

## **Prevention, Detection, and Response to Fraudulent Activity Policy**

### **Applicability**

This Prevention, Detection, and Response to Fraudulent Activity Policy applies to Partners for Kids and Families (PFKF) employees, interns, and volunteers (referred to as “PFKF representatives”), as well as all contractors and agents of PFKF.

For purposes of this Prevention, Detection, and Response to Fraudulent Activity Policy, a “contractor” or “agent” includes any contractor, subcontractor, agent or other person which or who, on behalf of PFKF, furnishes, or otherwise authorizes the furnishing of, Medicaid health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by PFKF.

### **Introduction**

[Section 6032 of the Federal Deficit Reduction Act of 2005](#) requires organizations which receive Medicaid funding to take steps to identify, respond, and prevent fraud, waste, and abuse of federally funded health care programs.

**Fraud** is *an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to them or some other person.*

**Waste** is *an overutilization or misuse of resources which result in unnecessary costs.*

**Abuse** is *provider practices that are inconsistent with sound fiscal, business, or industry practices, and result in an unnecessary cost or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards.*

Examples of fraud, waste, and abuse include but are not limited to theft of agency property, deliberately falsify claims; using another person’s information to obtain money, benefits, or services; or billing for services not provided.

### **Prevention and detection strategies**

PFKF is committed to prevention of fraud, waste, and abuse through the continual evaluation and assessment of its use of resources. PFKF has several safeguards in place to detect and prevent fraud, waste, and abuse.

When a PFKF representative requests agency funds, they must submit a request form which is reviewed and must contain the signature of their supervisor or member of PFKF Management.

PFKF administrative staff are responsible for purchasing office supplies. Before making a purchase, PFKF administrative staff obtain an agency credit card from the Finance Director, who keeps the credit cards in their office. After purchasing items, the administrative staff member submits the receipt along with a *Request for Funds form* which is then reviewed and approved by the Office Manager. If the Office Manager purchases an item, the receipt and *Request for Funds form* is reviewed and approved by the Finance Director. The receipt and *Requests for Funds*

*form* are then submitted to PFKF's Accounting Administrator, who reconciles the receipts with bank or credit card statements.

Petty cash is kept in a locked safe in the Finance Director's office. To receive petty cash, a PFKF representative submits a *Request for Funds form* which is reviewed and approved by their supervisor. The individual then signs a receipt indicating the exact amount of petty cash received. Once they have made their purchase, the individual must submit a receipt to the Accounting Administrator and return any unused cash.

Duties within the finance department are divided as follows: the Accounting Administrator processes accounts payable and accounts receivable. Our Finance Director reconciles the monthly bank account statements. The Executive Director, the Board of Trustees President, and Board of Trustees Treasurer are the only authorized check signers on behalf of PFKF. Any check over \$6500 requires two signatures except for recurring expenses, specifically rent and health insurance premiums.

Every year PFKF's finances are audited by a third-party licensed public accountant. The results of the audit are submitted annually to the State of New Jersey as part of our contract renewal process.

As part of its [Medicaid compliance policy](#), PFKF outlines its expectations for PFKF representative honesty and integrity; identifies several internal controls to ensure appropriate billing for care management services; and describes the process for reporting billing errors and suspected or known instances of fraud. See Medicaid Compliance Policy for more details.

All PFKF representatives, contractors or agents must, as a condition of continued employment or engagement with PFKF, strictly adhere to the requirements of all federal and state laws prohibiting fraud, waste, and abuse. Under federal and state laws, all PFKF representatives have an affirmative duty to prevent, detect, and report fraudulent behavior. Any PFKF representative who knows, has reason to know, or reasonably suspects that wrongdoing, fraud, waste, or abuse regarding a federal or state health care program, including Medicare and Medicaid, or has occurred within PFKF has multiple options to file a report. They may report to the Corporate Compliance Officer, their immediate supervisor, or to another member of the PFKF Management Team. If a PFKF representative other than the Corporate Compliance Office receives the report, they must then provide the report to the Corporate Compliance Officer. Concerns or violations of the Corporate Compliance Plan may also be submitted through a third-party company which administers an anonymous and confidential reporting service. Reports can be submitted 24 hours a day by any PFKF representative using a [secure on-line form](#) or toll-free number (1-833-480-0010). The information conveyed is then made available to the Corporate Compliance Officer and/or Executive Director.

Depending on the circumstances leading to the need to report, a PFKF representative may also contact the [NJ Medicaid Fraud Division](#) at 1-888-937-2835. They may also contact the [NJ Insurance Fraud Prosecutor](#) Hotline 1-877-55-FRAUD.

The Corporate Compliance Officer or his or her designee will investigate all reports promptly. If circumstances dictate, it may be necessary to involve an independent, third-party organization to perform the investigation instead of the Corporate Compliance Officer and submit its findings to PFKF's Board of Trustees.

All investigations will be conducted in a discreet manner. Investigations will be kept confidential and the names those participating in the investigation will be kept confidential to the extent possible consistent with the best interests of PFKF and those involved.

There will be no adverse action taken against a PFKF representative who, in good faith, reports a violation of the Corporate Compliance Plan or cooperates in an investigation of a potential violation of the Corporate Compliance Plan. However, a PFKF representative may be subject to disciplinary action if it is reasonably determined that the report of wrongdoing was knowingly fabricated, distorted, exaggerated, or minimized. Further, a PFKF representative whose report of potential misconduct contains admissions of personal wrongdoing will not be guaranteed protection from potential disciplinary action. The fact of an admission, as opposed to deliberate non-reporting, will be taken into consideration in connection with making a disciplinary decision, and depending on relevant circumstances, may result in lesser disciplinary action than would result in the event of non-reporting.

Any PFKF representative who is found to have retaliated against another employee for reporting a violation or participating in an investigation will be subject to disciplinary action up to and including termination of employment.