

COMPLIANCE 6.0

EDUCATION ON FEDERAL AND STATE FALSE CLAIMS LAWS

Scope: All subsidiaries of Universal Health Services, Inc. including facilities, Independence Physician Management (IPM), Prominence Health Plan and UHS of Delaware Inc. and their personnel.

Purpose: The purpose of this policy is comply with certain requirements set forth in the Deficit Reduction Act of 2005 with regard to federal and state false claims laws.

Policy: The organization shall assure that employees and applicable contractors and agents are educated regarding the federal and state false claims statutes, whistleblower protections, and the role of such laws in preventing and detecting fraud, waste, and abuse in the federal health care programs.

False Claims Laws:

UHS intends to fully comply with the False Claims Act, 31 U.S.C. Sec. 3729-3722 and any similar state laws. False claims laws fight fraud and abuse in government health care programs. Under the False Claims Act, individuals can bring a lawsuit under the False Claims Act in the name of the United States by filing a complaint confidentially “under seal” in court if they discover that a fraudulent claim has been made for reimbursement by a government agency. The False Claims Act applies to both organizations and individual employees who engage in billing fraud. False Claims Act lawsuits function to recover government funds paid as a result of false claims. Fines against the entity that submitted the false claims include a penalty of up to three times the government’s damages, civil penalties per false claim in a range set by the United States and adjusted from time to time, and the costs of the lawsuit. The federal False Claims Act applies to claims for reimbursement for federally funded programs including, for example, claims submitted to Medicare or Medicaid.

The federal False Claims Act contains a “qui tam” provision, commonly called the “whistleblower” provision, which permits a private person with knowledge of a false claim to file a lawsuit on behalf of the United States Government. An individual that exposes wasteful, harmful, or illegal acts is often called a “whistleblower,” or “qui tam relator.” A qui tam relator may be awarded a percentage of the funds recovered. The False Claims Act provides protection for qui tam relators from termination, demotion, suspension, or discrimination related to these claims. However, if an individual files such a lawsuit frivolously they may be subject to sanctions, including the responsibility to paying other party’s attorney’s fees. If a qui tam relator is convicted of criminal conduct, the qui tam relator will not receive any proceeds and will be dismissed from the lawsuit.

In addition to the federal False Claims Act, there are individual state laws providing that persons who report fraud and abuse by participating health care providers in the state’s Medicaid Program may be entitled to a portion of the recovery against the health care providers. Similar to

the federal False Claims Act, there are protections against retaliation. State false claims act statutes often mirror the federal False Claims Act and have similar penalty provisions.

Another federal law that resembles the False Claims Act provides administrative remedies, subject to limited court review, for knowingly submitting false claims and statements. Under this law, the Program Fraud Civil Remedies Act of 1986 (“PFCRA”), a false claim or statement includes submitting a claim or making a written statement that is for services that were not provided, or that asserts a material fact that is false, or that omits a material fact. The PFCRA provides for a civil penalty per claim or statement set by the United States and adjusted from time to time, and an assessment of not more than twice the amount of each false or fraudulent claim.

Procedure: UHS employees will receive information about the entity’s internal policies regarding false claims, fraud and abuse, and whistleblower protections through dissemination of the UHS Code of Conduct and Compliance Manual under the Compliance Program. UHS subsidiaries that meet the threshold under the Deficit Reduction Act of 2005 will provide the information to their other agents and contractors as well. If there is any question regarding the applicability of this policy to a particular subsidiary, the Chief Compliance Officer or Office of the General Counsel should be contacted.

Our commitment to ethical conduct depends on all employees. Should any employee find themselves in an ethical dilemma or suspect inappropriate or illegal conduct, they should remember the internal processes that are available for guidance or reporting , including the UHS compliance hotline and website. (See Compliance Policy **8.0 Process for Handling the UHS Compliance Hotline and Web Reporting Program**).

References:

1. 31 U.S.C. §§ 3801-3812
2. 31 U.S.C. §§ 3729-3733
3. Deficit Reduction Act of 2005, Sections 6031, 6032
4. UHS Code of Conduct

Revision Dates:

7-27-2020; 10-12-2017; 10-01-2015; 10-26-2012

Implementation Date: 10-21-2010

Reviewed and Approved by: