

**Hebrew Academy for Special Children, Inc.  
Executive Offices**



**Experience the Magic  
HASc**

**CORPORATE COMPLIANCE PLAN**

Revised June 2017

1318 60<sup>th</sup> Street • Brooklyn, New York 11219  
Phone: 718.686.5900 • Fax: 718.853.0213



Table of Contents

Section Name	Page	
A.	Corporate Compliance Policy <ul style="list-style-type: none"> <li>▪ Code of Ethics and Philosophy</li> </ul>	2 4
B.	Compliance Program Oversight <ul style="list-style-type: none"> <li>▪ The Role of the Compliance Officer</li> <li>▪ The Structure, Duties and Role of the Compliance Committee</li> <li>▪ Delegation of Substantial Discretionary Authority</li> </ul>	5 6 7
C.	Education and Training	8
D.	Effective Confidential Communication	9
E.	Enforcement of Compliance Standards	10
F.	Auditing and Monitoring of Compliance Activities	11
G.	Detection and Response	12
H.	Code of Conduct	13
I.	Policy and Procedure <ul style="list-style-type: none"> <li>▪ Employee Compliance Training</li> <li>▪ Enforcement of Compliance Standards</li> <li>▪ False Claims Act and Whistleblower Provisions</li> </ul>	20 22 24
J.	Federal and New York Statutes Relating to Filing False Claims	26

Compliance Phone Numbers:

Compliance Officer	718-686-5953
Hotline	718-686-5954
Cell phone	917-618 1473

## **A. CORPORATE COMPLIANCE POLICY**

---

### **I Policy**

It has been and continues to be the policy of **Hebrew Academy for Special Children, Inc.** to comply with all applicable federal, state and local laws and regulations, and payer requirements. The policies contained in this Corporate Compliance Plan serve as a guide to implement this policy of compliance with all applicable standards. It is applicable to all staff employed within the Agency and all contractors, consultants, and agents associated with services rendered by, through or on behalf of, the Agency. It is also the HASC's policy to adhere to the Code of Ethics that is adopted by the Board of Directors, the Executive Management Team and the Compliance Committee.

### **II Commitment**

We have always been and remain committed to our responsibility to conduct our business affairs with integrity based on sound ethical and moral standards. We will hold our employees, contracted practitioners, and vendors to these same standards.

HASC is committed to maintaining and measuring the effectiveness of our Compliance policies and standards through monitoring and auditing systems reasonably designed to detect noncompliance by its employees and agents. We shall require the performance of regular, periodic compliance audits by internal and/or external auditors who have expertise in federal and state health care statutes, regulations, and health care program requirements.

### **III Responsibility**

All employees, contracted practitioners, and vendors shall acknowledge that it is their responsibility to report any suspected instances of suspected or known noncompliance to their immediate supervisor, the Executive Management Team or the Compliance Officer. Reports may be made anonymously without fear of retaliation or retribution. Failure to report known noncompliance or making reports which are not in good faith will be grounds for disciplinary action, up to and including termination. Reports related to harassment or other workplace-oriented issues will be referred to Human Resources.

### **IV Policies and Procedures**

HASC will communicate its compliance standards and policies through required training initiatives to all employees, contracted practitioners, and vendors. We are committed to these efforts through distribution of this Compliance Policy and our Code of Conduct and Philosophy.

## **V Enforcement**

This Compliance Policy will be consistently enforced through appropriate disciplinary mechanisms including, if appropriate, discipline of individuals responsible for failure to detect and/or report noncompliance.

## **VI HASC Response**

Detected noncompliance, through any mechanism, i.e. compliance auditing procedures, confidential reporting, will be responded to in an expedient manner. We are dedicated to the resolution of such matters and will take all reasonable steps to prevent further similar violations, including any necessary modifications to the Compliance Plan.

## **VII Due Diligence**

HASC will, at all times, exercise due diligence with regard to background and professional license investigations for all prospective employees, contractors, vendors, and members of the Board of Directors.

## **Code of Ethics and Philosophy**

---

### **I Philosophy**

The Hebrew Academy for Special Children, Inc. ascribes to the philosophy that all children are capable of growth and development through educational and therapeutic intervention.

### **II Mission**

Since 1963, HASC continues to provide high quality education and therapeutic services to children with special needs. Families are an integral component of our education process. Highly structured and individualized, our programs concentrate on the development of the whole child in the least restrictive environment. Progressive vision and traditional leadership enable us to synthesize proven techniques with new and innovative approaches. We are guided by creativity, compassion and motivation as we strive to make a world of difference in the lives of our children.

### **III Expectations**

We ensure that all aspects of student care and business conduct are performed in compliance with our mission/vision statement, policies, and procedures, professional standards and applicable governmental laws, rules and regulations and other payer standards. HASC expects every person who provides services to our students to adhere to the highest ethical standards and to promote ethical behavior. Any person whose behavior is found to violate ethical standards will be disciplined appropriately.

Employees may not engage in any conduct that conflicts – or is perceived to conflict – with the best interest of HASC. Employees must disclose any circumstances where the employee or his or her immediate family member is an employee, consultant, owner, contractor or investor in any entity that (i) engages in any business or maintains any relationship with HASC; (ii) provides to, or receives from, HASC any student referrals; or (iii) competes with HASC. Employees may not without permission of the Compliance Officer accept, solicit or offer anything of value from anyone doing business with HASC.

Employees are expected to maintain complete, accurate and contemporaneous records as required by HASC. The term “records” includes all documents, both written and electronic, that relates to the provision of HASC services or provides support for the billing of HASC services. Records must reflect the actual service provided. Any records to be appropriately altered must reflect the date of the alteration, the name, signature and title of the person altering the document and the reason for the alteration if not apparent. No person shall ever sign the name of another person to any document. Signature stamps shall not be used. Backdating and predating documents is unacceptable and will lead to discipline up to and including termination.

When any person knows or reasonably suspects that the expectations above have not been met, this must be reported to immediate supervisors, the Compliance Officer (CO) or the Executive Management Team, so each situation may be appropriately dealt with. The CO may be reached at 718-686-5953 (and the numbers listed on the Table of Contents page).

## **B. Compliance Program Oversight**

### **The Role of the Compliance Officer**

---

#### **I Compliance Officer**

The Board of Directors of HASC designates Hannah Kalish- (718) 686-5953) as the Compliance Officer (CO). The CO has direct lines of communication to the Executive Management Team, the Board of Directors and HASC counsel.

#### **II Job Duties**

The CO is directly obligated to serve the best interests of our HASC, students and employees. Responsibilities of the CO include, but are not limited to:

- Developing and implementing compliance policies and procedures (P&P).
- Overseeing and monitoring the implementation of the compliance program.
- Directing HASC internal audits established to monitor effectiveness of compliance standards.
- Providing guidance to management, medical/clinical program personnel and individual departments regarding P&P and governmental laws, rules and regulations.
- Updating, periodically, the Compliance Plan as changes occur within HASC, and/or in the law and regulations or governmental and third party payers.
- Overseeing efforts to communicate awareness of the existence and contents of the Compliance Plan.
- Coordinating, developing and participating in the educational and training program.
- Guaranteeing independent contractors (student care, vendors, billing services, etc.) are aware of the requirements of HASC's Compliance Plan.
- Actively seeking up-to-date material and releases regarding regulatory compliance.
- Maintaining a reporting system (hotline) and responding to concerns, complaints and questions related to the Compliance Plan.
- Acting as a resourceful leader regarding regulatory compliance issues.
- Investigating and acting on issues related to compliance.
- Coordinating internal investigations and implementing corrective action.

## **The Structure, Duties and Role of the Compliance Committee**

---

### **I Reporting Structure and Purpose**

Compliance Committee (CC) members are appointed by the Executive Management Team (EMT) and approved by the Board of Directors. Compliance issues are reported by the CC to the EMT and Board, where appropriate. The CC purpose is to advise and assist the CO with implementation of the Compliance Plan.

### **II Function**

The roles of the Compliance Committee include:

- Analyzing the environment where HASC does business, including legal requirements with which it must comply.
- Reviewing and assessing existing P&P that address these risk areas for possible incorporation into the CP.
- Working with departments to develop standards and P&P that address specific risk areas and encourage compliance according to legal and ethical requirements.
- Advising and monitoring appropriate departments relative to compliance matters.
- Developing internal systems and controls to carry out compliance standards and policies.
- Monitoring internal and external audits to identify potential non-compliant issues.
- Implementing corrective and preventive action plans.
- Developing a process to solicit, evaluate and respond to complaints and problems.



## **Delegation of Substantial Discretionary Authority**

---

### **I Requirement**

Any employee or prospective employee who currently holds a position, or intends to work for HASC is required to disclose any name changes, and any involvement in non-compliant activities including health care related crimes. In addition, HASC performs reasonable inquiries into the background of all applicants, contractors, vendors and Members of the Board of Directors.

The following organizations may be queried with respect to potential employees, contractors, vendors Doctors who write prescriptions and Members of the Board of Directors:

Our Human Resources Department runs a monthly Medicaid Fraud Check to ascertain whether any employees have committed any Medicaid fraud.

- Office of Inspector General- List of Excluded Individuals/ Entities
- Office of Inspector General – Most Wanted Fugitives
- Office of Foreign Assets Control – Specially Designated Nationals
- New York Professional Medical Conduct
- New York Office of Professions Verification

## **C. Education and Training**

---

### **I Expectations**

Education and training are critical elements of the CP. Every employee and agent is expected to be familiar and knowledgeable about HASC's CP and have a solid working knowledge of his or her responsibilities under the plan. Compliance policies and standards will be communicated to all employees through required participation in training programs.

### **II Training Topics - General**

All personnel and members of the Board of Directors shall participate in training on the topics identified below:

- Government and private payer reimbursement principles;
- Government initiatives;
- History and background of Corporate Compliance;
- Legal principles regarding compliance and Board responsibilities related thereto;
- General prohibitions on paying or receiving remuneration to induce referrals and the importance of fair market value;
- Prohibitions against submitting a claim for services when documentation of the service does not exist to the extent required;
- Prohibitions against signing for the work of another employee;
- Prohibitions against alterations records and submitting false claims;
- Prohibitions against rendering services without a signed physician's order or other appropriate authorization, if applicable;
- Proper and accurate documentation of services rendered; and
- Duty to report misconduct.

### **III Training Topics - Targeted**

In addition to the above, targeted training will be provided to all managers and any other employees whose job responsibilities include activities related to compliance topics. Program Directors shall assist the CO in identifying areas that require specific training and are responsible for communication of the terms of this CP to all independent contractors doing business with HASC.

### **IV Orientation**

As part of their orientation, each employee and contractor shall receive a written copy of the Compliance Plan, policies and specific standards of conduct that affect their position.

### **V Attendance**

All education and training relating to the Compliance Plan will be verified by attendance and a signed acknowledgement of receipt of the Compliance Plan and standards.

Attendance at compliance training sessions is mandatory and is a condition of continued employment.

## **D. Effective Confidential Communication**

---

### **I Expectations**

Open lines of communication between the CO and every employee and agent subject to this Plan are essential to the success of our Compliance Program. Every employee has an obligation to refuse to participate in any wrongful course of action and to report the actions according to the procedure listed below.

### **II Reporting Procedure**

If an employee, contractor or agent witnesses, learns of, or is asked to participate in potential non-compliant activities, in violation of this Compliance Plan, he or she should contact the CO, his or her immediate supervisor or the Executive Management Team. Reports may be made in person or by calling a Hotline telephone line dedicated for the purpose of receiving such notification (718) 686-5954, mailing information to Hannah Kalish (address on cover of plan), e-mail, Hannah.Kalish@HASC.net, or calling a designated cell-phone (917)613-2099.

Upon receipt of a question or concern, any supervisor, officer or director shall document the issue at hand and report to the CO. Any questions or concerns relating to potential non-compliance by the CO should be reported immediately to the Executive Management Team.

The CO or designee shall record the information necessary to conduct an appropriate investigation of all complaints. If the employee was seeking information concerning the Code of Ethics or its application, the CO or designee shall record the facts of the call, the nature of the information sought and responds as appropriate. HASC shall, as much as is possible, protect the anonymity of the employee or contractor who reports any complaint or question.

### **III Protections**

The identity of reporters will be safeguarded to the fullest extent possible and will be protected against retribution. Report of any suspected violation of this Plan by following the above shall not result in any retribution. Any threat of reprisal against a person who acts in good faith pursuant to his or her responsibilities under the Plan is acting against the HASC's compliance policy. Discipline, up to and including termination of employment will result if such reprisal is proven.

### **IV Guidance**

Any employee and agent may seek guidance with respect to the Compliance Plan or Code of Conduct at any time by following the reporting mechanisms outlined above.

## **E. Enforcement of Compliance Standards**

---

### **I Background Investigations**

For all employees who have authority to make decisions that may involve compliance issues, HASC will conduct a reasonable and prudent background investigation, including a reference check, as part of every employment application.

### **II Disciplinary Action - General**

Employees who fail to comply with HASC's compliance policy and standards, or who have engaged in conduct that has the potential of impairing the HASC's status as a reliable, honest, and trustworthy service provider will be subject to disciplinary action, up to and including termination. Any discipline will be appropriately documented in the employee's personnel file, along with a written statement of reason(s) for imposing such discipline. The CO shall maintain a record of all disciplinary actions involving the Compliance Plan and report at least quarterly to the Board of Directors regarding such actions.

### **III Performance Evaluation - Supervisory**

HASC's Compliance Program requires that the promotion of, and adherence to, the elements of the Compliance Program be a factor in evaluating the performance of HASC employees and contractors. They will be periodically trained in new compliance policies and procedures. In addition, all managers and supervisors will:

- a. Discuss with all supervised employees the compliance policies and legal requirements applicable to their function.
- b. Inform all supervised personnel that strict compliance with these policies and requirements is a condition of employment.
- c. Disclose to all supervised personnel that HASC will take disciplinary action up to and including termination or revocation of privileges for violation of these policies and requirements.

### **IV Disciplinary Action - Supervisory**

Managers and supervisors will be sanctioned for failure to adequately instruct their subordinates, or for failing to detect noncompliance with applicable policies and legal requirements, where reasonable diligence on the part of the manager or supervisor would have led to the earlier discovery of any problems or violations and would have provided HASC with the opportunity to correct them.

## F. Auditing and Monitoring of Compliance Activities

---

### I Internal Audits

Ongoing evaluation is critical in detecting non-compliance and will help ensure the success of HASC's Compliance Program. An ongoing auditing and monitoring system, implemented by the CO, in consultation with the CC, is an integral component of our auditing and monitoring systems. This ongoing evaluation shall include the following:

- Review of relationships with third-party contractors, specifically those with substantive exposure to government enforcement actions;
- Compliance audits of compliance policies and standards; and
- Review of documentation and billing relating to claims made to federal, state and private payers for reimbursement, performed internally or by an external consultant as determined by CO and CC.

The audits and reviews will examine the HASC's compliance with specific rules and policies through on-site visits, personnel interviews, general questionnaires (submitted to employees and contractors), and student record documentation reviews.

### II Plan Integrity

Additional steps to ensure the integrity of the CP will include:

- Annual review with legal counsel of all records of communications and reports by all employees or contractors kept in accordance with this Plan.
- The CO will be notified immediately in the event of any visits, audits, investigations or surveys by any federal or state HASC or authority, and shall immediately receive a photocopy of any correspondence from any regulatory HASC charged with licensing HASC and/or administering a federally or state-funded programs County- funded program with **Hebrew Academy for Special Children, Inc.** participates.
- Establishment of a process detailing ongoing notification by the CO to all appropriate personnel of any changes in laws, regulations or policies

## **G.Detection and Response**

---

### **I Violation Detection**

The CO, Executive Management Team and the CC shall determine whether there is any basis to suspect that a violation of the CP has occurred.

If it is determined that a violation may have occurred, the matter shall be referred to legal counsel, who, with the assistance of the CO, shall conduct a more detailed investigation. This investigation may include, but is not limited to, the following:

- Interviews with individuals having knowledge of the facts alleged;
- A review of documents; and
- Legal research and contact with governmental agencies for the purpose of clarification.

If advice is sought from a governmental HASC, the request and any written or oral response shall be fully documented.

### **II Reporting**

At the conclusion of an investigation involving legal counsel, he/she shall issue a report to the CO, Executive Management Team, and CC summarizing his or her findings, conclusions and recommendations and will render an opinion as to whether a violation of the law has occurred.

The report will be reviewed with legal counsel in attendance. Any additional action will be on the advice of counsel.

The CO shall report to the CC regarding each investigation conducted.

### **III Rectification**

If HASC identifies that an overpayment was received from any third party payer, the appropriate regulatory (funder) and /or prosecutorial (attorney general/police) authority will be appropriately notified with the advice and assistance of counsel. It is our policy to not retain any funds which are received as a result of overpayments. In instance where it appears an affirmative fraud may have occurred, appropriate amounts shall be returned after consultation and approval by involved regulatory and/or prosecutorial authorities. Systems shall also be put in place to prevent such overpayments in the future.

### **IV Record Keeping**

Regardless of whether a report is made to a governmental HASC, the CO shall maintain a record of the investigation, including copies of all pertinent documentation. This record will be considered confidential and privileged and will not be released without the approval of the Executive Management Team or legal counsel.

## H. CODE OF CONDUCT

---

### **Mission Statement:**

Since 1963, HASC continues to provide high quality education and therapeutic services to children with special needs. Families are an integral component of our education process. Highly structured and individualized, our programs concentrate on the development of the whole child in the least restrictive environment. Progressive vision and traditional leadership enable us to synthesize proven techniques with new and innovative approaches. We are guided by creativity, compassion and motivation as we strive to make a world of difference in the lives of our children.

### **Intent:**

The Hebrew Academy for Special Children, Inc. Code of Conduct (the Code) applies to all employees and independent contractors.

The Code of Conduct was approved by Hebrew Academy for Special Children, Inc. Board of Directors and is a formal statement of the Agency's commitment to the standards and rules of ethical conduct.

The Hebrew Academy for Special Children, is committed to preventing the occurrence of unethical or unlawful behavior, stopping such behavior as soon as possible after discovery, and to discipline employees who violate the Code, including employees who neglect to report a violation.

All employees must comply with this Code, immediately report any alleged violations of wrongdoing, and assist management and compliance personnel in investigating allegations of wrongdoing.

***While these standards addressed in the Code of Conduct are intended to guide employees in the course of their day-to-day responsibilities, they do not replace any Agency or program policies and procedures. There may be instances that are not addressed by the Code of Conduct or existing policies and procedures, or activities that may conflict with these standards. Employees must seek direction from their supervisor, other Agency management staff or the Compliance Officer in these instances.***

## ETHICS

---

It is the policy of Hebrew Academy for Special Children, Inc., to observe all laws and regulations applicable to its business and to conduct business with the highest degree of integrity. To accomplish this, all employees and contractors must obey the laws and regulations that govern their work and always act in the best interest of the people we serve, their families and the Agency.

### **Guidelines For Employees And Contractors:**

- You are expected to keep management staff informed of what you are doing; to document or record all services or transactions accurately; and to be honest and forthcoming with the Agency, regulatory agencies, and internal and external auditors.
- You are expected to comply with the Agency's policies and procedures, accounting rules and internal controls.
- You are expected to function with honesty in your work for the Agency and with people we serve, providers, suppliers and all others with whom the Agency does business.

### **Conflict of Interest**

Employees and contractors must not allow any outside financial interest, or competing personal interest to influence their decisions or actions taken on behalf of the Agency.

Employees and contractors must avoid any situation where a conflict of interest exists or might appear between their personal interests and those of the Agency. The appearance of a conflict of interest may be as serious as an actual conflict of interest.

### **Guidelines For Employees And Contractors:**

It is a conflict of interest for you to personally take for yourself opportunities that are discovered through the use of Agency property, information or position with the Agency; to use Agency property or information for personal gain; or to compete with the Agency.

There are many types of situations where potential conflicts may arise. You must promptly report any actual or potential conflicts of interest to your immediate supervisor or directly to the Compliance Officer.

### **Outside Activities and Employment**

- You may not conduct outside activities during work time. Such activities interfere with your regular duties and negatively impact the quality of your work.
- You are a representative of the Agency in your everyday life and must represent the Agency positively in the community.
- Outside employment must not conflict in any way with your responsibilities to the Agency or its students. You may not compete against **Hebrew Academy for Special Children, Inc.**, work for its competitors, or have any ownership interest in a competitor.



### Use of Agency Funds and Resources

- The Agency's assets are to only be used for the benefit of the Agency and the people we serve. Assets include funds, equipment, inventory and office supplies, but also concepts, business plans and strategies, information about people served, financial information, computer property rights, and other business information about the Agency.
- You may not use Agency assets for personal gain or give them to any other persons or entities, except in the ordinary course of business as part of an approved transaction.

### Confidentiality

- During your employment, you may acquire confidential information about Hebrew Academy for Special Children, its staff and people we serve that must be handled in strict confidence and not discussed with outsiders. The protection of confidential business, staff and student information is very important. (see HASC's Confidentiality Policy)

### Business Dealings between the Agency and Employees

- The Hebrew Academy for Special Children, will not be inappropriately influenced with goods or services from any business in which you or your immediate family members have a substantial interest.
- Property and resources of the Agency should only be used for the benefit of the Agency or the people we serve.

### Maintenance of Records

Employees and contractors must record and report all agency, student and financial information fully, accurately and honestly. Records include, but are not limited to records of the people we serve, documentation of services, accounting books or records, financial statements, timesheets or records, expense reports, vouchers, bills, payroll, claims payment records, correspondence and any other method of communication. Employees or contractors must not omit or conceal any relevant information.

### Guidelines For Employees And Contractors:

Many of the Agency forms are legal documents used to prove that a service was provided, to bill for a service to a student, to record a job task, or to record specific happenings. You must document accurately and honestly, and only for those services that you provided or those events you were involved in.

### Falsification of Records

- You must not make any false entries in any of the Agency's records or in any public record for any reason.
- You may not alter any permanent entries in the Agency's records.
- You may only approve payments or receipts on behalf of the Agency that are described in documents supporting the transaction. "Slush funds" or similar off-book accounts, where there is no accounting for receipts or expenditures on the agency books, are strictly prohibited.

- You may not create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

### **Expense Records**

- You must always charge expenses accurately and to the appropriate cost center or account, regardless of the financial status of the program, project or contract, or the budget status of a particular account or line item.

### **Retention of Records**

- The retention, disposal or destruction of records of or pertaining to the Agency must always comply with legal and regulatory requirements and Agency policy.
- You may not destroy records pertaining to litigation or government investigations or audit without express written approval of the Compliance Officer. (see Retention of Records Policy)

## **PROTECTION OF CONFIDENTIAL INFORMATION**

---

The Agency has developed policies and procedures to assure that the confidentiality of Agency information and information about the people we serve is protected and released only with the appropriate authorization or for lawful reasons,

### **Guidelines For Employees And Contractors:**

You must treat all Agency records and information as confidential.

You may not release confidential information without the proper authorization. Confidential information includes not only information about the people that we serve and their families, but also non-public information about the Agency that maybe of use to the Agency's competitors or harmful to the Agency or its customers if released.

You must protect Agency information and avoid discussing or disclosing Agency information, purposefully or inadvertently (through casual conversation), to any unauthorized person inside or outside the Agency. Furthermore, staff may not share confidential Agency information with anyone, except where required for a legitimate business purpose.

Agency information may not be removed from Agency property without permission from a supervisor or administrator with proper authority over the information. Ask your supervisor if you are not sure whether certain information is confidential.

### **Termination of Employment**

- You may not use any confidential information gained from your employment with the Agency for your or another company's benefit. You may not take copies of any reports, documents or any other property belonging to the Agency.
- Upon termination of employment with the Agency, you must return all Agency property including, but not limited to, copies of documents, notes, and other records containing confidential information; computer disks; Agency ID; keys, credit cards, cell phones, laptops, etc..

### Information Security

- You are responsible for properly using information stored and produced by all of the Agency's computer systems.
- Computers, Internet access, email, or other office communications systems are intended for business-related purposes only and not for uses that may be disruptive, offensive, harassing or harmful to others.
- Do not share your system user name or password with another person or allow another to access the computer with your password.
- All employees and contractors are required to comply with AGENCY's General Policy regarding the confidential Nature of Affairs. If you have any questions concerning information security, contact your immediate supervisor or Compliance Officer.

### **FAIR DEALING**

Conducting business with providers, contractors, suppliers, people we serve, and competitors may pose ethical problems. Employees and contractors are expected to deal fairly with providers, contractors, people we serve, and competitors.

The Code of Conduct and the following guidelines are intended to help you make appropriate, responsible and correct decisions in these and all matters:

#### Kickbacks and Rebate

- Kickbacks and rebates in cash, credit or other form are prohibited. They are not only unethical, but in many cases, illegal.

#### Gifts and Gratuities and Entertainment

- You may not solicit money, gifts, gratitude or any other personal benefits or favors of any kind from providers, contractors, producers, accounts, or people we serve and their families.
- You must not offer or accept entertainment that is not a reasonable addition to a business relationship but is primarily intended to gain favor or to influence a business decision.

#### Agreements With Contractors and Vendors

The Agency must assure that any agreements with contractors and vendors clearly and accurately describe the services to be performed or items to be purchased. Performance standards, and the applicable compensation, if any, must be reasonable in amount, not be excessive in terms of industry practice and must equal the value of the services rendered.

#### Improper Use of Funds or Assets

Use of the Agency's funds or assets for any improper purpose is strictly prohibited. If you are aware of or have reason to believe that funds or assets are being improperly used, you must report this immediately to your supervisor or the Compliance Officer.

## **Federal and State Programs**

---

**The Hebrew Academy for Special Children, Inc.**, is committed to complying with the laws and regulations that govern the federal and state programs that it administers. Policies and procedures, the Compliance Program and this Code of Conduct are developed to provide guidance in your day-to-day work. You must abide by the policies and procedures and the standards set by the Agency.

### **Governmental Investigations**

There may be times that Hebrew Academy for Special Children, is asked to cooperate with an investigation by a federal or state governmental agency, or to respond to a request for information. A request may be formally addressed to Hebrew Academy for Special Children, Inc. or an individual within the Agency. Employees and contractors must report any requests for information or cooperation with an investigation to the Compliance Officer immediately.

### **Political Activities and Contributions**

Because Hebrew Academy for Special Children, Inc. is a non-profit organization, it is prohibited from engaging in any political campaign activities and a “substantial” amount of lobbying.

#### **Guidelines for Employees and Contractors:**

HASC funds and resources, including your work time, may not be used for political contributions or activities.

You may not act as a representative of Hebrew Academy for Special Children, Inc. in any political campaign activity. In expressing your personal political views or support or opposition of a candidate for public office, it must be very clear that you are expressing your personal view, support or opposition as an individual and not a representative of the Agency.

Laws and regulations prohibit a “substantial” amount of lobbying. There are allowances for the Hebrew Academy for Special Children, Inc. to advocate its position on public issues. To assure that Hebrew Academy for Special Children, Inc. does not violate any laws or regulations, or risk losing its tax-exempt status, you must seek prior approval from the Compliance Officer before engaging in any lobbying activities. The Compliance Officer may need to consult with legal counsel on the matter and will need to record the amount of time spent in lobbying activities.

### **Employment Environment**

**The Hebrew Academy for Special Children, Inc.**, is committed to creating a safe and professional workplace where employees and others are treated with respect and without regard to their race, sex, age, religion, national origin, color, marital status, disability, or other protected characteristics. Business integrity, teamwork, trust and respect are the Agency’s most important values. Unlawful discrimination or harassment of any sort violates these values. All Agency employees must exhibit and promote respect, integrity, trust and teamwork in the workplace and must comply with this policy prohibiting discrimination and harassment in all facets of the Agency’s work.

## **Guidelines for Employees and Contractors:**

All employees are required to support Hebrew Academy for Special Children Inc.'s commitment to a safe and professional work environment and to demonstrate appropriate behavior in the workplace.

All employees are prohibited from joking about another employee's race, sex, age, religion, national origin, color, marital status, disability, or other protected characteristics.

All employees are prohibited from considering someone's race, color, religion, sex, national origin, age, disability, or other protected characteristic in making decisions about hiring, placement, assignment of duties, training, promotion, termination, compensation, benefits and other work terms.

Sexual harassment is prohibited. Sexual harassment includes any form of unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual or sex-based nature.

You are responsible for understanding Hebrew Academy for Special Children, Inc.'s policy prohibiting discrimination and sexual harassment. You should consult with an appropriate supervisor or administrator if you have questions about your right to a workplace free from unlawful harassment or discrimination or if you have questions about your duty to avoid discrimination.

## **Seeking Guidance and Reporting Violations**

Employees and contractors must report any actual or suspected violations of this Code of Conduct, any applicable law or regulation, or any Agency policy and procedure to their immediate supervisor or the Compliance Officer. A Compliance Hotline is also available for confidential or anonymous reporting of such issues (718-686-5954). The compliance Hotline is open between the hours of 9:30am-5:00pm (a message can be left at any time and will be answered promptly). When an actual or suspected violation of this Code of Conduct, any applicable law or regulation, or any Agency policy and procedure is reported to any Agency employee, it must be promptly referred to the Compliance Officer. Steps will be taken to protect confidentiality and anonymity, when appropriate and warranted. The Agency will not tolerate any form of retaliation against a person who makes a good-faith report in accordance with this Code of Conduct.

All employees and contractors must cooperate fully and honestly in any investigation into a reported violation of this Code of Conduct, any applicable law or regulation, Agency policy, procedure or practice.

## **Corrective Action and/or Discipline**

Any employee or contractor who violates or knowingly fails to report any violation of this Code of Conduct, any applicable law or regulation, Agency policy, procedure or practice is subject to appropriate disciplinary action, up to and including termination.

Disciplinary action may range from a warning to suspension or discharge, depending upon the nature of the incident and the relevant surrounding circumstances.

## I. POLICY AND PROCEDURE

---

### EMPLOYEE COMPLIANCE TRAINING

#### **Purpose:**

The development and implementation of regular, effective education and training seminars for employees is an integral part of the compliance program. Compliance education is divided into two general components. First, all employees must receive an introduction to the compliance program. Second, employees whose work is linked to identified risk areas should receive specialized compliance education pertaining to their function and responsibilities.

#### **Policy:**

1. All employees, including new hires, will receive training related to the organization's overall compliance program.
2. Employees in identified risk areas and members of the Board of Directors will receive more detailed education related to their function and responsibilities.
3. Attendance at training sessions is mandatory and is a condition of continued employment or contracting.

#### **Procedures:**

1. The Compliance Officer is responsible for developing the compliance education curriculum and monitoring and ensuring that compliance training and orientation meet the policy standards on this subject.
2. Compliance education seminars must include an explanation of the structure and operation of the compliance program. They will introduce the Compliance Officer to the organization.
3. Compliance education seminars, at a minimum, will include information on the following aspects of the compliance program:
  - Code of Conduct and other related written guidance;
  - False Claims Act;
  - Communication channels (Employee Hotline);
  - Organizational expectations for reporting problems and concerns; and
  - Non-retaliation policy.
4. Comprehensive education materials will be developed to facilitate the compliance sessions and ensure that a consistent message is delivered to all employees. Education protocols and materials must be standardized, so as to evidence that everyone attending a seminar receives the same instruction.
5. As part of his or her initial orientation, each employee and contractor shall receive a training session within the first thirty (30) days of employment or contracting. Each employee and contractor will receive an introduction to HASC compliance program and objectives, and a written copy of the Code of Conduct, compliance plan and compliance policies. Each new

employee or contractor will sign an acknowledgement that they are aware of and will abide by the Corporate Compliance Program and Code of Conduct.

6. All existing employees will receive a training session at least once per year that includes a review of the existing Corporate Compliance Program, the Code of Conduct, and any applicable policies and procedures. The session will also focus on any changes in federal or state laws and regulations.
7. All education and training relating to the Corporate Compliance Program will be verified by attendance and a signed acknowledgement of receipt of training. The individual conducting the training will take attendance at all training sessions through the use of a sign-in sheet that records the date, start and end time of the session and the content of the material presented. The Compliance Officer will maintain a file of attendance forms for all training sessions.
8. Employees will be provided with the opportunity to seek clarification or more information on any aspect of the compliance program. Trainers who are not able to answer specific questions will arrange for follow-up to be conducted by the Compliance Officer or member of senior management.
9. Only properly trained individuals will be used to provide compliance education and training seminars. Compliance program trainers must be knowledgeable of the (a) compliance program; (b) applicable federal laws and regulations; (c) requirements of the Federal Sentencing Guidelines; (d) relevant organization policies/procedures; (e) operations of the compliance program; and (f) content of the Code of Conduct.
10. The Compliance Officer is responsible for coordinating with management to ensure that specialized compliance education occurs in identified risk areas.
11. Managers shall assist the Compliance Officer in identifying areas that require specific training and are responsible for communication of terms of the compliance plan to all independent contractors doing business with the agency.
12. The Compliance Officer is also responsible for submitting periodic reports to the Corporate Compliance Committee and Board of Directors on all education seminars related to the compliance program.

## **ENFORCEMENT OF COMPLIANCE STANDARDS**

HASC is committed to conducting its business ethically and in conformance with all federal and state laws, regulations, interpretations thereof, and the Agency's Code of Conduct. To support this commitment, HASC has developed procedures for disciplinary actions to be taken for violations of the Corporate Compliance Program and/or Code of Conduct by employees and/or independent contractors.

### **Policy:**

1. Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program, the Code of Conduct, or the Agency's policies and procedures will be subject to appropriate disciplinary action, up to and including termination.
2. The following actions may result in disciplinary action:
  - Authorization of or participation in actions that violate the law, regulations and Corporate Compliance Program, including the Code of Conduct, and all related policies and procedures;
  - Failure to report a violation by a peer or subordinate;
  - Failure to cooperate in an investigation;
  - Retaliation against an individual for reporting a possible violation or participating in an investigation; and
  - Failure to act as an honest, reliable and trustworthy service provider.
3. Discipline will be appropriately documented in the disciplined employee's personnel file (or in the independent contractor's file), along with a written statement of reason(s) for imposing such discipline. Such documentation will be considered during regular and promotional evaluations.
4. The Compliance Officer and Director of Human Resources will be responsible for assuring that disciplinary actions related to non-compliance with the law, regulations and Corporate Compliance Program, including the Code of Conduct, are consistent with actions taken in similar instances of non-compliance.

### **Procedures:**

1. **HASC** shall apply progressive discipline consistent with the violation. Examples of the disciplinary action that may be taken in accordance with the nature and scope of the infraction include but are not limited to: (a) verbal counseling or warning; (b) counseling with written warning; (c) retraining; (d) reassignment or demotion; (e) suspension without pay; and (f) termination of employment (or arrangement with an independent contractor).
2. To the extent possible, disciplinary action will be taken in accordance with the Agency's Human Resource Personnel Policy.
3. When the determination is made that a compliance violation has occurred, the Compliance Officer will notify the Executive Management Team and the individual's supervisor or representative for independent contractors. If appropriate, the Compliance Officer may notify



the Board or the Corporate Compliance Committee before the next regularly scheduled meeting when a full report of compliance-related disciplinary actions would normally be presented.

4. The Compliance Officer and Director of Human Resources shall work in collaboration with the appropriate supervisor/manager in determining disciplinary action related to an instance of non-compliance. The Compliance Officer shall have the discretion to recommend a disciplinary process other than the normal procedure.
5. The Compliance Officer and/or Director of Human Resources shall consult with the Corporate Compliance Committee, the Executive Management Team, and Inside or Outside Legal Counsel, as necessary to determine the appropriate disciplinary action to be taken.
6. The Director of Human Resources is responsible for reporting disciplinary actions taken as a result of violations of HASC's Code of Conduct and/or Corporate Compliance Program to the Compliance Officer.
7. The Compliance Officer will maintain a written record of disciplinary actions, including verbal warnings, and will reference these records when necessary to ensure consistency in application of disciplinary measures.
8. The Compliance Officer shall maintain a record of all disciplinary actions, including verbal warnings, related to compliance violations and report regularly to the Corporate Compliance Committee and not less than annually to the Board of Directors, regarding such actions.
9. The Compliance Officer will reference the record of disciplinary actions as necessary to ensure consistency in the application of disciplinary measures related to compliance violations.

## **FALSE CLAIMS ACT AND WHISTLEBLOWER PROVISIONS**

**Hebrew Academy for Special Children, Inc.** is committed to prompt, complete and accurate billing of all services provided to individuals. Hebrew Academy for Special Children, Inc. and its employees, contractors and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager that results in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.

It is the policy of **Hebrew Academy for Special Children, Inc.** to detect and prevent fraud, waste and abuse in federal healthcare programs in accordance with the False Claims Act. This policy applies to all employees, including management, and all contractors and agents.

In the event that an employee or contractor become aware of an individual in the company committing any fraudulent act or falsifying records or any other wrong doing the following steps should be taken:

1. The individual should report it to their supervisor or directly to the compliance officer by calling her directly or using the compliance Hotline.
2. All allegations will be subject to a full scale investigation.
3. In the event that it is determined that fraudulent activities occurred, the following agencies will be notified: NYS DOH; NYC BEI; Office of Medicaid Inspector General.

### Overview of the False Claims Act:

The False Claims Act, 31 U.S.C. § 3729 *et seq.*, is a federal law designed to prevent and detect fraud, waste and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who “knowingly” submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of \$5,500 to \$11,000 for each false claim submitted.

The law was revised in 1986 to expand the definition of “knowingly” to include a person who:

- Has actual knowledge of falsity of information in the claim;
- Acts in deliberate ignorance of the truth or falsity of the information in the claim; and
- Acts in reckless disregard of the truth or falsity of the information in a claim.

False Claims suits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a false claim. Some examples include knowingly making false statements, falsifying records, submitting claims for services never performed or items never furnished, double-billing for items or services, using false records or statements to avoid paying the Government, or otherwise causing a false claim to be submitted.

## Whistleblower Or “QUI TAM” Provisions

In order to encourage individuals to come forward and report misconduct involving false claims, the False Claims Act contains a “Qui Tam” or whistleblower provision.

The Government, or an individual citizen acting on behalf of the Government, can bring actions under the False Claims Act. An individual citizen, referred to as a whistleblower or “Relator,” who has actual knowledge of allegedly false claims may file a lawsuit on behalf of the U.S. Government. If the lawsuit is successful, and provided certain legal requirements are met, the whistleblower may receive an award ranging from 15% - 30% of the amount recovered.

The False Claims Act prohibits discrimination by **Hebrew Academy for Special Children, Inc.** against any employee for taking lawful actions under the False Claims Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in False Claims actions is entitled to relief. Such relief may include reinstatement, double back pay, and compensation for any special damages.

### **Policy:**

1. **HASC** will provide training in this policy and procedure to all its employees, contractors and agents. This training will be provided to all new employees as part of the new employee orientation.
2. **HASC** will perform billing activities in a manner consistent with the regulations and requirements of third party payors, including Medicaid and Medicare.
3. **HASC** will conduct regular auditing and monitoring procedures as part of its efforts to assure compliance with applicable regulations.
4. Any employee, contractor or agency that has any reason to believe that anyone is engaging in false billing practices or false documentation of services is expected to report the practice according to Hebrew Academy for Special Children, Inc.’s Reporting of Compliance Concerns and Non-Retaliation Policy and Procedure.
5. Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited.
6. Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.

### **Procedures:**

1. The Compliance Officer will ensure that all employees and agents receive training related to the contents of this policy and the False Claims Act. The Compliance Officer will ensure that records are maintained to document the receipt of training.
2. The Compliance Officer will assure that this policy and procedure is attached to any contract with outside contractors or agents.
3. In the event that it is determined that fraudulent activity occurred, the following agencies will be notified: NYS DOH; NYC BEI; Office of Medicaid Inspector General and all other oversight agencies.

## J. FEDERAL & NEW YORK STATUTES RELATING TO FILING FALSE CLAIMS

---

### I FEDERAL LAWS

#### **False Claims Act (31 USC §§3729-3733)**

The False Claims Act ("FCA") provides, in pertinent part, that:

(a) Any person who (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States a false or fraudulent claim for payment or approval; (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; (3) conspires to defraud the Government by getting a false or fraudulent claim paid or approved by the Government;. . . or (7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government,

\*\*\*

is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person . . . .

(b) For purposes of this section, the terms "knowing" and "knowingly" mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.

31 U.S.C. § 3729. While the False Claims Act imposes liability only when the claimant acts "knowingly," it does not require that the person submitting the claim have actual knowledge that the claim is false. A person who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information, also can be found liable under the Act. 31 U.S.C. 3729(b).

In sum, the False Claims Act imposes liability on any person who submits a claim to the federal government that he or she knows (or should know) is false. An example may be a physician who submits a bill to Medicare for medical services she knows she has not provided. The False Claims Act also imposes liability on an individual who may knowingly submit a false record in order to obtain payment from the government. An example of this may include a government contractor who submits records that he knows (or should know) is false and that indicate compliance with certain contractual or regulatory requirements. The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called "reverse false claim" may include a hospital who obtains interim payments from Medicare throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicare program.

In addition to its substantive provisions, the FCA provides that private parties may bring an action on behalf of the United States. 31 U.S.C. 3730 (b). These private parties, known as “qui tam relators,” may share in a percentage of the proceeds from an FCA action or settlement.

Section 3730(d)(1) of the FCA provides, with some exceptions, that a qui tam relator, when the Government has intervened in the lawsuit, shall receive at least 15 percent but not more than 25 percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action. When the Government does not intervene, section 3730(d)(2) provides that the relator shall receive an amount that the court decides is reasonable and shall be not less than 25 percent and not more than 30 percent.

### **Administrative Remedies for False Claims (31 USC Chapter 38. §§ 3801 – 3812)**

This statute allows for administrative recoveries by federal agencies. If a person submits a claim that the person knows is false or contains false information, or omits material information, then the agency receiving the claim may impose a penalty of up to \$5,000 for each claim. The agency may also recover twice the amount of the claim.

Unlike the False Claims Act, a violation of this law occurs when a false claim is submitted, not when it is paid. Also unlike the False Claims Act, the determination of whether a claim is false, and the imposition of fines and penalties is made by the administrative agency, not by prosecution in the federal court system.

## **II NEW YORK STATE LAWS**

New York’s false claims laws fall into two categories: civil and administrative; and criminal laws. Some apply to recipient false claims and some apply to provider false claims, and while most are specific to healthcare or Medicaid, some of the “common law” crimes apply to areas of interaction with the government.

### **A. CIVIL AND ADMINISTRATIVE LAWS**

#### **NY False Claims Act (State Finance Law, §§187-194)**

The NY False Claims Act closely tracks the federal False Claims Act. It imposes penalties and fines on individuals and entities that file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. The penalty for filing a false claim is \$6,000 - \$12,000 per claim and the recoverable damages are between two and three times the value of the amount falsely received. In addition, the false claim filer may have to pay the government’s legal fees.

The Act allows private individuals to file lawsuits in state court, just as if they were state or local government parties. If the suit eventually concludes with payments back to the government, the person who started the case can recover 25-30% of the proceeds if the government did not participate in the suit or 15-25% if the government did participate in the suit.

### **Social Services Law §145-b False Statements**

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate concealment or other fraudulent scheme or device. The State or the local Social Services district may recover three times the amount incorrectly paid. In addition, the Department of Health may impose a civil penalty of up to \$2,000 per violation. If repeat violations occur within 5 years, a penalty up to \$7,500 per violation may be imposed if they involve more serious violations of Medicaid rules, billing for services not rendered or providing excessive services.

### **Social Services Law §145-c Sanctions**

If any person applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, the person's, the person's family's needs are not taken into account for 6 months if a first offense, 12 months if a second (or once if benefits received are over \$3,900) and live years for 4 or more offenses.

## **B. CRIMINAL LAWS**

### **Social Services Law §145 Penalties**

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

### **Social Services Law § 366-b, Penalties for Fraudulent Practices.**

- a. Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation or other fraudulent means is guilty of a Class A misdemeanor.
- b. Any person who, with intent to defraud, presents for payment and false or fraudulent claim for furnishing services, knowingly submits false information to obtain greater Medicaid compensation or knowingly submits false information in order to obtain authorization to provide items or services is guilty of a Class A misdemeanor.

### **Penal Law Article 155, Larceny.**

The crime of larceny applies to a person who, with intent to deprive another of his property, obtains, takes or withholds the property by means of trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. It has been applied to Medicaid fraud cases.

- a. Fourth degree grand larceny involves property valued over \$1,000. It is a Class E felony.
- b. Third degree grand larceny involves property valued over \$3,000. It is a Class D felony.
- c. Second degree grand larceny involves property valued over \$50,000. It is a Class C felony.
- d. First degree grand larceny involves property valued over \$1 million. It is a Class B felony.

### **Penal Law Article 175, False Written Statements.**

Four crimes in this Article relate to filing false information or claims and have been applied in Medicaid fraud prosecutions:

- a. §175.05, Falsifying business records involves entering false information, omitting material information or altering an enterprise's business records with the intent to defraud. It is a Class A misdemeanor.
- b. § 175.10, Falsifying business records in the first degree includes the elements of the §175.05 offense and includes the intent to commit another crime or conceal its commission. It is a Class E felony.
- c. §175.30, Offering a false instrument for filing in the second degree involves presenting a written instrument (including a claim for payment) to a public office knowing that it contains false information. It is a Class A misdemeanor.
- d. §175.35, Offering a false instrument for filing in the first degree includes the elements of the second degree offense and must include an intent to defraud the state or a political subdivision. It is a Class E felony.

### **Penal Law Article 176, Insurance Fraud,**

Applies to claims for insurance payment, including Medicaid or other health insurance and contains six crimes.

- a. Insurance Fraud in the 5th degree involves intentionally filing a health insurance claim knowing that it is false. It is a Class A misdemeanor.
- b. Insurance fraud in the 4th degree is filing a false insurance claim for over \$1,000. It is a Class E felony.
- c. Insurance fraud in the 3rd degree is filing a false insurance claim for over \$3,000. It is a Class D felony.
- d. Insurance fraud in the 2nd degree is filing a false insurance claim for over \$50,000. It is a Class C felony.
- e. Insurance fraud in the 1st degree is filing a false insurance claim for over \$1 million. It is a Class B felony.
- f. Aggravated insurance fraud is committing insurance fraud more than once. It is a Class D felony.

### **Penal Law Article 177, Health Care Fraud,**

Applies to claims for health insurance payment, including Medicaid, and contains five crimes:

- a. Health care fraud in the 5th degree is knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions. It is a Class A misdemeanor.
- b. Health care fraud in the 4th degree is filing false claims and annually receiving over \$3,000 in aggregate. It is a Class E felony.
- c. Health care fraud in the 3rd degree is filing false claims and annually receiving over \$10,000 in the aggregate. It is a Class D felony.
- d. Health care fraud in the 2nd degree is filing false claims and annually receiving over \$50,000 in the aggregate. It is a Class C felony.
- e. Health care fraud in the 1st degree is filing false claims and annually receiving over \$1 million in the aggregate. It is a Class B felony.

### **III WHISTLEBLOWER PROTECTION**

#### **Federal False Claims Act (31 U.S.C. §3730(h))**

The FCA provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. 31 U.S.C. 3730(h). Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

#### **NY False Claim Act (State Finance Law §191)**

The False Claim Act also provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the Act. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.



### **New York Labor Law §740**

An employer may not take any retaliatory action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that the employer is in violation of a law that creates a substantial and specific danger to the public health and safety or which constitutes health care fraud under Penal Law §177 (knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions). The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

### **New York Labor Law §741**

A health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care. The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.