

FEDERAL DEFICIT REDUCTION ACT NOTICE

Jericho Road Community Health Center ("JRCHC") is committed to operating its business with high ethical standards and in compliance with all federal and state laws and regulations that govern the delivery of health care and the prevention of fraud, waste and abuse. This commitment includes complying with all laws that prohibit fraud, waste, and abuse in the government health programs in which JRCHC operates, such as Medicare and Medicaid.

The Deficit Reduction Act of 2005 ("DRA") requires JRCHC to provide its employees, contractors, and vendors with information regarding the federal and state false claims acts, whistleblower protections, and JRCHC's process for detecting and preventing fraud, waste, and abuse. JRCHC requires that its employees, contractors, and vendors familiarize themselves with these documents to facilitate compliance with the outlined laws and policies

JRCHC has established a compliance program and detailed policies for detecting, preventing, resolving, and reporting fraud, waste, and abuse. A copy of its Corporate Compliance Plan is available on its website, www.jrchc.org.

Information Regarding the Federal False Claims Acts

The Federal False Claims Act ("FCA") helps the Federal government combat fraud and recover losses resulting from fraud in Federal programs, purchases, or contracts. Several states, including New York State, have enacted similar laws.

A person or entity may violate the FCA by knowingly: (a) presenting a false claim for payment, (b) making or using a false record or statement material to a false claim, (c) delivering less than all Government money or property owed, (d) concealing or knowingly and improperly avoiding an obligation to pay the Government, or (e) conspiring to violate any of the above provisions.

The FCA imposes civil penalties of up to \$10,461 per claim, plus three times the amount of damages to the Government for FCA violations. Lawsuits must be filed by the later of either: (1) three years after the violation was discovered by the Federal official responsible for investigating violations (but no more than ten years after the violation was committed), or (2) six years after the violation was committed. An individual has the right to file a civil suit for him or herself and for the Government to challenge a suspected FCA violation. The suit must be filed in the name of the Government. Such an individual is called a qui tam plaintiff or "whistleblower." Successful whistleblowers may receive between 15 and 30 percent of the total amount recovered (plus reasonable costs and attorney fees) depending on the involvement of the whistleblower and whether the Government prosecuted the case.

The FCA contains important protections for whistleblowers. Employees, contractors, or vendors who file a civil suit to challenge a suspected FCA violation or make other efforts to stop violations of the FCA (including reporting suspected fraud) and consequently suffer discrimination because of their actions (or the actions of others associated with the employee, contractor, or vendor in furtherance of such a civil suit or other efforts to stop FCA violations) are entitled to all relief necessary to be made whole. Such relief includes two times their back pay plus interest, reinstatement at the seniority level they would have had except for the discrimination, and compensation for any costs or damages they have incurred. Lawsuits alleging this type of discrimination must be brought within three years of the date the discrimination occurred.

Federal Administrative Remedies

Federal law also provides administrative remedies against any person who makes, or causes someone else to make, a false claim or a false statement in the amount of \$5,000 for each false claim or statement, and an assessment of up to twice the amount of each false or fraudulent claim. The administrative remedies for false claims and statements are at 31 U.S.C. §§3801-3812.

State False Claims Acts

New York State has also passed laws similar to the federal laws prohibiting false or fraudulent claims. Many of these laws mirror the terms of the federal False Claims Act.

False Claim Definition

For the purposes of the administrative remedies provisions, a "false claim" is defined as a claim that the person knows or has reason to know: is false; includes or is supported by any written statement which asserts a material fact which is false; includes or is supported by any written statement that omits a material fact; is false as a result of such omission; and is a statement in which the person making such statement has a duty to include such material fact; or is for payment for the provision of products or services which the person has not provided as claimed. For purposes of the FCA, a "false or fraudulent claim" also means a claim that includes items or services resulting from a violation of the Anti-Kickback Statute a/k/a the Stark Law.

Examples of activities that could result in a False Claims Act violation include:

- Payment of an incentive when a patient is referred to JRCHC.
- Provision or receipt of free or significantly discounted billing, rent, or other services.
- Payment for services in excess of their fair market value.

- Misrepresenting or overcharging for products or services actually provided.
- Duplicate billing for services actually rendered.
- Falsely certifying services were medically necessary or failure to perform a service.
- Seeking to increase reimbursement by improper billing procedures such as “upcoding” (changing a procedure code in order to obtain higher reimbursement for the procedure actually performed), or “unbundling” (dividing a procedure or service into two or more parts to obtain higher reimbursement).
- Offering to or transferring money, gifts, or other items of value to a private party in order to receive that party’s business.
- Accepting and failing to timely refund overpayments from the government.

Non-Retaliation

JRCHC has adopted a Whistleblower Policy under which it is prohibited from taking retaliatory action against any individual who in good faith reports conduct which violates federal or state laws.

Reporting Responsibilities and Contact Information

All JRCHC employees, contractors, and vendors have an affirmative obligation to report any ethical misconduct or compliance concerns such as false claims or false statements. The following are ways that JRCHC offers individuals to report suspected noncompliance:

- You may contact your supervisor in-person or by sending a written communication to him or her. *You may provide your name in the written communication, but you may also send it anonymously.*
- You may contact the *Director of Compliance & Risk Management* at (716) 348-3000 ext. 484 and/or fidele.menavanza@jrhc.org.
- If the Director of Compliance & Risk Management is not available or if you believe he is not addressing your concern, you may contact the *Chief Operating Officer* at (716) 348-3000 ext. 407 and/or Maggie.nichols@jrhc.org. *This is not an anonymous form of communication.*
- JRCHC maintains a 24-hour, anonymous hotline for reporting potential misconduct. The number is (716) 348-3030. *You can leave your name, but you may also leave an anonymous message.*
- You may send a letter through the U.S. mail to either the Director of Compliance & Risk Management at 166 Barton Street, Buffalo, NY 14213, or the Chief Operating Officer at 181 Barton Street, Buffalo, NY 14213. *You may include your name, but you may also send a message anonymously.*