



CORPORATE COMPLIANCE INTERNAL AUDIT

FRAUD, WASTE & ABUSE (FWA) PREVENTION AND DETECTION POLICY

Policy #: 104.02	Original date: January 1, 2006 Revision date(s): 7/31/09, 12/5/11, 4/24/12, 2/19/13, 2/24/14, 2/19/15, 2/3/17, 1/29/18, 3/25/19, 2.28.20, 3/12/20, 3/9/21,3/23/22,3/29/23, 3/4/24 Review date(s): 4/26/16, 2/7/17																				
<table border="0"> <tr> <td data-bbox="201 814 349 848">Approvals</td> <td data-bbox="560 806 678 823" style="font-size: small;">DocuSigned by:</td> <td data-bbox="542 831 760 873"><i>Velinda Brown</i></td> <td data-bbox="1149 842 1260 867">3/6/2024</td> </tr> <tr> <td data-bbox="201 877 488 907">Signature Policy Owner:</td> <td data-bbox="560 884 711 900" style="font-size: small;">366C9C5DB08649B...</td> <td colspan="2" data-bbox="1008 877 1354 907">Date: _____</td> </tr> <tr> <td colspan="4" data-bbox="201 911 1240 940">Policy Owner Printed Name: Velinda Brown, Senior Director of Fraud, Waste and Abuse</td> </tr> <tr> <td data-bbox="201 995 500 1024">Signature Senior Leader:</td> <td data-bbox="646 932 764 949" style="font-size: small;">DocuSigned by:</td> <td data-bbox="628 957 813 999"><i>James Gentile</i></td> <td data-bbox="1154 968 1268 993">3/6/2024</td> </tr> <tr> <td colspan="2" data-bbox="201 1008 500 1037">Senior Leader Printed Name: James Gentile, Sr. Vice President, Chief Compliance Officer</td> <td colspan="2" data-bbox="646 1008 792 1024" style="font-size: small;">B104712CD4CD477...</td> </tr> </table>		Approvals	DocuSigned by:	<i>Velinda Brown</i>	3/6/2024	Signature Policy Owner:	366C9C5DB08649B...	Date: _____		Policy Owner Printed Name: Velinda Brown, Senior Director of Fraud, Waste and Abuse				Signature Senior Leader:	DocuSigned by:	<i>James Gentile</i>	3/6/2024	Senior Leader Printed Name: James Gentile, Sr. Vice President, Chief Compliance Officer		B104712CD4CD477...	
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I. PURPOSE

The purpose of this policy is to explain Fallon Community Health Plan ("Fallon Health"), commitment that activities be conducted in a lawful and ethical manner. Fallon Health controls fraud, waste, and abuse of its and others' assets through prevention, detection, and correction of any violation of applicable Federal or State law, regulatory requirement, contractual obligation, or organizational policy reference.

Anyone who suspects fraud and abuse activity should report such activity.

II. SCOPE

This policy applies to all employees of Fallon Health and any other persons whose conduct in the performance of work for Fallon Health, is under the direct control of Fallon Health.

Throughout this policy, unless otherwise indicated, Fallon Health includes all subsidiaries and affiliated organizations.

III. RESPONSIBILITY

The Senior Director of Internal Audit (IA) Fraud, Waste and Abuse (FWA) is the owner of this policy. As such, it is the Director's, or their designee's, responsibility to provide guidance and oversight on the implementation of this policy, and to monitor compliance with this policy.

This policy shall be reviewed by the Compliance Committee annually or as needed.

IV. DEFINITIONS

Fraud

"Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit or payment, unlawful gain, or unfair gain. It includes any act that constitutes fraud under applicable Federal or State law. (42 CFR § 455.2) Examples of fraud include, but are not limited to: a provider billing for services or supplies that were not provided; or a member knowingly sharing their ID card with a non-member in order to obtain services.

Waste

"Waste" includes incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls. This could be the overutilization of services or other practices that directly or indirectly results in unnecessary costs to the health care system. Examples of waste include, but are not limited to: paying duplicate claims, a mail order pharmacy sending medications to members without first confirming the member still needs them; or a physician ordering excessive diagnostic tests

Abuse

"Abuse" means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in unnecessary costs to the health plans and programs, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in unnecessary cost. An example of abuse includes a medical professional providing treatment to a patient that is inconsistent with the diagnosis; or misusing codes and modifiers on a claim such as upcoding or unbundling codes.

V. DESCRIPTION

Health care fraud is a crime. It is the policy of Fallon Health that detecting and preventing fraud, waste, and abuse is the responsibility of everyone including employees, contractors, and business partners (including First Downstream Related Entities (FDRs) and members of the Board of Directors. It is further the policy of Fallon Health that IA will protect its corporate assets and the interests of our employees, its members, employers, and providers against those who knowingly and willfully commit fraud or other wrongful acts.

Fallon Health has established and maintained a Compliance Program that is the foundation for promoting regulatory compliance ethical conduct; as well as preventing, detecting and resolving non-compliant and illegal conduct, including Fraud, Waste and Abuse (FWA) committed by Fallon Health employees or by those outside of the company. Fallon Health's FWA program is a key component of the annual Compliance Work Plan and IA Plan. The Chief Compliance Officer (CCO) and Senior Director of IA and FWA will review the Compliance Work Plan and

applicable sections of the IA & FWA Plan, respectively, with the internal Compliance Committee at least annually.

At each Compliance Committee meeting, the CCO and the Senior Director of IA & FWA will provide updates regarding prevention and detection activities. The CCO presents the Compliance Work Plan and the Director of FWA presents FWA activity and updates that may include training and awareness programs that promote commitment to ethical conduct for all employees, contracted providers, and FDRs. Updates are presented to the Compliance Committee and to the Audit and Compliance Committee, members of the board, at least annually.

Fallon Health does not tolerate fraud, waste and abuse being perpetrated against the Company. A culture of compliance, appropriate tone at the top, and a comprehensive fraud, waste and abuse prevention and detection policy minimize fraud risk within an organization. Open lines of communication and training of employees, volunteers, contractors, and FDR's regarding fraud, waste and abuse prevention and detection are key components of Fallon Health's Compliance Plan.

Fallon Health employees, contractors, and business partners (including FDRs) and members of the Board of Directors can report any suspicious activity, compliance issue or questions, including fraudulent or abusive activity to a supervisor, manager, IA, Compliance, Human Resources, CEO, CCO or to Board members. Concerns can be reported face-to-face, email, or anonymously by calling the Compliance Hotline, 1-888-203-5295, which is available 24 hours a day, 7 days a week. Concerns may also be sent via an email to Compliance@fallonhealth.org or to InternalAudit-FWAInquiries@fallonhealth.org, and FDR's may also report issues to their Vendor Relationship Manager or by sending an email to "ComplianceBlast@fallonhealth.org".

Fallon Health does not tolerate retaliation or retribution for raising or reporting a compliance-related issue or concern. All employees are required to speak up to reinforce an open and honest work environment. See 102.11 "Non-Retaliation (Whistleblower) Protection Policy.

VI. REFERENCES

42 CFR § 455.2, 42 CFR § 422.503, 422.504 and 42 CFR 423.405, Part C and D requirements for health plans, Prescription Drug Benefit Manual, Medicare Managed Care, OIG Compliance Program Guidance for Medicare + Choice Organizations, Federal Sentencing Guidelines, NCQA, MassHealth Program Requirements, SCO Program Requirements, Medicare-Medicaid Plan Guidance, Federal Medicaid Statute False Claims guidance found at 42 USC 1396a(a)(68), and contractual requirements as necessary.

VII. DOCUMENTATION REFERENCED

104.02PR FWA Procedure
 104.03 False Claim Act Policy
 102.14PR Corporate Compliance Program
 102.01 Reporting Potential Issues or Areas of Non-Compliance
 503.13 Routine Monitoring and Auditing
 102.11 Non-Retaliation (Whistleblower Protections) Policy