event affecting the initial or continued right of any other person on whose behalf the individual has applied for Medicaid benefits;
- c. solicit, offer, or receive a bribe or kickback in connection with the furnishing of goods or services for which payment is made to a Medicaid provider;
- d. make or receive a payment or the rebate of a fee for referring an individual to another for Medicaid services;
- e. enter into a conspiracy or agreement to defraud the state by obtaining a Medicaid payment for a false claim;
- f. make or cause to be made a false claim under the Social Welfare Act, Act 280 of Public Acts of 1939, as amended, to an employee or officer of the state; or
- g. make or cause to be made a claim under the Social Welfare Act, which claim represents that goods or services are medically necessary in accordance with professionally-accepted medical standards when the goods or services are not medically necessary.

2. Penalties

- a. The MMFCA provides civil and criminal remedies to individuals who violate federal law.

- b. The District reserves the right to discipline, up to and including discharge, employees who violate this Policy.
- c. The District reserves the right to terminate the contract with a third party contractor found to be in violation of this Policy.

Legal authority: 31 U.S.C. 3729-3733, 31 U.S.C. 3801, MCL 400.601 et seq

Date adopted:

Date revised: