

## Overview of Key Health Care Laws

Steward is committed to behaving and doing business honestly, responsibly and in accordance with laws and regulations. Below is an overview of several of the key laws that govern the relationship between Steward Vendors, Steward Clinicians and Steward Patients.

### The False Claims Act (FCA) & Reverse False Claim

The False Claims Act is a federal law that makes it a civil and/or criminal offense to knowingly submit a false claim to the U.S Government for payment. The FCA requires submission of truthful and complete information to payers, submission of claims that are medically necessary and performed by qualified personnel, and return of any identified government payments received in error.

The Reverse False Claims is a section of the FCA that makes providers liable when overpayments are knowingly received and concealed to avoid refunding the government. Providers are required to report and make a refund within 60 days of identifying the overpayment.

Steward maintains a policy related to false claims, COM 10: False Claims & Payment Fraud Prevention. The policy explains the Federal False Claims Act, the Federal Program Fraud Civil Remedies Act and the State False Claims Law, where applicable; provides general information regarding Steward's efforts to combat fraud, waste, and abuse in the System; and describes the remedies and fines for violations that can result from certain types of fraudulent activities. If you have any questions about FCA or would like a copy of the full policy, please contact the OCCP at 617-419-4732.

#### **Example of non-compliance:**

- *A provider orders or charges a government payer for a service/item that was not medically necessary for the patient.*
- *A provider learns of having billed a service not provided in error & intentionally does not refund the payer.*

### Deficit Reduction Act

The Deficit Reduction Act is a federal requirement for health care entities receiving or making \$5 million or more in Medicaid payments during a year to establish written policies and procedures informing employees about the False Claim Act and whistleblower protections. Whistleblower protections extend to any person who lawfully attempts to stop any FCA violations or reports information about false claims or suspected false claims that are submitted by others. They may not be retaliated against, demoted, suspended, threatened, or harassed for such actions. The FCA also protects individuals who provide assistance with an investigation, provide testimony, or participate in the government's handling of a false claim.

Other requirements include policies describing prevention of fraud, waste and abuse, training and protection of employees who make good faith reports. Failure to comply with the DRA requirements may include exclusion from the federal health program. As previously mentioned, Steward maintains the policy described above which provides educational details.

### Anti-Kickback Statute

The Anti-Kickback Statute (AKS) is a federal regulation that states that no one may offer, give, request or receive money, or anything else of value, in exchange for a patient referral or for other health care business paid for by a federal health care program. The Federal Anti-Kickback Statute prohibits the acceptance of any item of value (remuneration) made directly or indirectly, in cash or kind, that may induce, or appear to induce the purchase or

referral of any kind of health care goods, services, or items reimbursed by a federal or state health care program, including Medicare and Medicaid. Some states also prohibit certain gifts and business courtesies to Health Care Practitioners from pharmaceutical and medical device manufacturer vendors. Refer to the applicable state regulation for more information related to gifts and business courtesies to Health Care Practitioners. Penalties may include fines up to \$100,000 for each improper act and damages up to 3 times the amount of remuneration. A violation may also lead to the entity or individuals exclusion from the Medicare and other Federal health care programs.

Steward Health Care System is committed to ensuring that all decisions regarding selection of Vendors are made fairly and in the best interest of the organization, free from personal bias or the appearance of personal bias. It is the policy of Steward and its entities that interactions with industry should be conducted so as to avoid or minimize conflicts of interest and/or the appearance of conflicts of interest. Steward has a policy related to gifts and business courtesies to and from vendors which explains that under no circumstances may Steward personnel offer or receive a gift from a vendor when the intent is to generate health care business. If you have any questions about AKS, or would like a copy of the full policy, please contact the OCCP at 617-419-4732.

**Example of non-compliance:** *A vendor pays a physician \$100 for every patient for whom the physician orders the vendor's product, for which the vendor will submit a claim to a government payer.*

### Anti-Inducement Law

The Anti-Inducement Law is a federal law that states that no one may give money or anything else or value, to a government payer beneficiary to influence his or her choice of a provider for which services or items are paid for by a federal health care program. There are specific exceptions such as incentives to promote certain preventative care (e.g., prenatal care, blood pressure screenings, etc.) and items of nominal value (defined as under \$10, not to exceed \$50 annually). If you have any questions about the Anti-Inducement Law and how it might relate to your interactions with Steward, please contact the OCCP at 617-419-4732.

**Example of non-compliance:** *A provider routinely waives co-pays for patients or gives all patients who receive care at his/her office a gift card. Both of these may be interpreted as an incentive to obtain services from the provider.*

### The Stark Law

The Stark Law is a federal law that limits referrals where physicians have certain financial interests. Specifically, if a physician or his/her immediate family member has a financial relationship with another health care provider, the physician may not refer Medicare patients to that provider for certain services (unless an exception applies). There are specific exceptions such as written employment or personal services agreements and written rental agreements that meet certain criteria.

Steward protects against potential violations of the Stark Law through the Conflict of Interest Process. The Conflict of Interest Policy was developed to provide guidance on a variety of potential conflicts of interest that may arise and to describe Steward procedures to address such conflicts.

Steward physicians, as well as all Steward leaders, must take official actions in good faith, in the best interest of the organization, and free from influence by their own or their family's personal interests. This becomes particularly important for vendors that may have financial arrangements with physicians who refer or order services at a Steward provider.

**Example of non-compliance:** *Administrative support services provided at no cost by a medical device manufacturer to a physician who orders the medical device manufacturer's product.*