



## **River City Medical Group ANTIFRAUD PLAN**

### **INTRODUCTION**

River City Medical Group (RCMG) has developed an antifraud plan (the “Antifraud Plan”) in compliance with Section 1348 of the California Health and Safety Code, the Centers for Medicare and Medicaid Service, and the United States Office of Inspector General, to facilitate the timely detection and investigation of suspected fraud, waste, and abuse (“FWA”) and the implementation of necessary corrective actions to avoid any recurrence of any FWA. The Antifraud Plan organizes and implements an antifraud strategy for the RCMG that identifies and reduces costs to RCMG, its providers, subscribers, members or enrollees (collectively, “Members”) and others caused by fraudulent activities, and protects consumers in the delivery of health care services through the timely detection, investigation and prosecution of suspected FWA.

The RCMG’s Board of Directors is responsible for overseeing the RCMG’s Antifraud Plan. The RCMG’s Director of Compliance/Compliance Officer (“Compliance Officer”) is responsible for implementing the Antifraud Plan and will make quarterly reports to the Board of Directors regarding antifraud activities, to enable the Board of Directors to monitor the Antifraud Plan and ensure that any necessary changes are implemented.

In instances where FWA is suspected, the Compliance Officer works in consultation with other management staff and outside counsel, where necessary, to investigate all allegations of FWA.

Inquiries concerning the Antifraud Plan may be directed to the RCMG’s Compliance Officer.

### **DESCRIPTION OF ANTIFRAUD PLAN**

The Antifraud Plan includes, but is not limited to, the following requirements: (1) the designation of an organization with specific investigative expertise in the management of FWA investigations; (2) training of employees and contractors, including, but not limited to, contracted providers concerning the detection of health care FWA; (3) procedures of managing incidents of suspected FWA; and (4) procedures for referring suspected FWA to the appropriate government agency.

#### **I. Management of FWA Investigations**

RCMG has designated one of its outside counsel, Michael McClelland, Esq. as an individual

with specific investigative expertise in the management of FWA investigations that may be undertaken under the Antifraud Plan. Mr. McClelland has experience in a broad range of health care compliance issues, including, but not limited to, those relating to Knox-Keene Health Care Service Plans. Mr. McClelland has assisted health care clients with multiple stages of compliance, from preventive efforts such as developing policies, to providing investigative and legal expertise in the management of FWA investigations. RCMG would also remain free at all times to use other expert consultants to assist RCMG, as needed, to provide investigative and legal expertise in the management of FWA investigations that may be undertaken under the Antifraud Plan. The contact information of Mr. McClelland is as follows:

Michael McClelland, Esq.  
6520 Lonetree Blvd., Suite 134  
Rocklin, CA 95765  
Telephone: [\(916\) 847-6891](tel:(916)847-6891)  
Email: [Mdm@mcclellandadvocacy.com](mailto:Mdm@mcclellandadvocacy.com)

In addition, the Compliance Officer's duties include the following:

- Provides oversight, direction, enforcement and assessment of a comprehensive Corporate Compliance Program, including FWA. The program includes training, monitoring, auditing and investigations for Hospital, Physician Group, Home Health Hospice and Managed Care contracted network.
- Develops, implements, and monitors internal controls, policies and procedures to ensure compliance with applicable laws, regulations, and accreditation standards.
- Serves as the Health Information Portability and Accountability Act (HIPAA) Privacy Officer responsible for oversight of the Vivant Health HIPAA Privacy and Security Compliance Programs coordinating with Vivant Health's HIPAA Security Officer.
- Recommends and implements compliance initiatives, which match the health care regulatory environment.
- Consults with executives, legal counsel, risk management, and/or operations managers on compliance and FWA issues to proactively identify potential high risk compliance areas and develop corrective action plans as needed.
- Manages RCMG's Compliance Hotline according to government guidelines and in accordance with RCMG's policy and industry best practices, and communicate any matter deemed potentially illegal, unethical, or otherwise abusive or improper to the Chief Legal Officer/General Counsel ("CLO") and Board of Directors, as appropriate.

- Maintains and expands the visibility for the Corporate Compliance Program at all levels within RCMG.
- Reports to and works directly with the Vivant Health CLO.

## **II. Training to Detect Health Care FWA**

RCMG recognizes the importance of properly educating and training employees and contractors to detect FWA. As part of its Antifraud Plan, RCMG requires employees and its contractors to receive the following training in the detection of health care FWA:

### ***A. Training of Employees***

All RCMG employees will receive FWA training from RCMG within thirty (30) days of employment, or prior to handling protected health information, and annually thereafter. Training topics will include, but not be limited to, the following: general compliance issues, antifraud matters, and HIPAA/Privacy/Security.

The Compliance Officer shall ensure that each employee completes the FWA training within the requisite timeframe and maintain a log indicating completion and date of completion of training. RCMG will administer anti-fraud training with a comprehensive examination at the conclusion of the training to confirm retention of the content. All employees must score at least eighty percent (80%) on the comprehensive examination, with a proof of completion. The Compliance Department will track training to ensure that all employees have completed the anti-fraud training. In addition, the Compliance Officer shall establish such other training and dissemination of information to all employees concerning the necessity of complying with all applicable laws and regulations, to keep employees abreast of current trends and issues relating to FWA on an ongoing basis through informational bulletins, newsletters, and discussions.

### ***B. Training of RCMG's Contractors***

All of RCMG's contractors will be required to demonstrate that they have completed FWA training acceptable to the Compliance Officer, or, such contractors shall be required to receive FWA training from RCMG within ninety (90) days of commencement of their contract with the RCMG. In addition, contractors shall receive on-going FWA program changes and updates in a timely manner. Contractors shall receive a copy of RCMG's Antifraud Plan. RCMG will also distribute communications from time to time to its Contractors concerning applicable FWA deterrence, detection and related issues.

### ***C. Areas of FWA Training***

FWA training includes an overview of health care FWA, a summary of the applicable FWA laws, training on how to identify potentially fraudulent claims (including indicators of fraud), examples of FWA activity that has been uncovered, and the procedure for referring suspected

FWA activity to the Compliance Officer.

FWA training topics will include, but are not be limited to, methods of detecting the following types of FWA:

Detection of FWA committed by RCMG

- (1) Licensure/Credentialing: knowingly allowing inadequate credentialing of providers; contracting with unlicensed or sanctioned providers.
- (2) Kickbacks: accepting kickbacks in order to refer certain patients to a particular provider.
- (3) False Claims: billing for services that were never performed or were not medically necessary; knowingly billing for services inconsistent with Medicaid and/or health plan billing guidelines.

Detection of FWA committed by contractors

- (1) Marketing: knowingly failing to comply with applicable Medicaid marketing and advertising guidelines or other licensing board's advertising guidelines.
- (2) Kickbacks: providers paying kickbacks to employees in order to be referred patients.
- (3) False Claims: billing for services that were never performed or were not medically necessary; knowingly billing for services inconsistent with Medicaid and/or health plan billing guidelines.
- (4) Licensure/Credentialing: knowingly misrepresenting license or credentialing status/information.

Detection of FWA committed by Members

- (1) Enrollment: members claiming to be eligible for health coverage when they are not.

Identification of Possible Indicators of FWA

The FWA training will emphasize that certain circumstances may be indicative of fraudulent activity, and should be reviewed further. Such circumstances include, but are not limited to, the following:

- Inconsistency between the services billed and the services rendered.
- A provider's advertisement of "free" services.
- An unusually high number of patients/patient visits in a given time frame.
- A provider's lack of supporting documentation for a claim selected for audit.
- A high-dollar claim for services dates soon after effective date of coverage or just before the termination of coverage.

### **III. Procedures for Managing Incidents of Suspected FWA**

As explained earlier, Michael McClelland has been identified as a qualified external FWA investigator. RCMG has contracted with Mr. McClelland of McClelland Advocacy, Ltd. to provide anti-fraud investigation and related services. Mr. McClelland provides legal services in the health care and managed care industries throughout California and the nation, with diverse experience representing IPAs, physicians, hospitals, ASCs, and Knox-Keene Act limited licensees. Mr. McClelland is the former Assistant Deputy Director for Provider Oversight and former Chief of Enforcement of California Department of Managed Health Care. He possesses firsthand knowledge and expertise of the Knox-Keene Act and Medi-Cal and the implementing Regulations, including specific experience as counsel and an expert witness on healthcare fraud including but not limited: billing fraud, upcoding and unbundling, “never events,” ancillary provider fraud, HIPAA, Social Security Act, and the federal False Claims Act.

Upon reports or reasonable indications of FWA, the Director of Compliance/Compliance Officer will promptly initiate steps to investigate the conduct in question to determine whether fraudulent activity has occurred. The Compliance Officer will initiate an investigation with the assistance of the external FWA investigator, as necessary. If it is determined that FWA activity has occurred, the Compliance Officer, with external consultation and expertise as needed, will develop an appropriate response, as described below.

#### ***A. Discovery of Suspected Fraudulent Activities***

Reporting Incidents of Suspected FWA – All RCMG employees and contractors are responsible for preventing, detecting and reporting suspected FWA. If an employee or contractor detects any suspicious activity, he or she is required to notify the Compliance Officer. The person reporting FWA may make himself/herself known by reporting the suspected FWA in person, or may report the suspected FWA anonymously via inter-office mail or U.S. Mail. The manager of each department will be responsible for the early detection of FWA within his or her department. If FWA is suspected within a department, that department’s manager is required to immediately notify the Compliance Officer or Corporate Compliance Hotline. Each manager’s performance evaluation will be based in part on his or her efforts to detect FWA.

Implementation of a Monitoring and Audit Program – The Compliance Officer will implement a monitoring and audit program. At the discretion of the Compliance Officer, in consultation with the Board of Directors, that program may include both internal and external resources to provide the auditing and monitoring necessary. Through the use of ongoing auditing and monitoring, the Compliance Officer will investigate any changes from the baseline audit that may be indicative of FWA. Ongoing auditing and monitoring will enable RCMG to gather some of the information will need to make annual reports to the Department of Managed Health Care as required by California Health and Safety Code Section 1348(c) and OIG as necessary.

As determined to be necessary by the Compliance Officer, the implementation of the monitoring and audit program may involve the following steps:

- Interviewing personnel involved in enrollment, credentialing, claims, marketing and related areas to detect potential improper conduct.
- Reviewing medical and financial records and other source documents the support claims for reimbursement.
- Reviewing written materials and documentation prepared by the different departments within RCMG.

Functional area representatives in each department will routinely report on key performance indicators indicative of FWA to provide instant feedback and allow for immediate correction or further investigation. Based on the routine reporting, corrective action plans or corrective improvement plans can be initiated to correct any non-compliant processes.

In addition to regular monitoring, the Compliance Officer will conduct routine audits of functional areas and spot audits of key performance indicators to ensure the information being reported is accurate. These routine audits/spot audits may be conducted by external sources as well.

#### ***B. Investigation to Determine Compliance or Noncompliance***

The Compliance Officer, or his or her designee, will investigate all incidents of suspected FWA that are reported. The Compliance Officer, in consultation with the CLO, and external FWA investigator, shall determine if an allegation of FWA warrants further investigation. The investigation will involve interviews and document review. In the case where employee FWA is suspected, the Compliance Officer will provide a determination whether the employee should be removed from his or her duties until the investigation is completed, and whether or not immediate steps should be taken to prevent the destruction of documents or other evidence relevant to the investigation. The Compliance Officer shall record the progress of the investigation, including the results of interview and document reviews. If necessary, in his or her judgment, or, if a conflict of interest exists, senior leadership of RCMG, the Board of Directors, or the external investigator shall be involved in this process.

#### ***C. Appropriate Remedial Measures***

If it is determined that fraudulent activity has occurred, the Compliance Officer will consult with the manager of the department in which the fraudulent activity has occurred to determine the appropriate action necessary to correct the matter. The following remedial measures will be taken, as applicable:

Deny/Recoup Payment – If the fraudulent activity involves payment to a provider or to a Member, the payment will be denied if not yet made, and will be recouped if already made.

Terminate Contract/Discipline Employee Appropriately – If appropriate, contracts with providers/contractors will be terminated, and employees will be disciplined. Corrective action will be based upon the individual circumstances and the severity of the incidents. All employees will be disciplined similarly, regardless of their position within RCMG.

File Appropriate Reports – If fraudulent behavior constitutes a reportable offense, a report will be made to the appropriate entity. Examples include reports required by California Business & Professions Code Section 805, and reports required by the National Practitioner Data Bank.

Notify Appropriate Government Agencies – See Section IV, below.

Take Further Remedial Measures – In order to decrease the possibility that FWA will reoccur, the Compliance Officer will educate employees and Contractors regarding how to avoid the recurrence of any fraudulent activities that are discovered. In addition, the Compliance Officer will undertake additional investigations if it appears there may be a continuing or systemic pattern of fraud.

#### **IV. Procedures for Referring Suspected FWA to the Appropriate Government Agency**

RCMG is committed to aggressively investigating suspected FWA, and is committed to referring FWA for prosecution, as appropriate. The Compliance Officer will discuss the finding of FWA investigations with the CLO and external FWA investigator, as necessary, to determine whether or not a violation for federal or state law or health care program requirements has occurred, whether or not, depending on the facts of the individual case, the conduct should be disclosed to a governmental agency, and, if so, to which agency.

Examples of reporting to governmental agencies include, but are not limited to the following:

- Providers that are found to be in violation of state licensing requirements will be reported to the appropriate state licensing board.
- Employees, providers, contractors, or enrollees who are found to be in violation for other state laws will be reported to the district Attorney's Office.
- Providers that are found to be in violation of a federal criminal, civil or administrative law related to a federal health care program will be reported to the Office of Inspector General, Department of Justice, or the Centers of Medicare and Medicaid Services, as appropriate.
- Employees, providers, contractors or enrollees who are found to be in violation of other federal laws will be reported to the Department of Justice/U.S. Attorney's Office.

**A. *Reporting by Employees, Members, Providers and Others***

Employees – Upon employment and through annual training, employees are instructed to report all instances of non-compliance, including FWA, with any related standard when that employee has a reasonable and good-faith belief that such non-compliance exists. If an employee discovers or suspects, in good faith, that another employee is committing a fraudulent or improper act, the employee discovering or suspecting the FWA or improper act is instructed to contact their supervisor or manager and complete a fraud reporting form and forward it to RCMG’s Compliance Department. Employees may contact the Human Resources Department in the event that the employee feels that the facts of the alleged incident would not allow him or her to contact RCMG’s Compliance Department. Employees may also always contact the anonymous FWA Compliance Hotline at any time at (916) 228-4318.

Contractors/Providers – Contractors and providers will be instructed to contact the Network Management Department or the Compliance Officer with any concerns related to fraud. This will be communicated to all contractors and providers in the provider manual.

Others - Anyone who has a general or specific inquiry about FWA or improper conduct, or the potential regulatory or legal implications of certain business activities or policies, may contact the Compliance Officer for any possible compliance matter and may use the anonymous FWA Compliance Hotline at (916) 228-4318. The hotline is a resource that is available twenty-four (24) hours per day, seven (7) days per week (24/7), and three-hundred, sixty-five (365) days per year. All of RCMG’s related hotline calls, the investigation and resolution will be reported quarterly to the Board of Directors.

**B. *Anti-Retaliation***

Retaliation against employees who have reported suspected FWA or improper conduct will not be tolerated. Any employee who attempts to or encourages others to retaliate against an individual who has reported a violation, or who fails to cooperate with an investigation of a violation, will be subject to disciplinary action up to and including termination of employment under applicable the Human Resources policies and guidelines.

If an employee believes, in good faith, that their supervisor is involved in fraudulent activity or improper conduct and they have concerns about possible retaliation for reporting to their supervisor, they may report the suspected FWA or improper conduct to the Compliance Officer, or to the FWA Compliance Hotline.

**C. *Reporting and Conflict of Interest Concerns***

If it is determined during the initial assessment of a FWA allegation that a conflict may exist, or the allegation of FWA involves senior leadership, the Compliance Officer will contact the CLO and the external FWA investigator to review the allegation and determine if an external special investigation is necessary. If the Compliance Officer is involved in the



allegation, senior leadership will work with the CLO to use RCMG's external fraud investigator to lead the investigation and report to the Board of Directors.

#### ***D. Remedial Measures***

If recurring FWA issues are detected, targeted education will be conducted to inform employees, contractors, and providers of this concern and to encourage compliance. RCMG newsletters are another education method that will be utilized as necessary to educate employees, contractors, and providers.

A continuing pattern of FWA is defined as an instance of FWA that has occurred more than once. If this is detected, the Compliance Officer will utilize the external FWA investigator as necessary to address the specific FWA pattern.

#### **ANTIFRAUD PLAN OVERSIGHT**

RCMG's Board of Directors is ultimately responsible for overseeing the Antifraud Plan. The Compliance Officer is responsible for implementing the Antifraud Plan and will make quarterly reports to the Board of Directors regarding antifraud activities, to enable the Board of Directors to monitor the Antifraud Plan and ensure that any necessary changes are implemented.

ddd

00058626.1