I. Policy Statement and Purpose

This policy sets forth Moda Health’s corporate plan for fraud, waste and abuse prevention, detection, and reporting, and applies to all Moda Health employees, agents, and contractors. It is the policy of Moda Health that its employees, agents, and contractors comply with all applicable provisions of federal and state laws and regulations regarding the detection and prevention of fraud, waste and abuse. Moda Health has internal controls and procedures designed to prevent and detect potential fraud, waste and abuse activities by groups, members, providers and employees.

This plan includes operational policies and controls in areas such as claims, prior authorization, utilization management and quality review, member complaint and grievance resolution, practitioner credentialing and contracting, practitioner and Moda Health employee education, human resource policies and procedures and corrective action plans to address fraud, waste and abuse activities. Moda Health reviews and revises this policy, as necessary, on an annual basis.

The Moda Health Special Investigations Unit (SIU) investigates all incidents of suspected Fraud, Waste, and Abuse (FWA) and coordinates with the Medicare Compliance Officer (MCO) when FWA has been identified.

II. Definitions

A. Abuse- An activity or practice undertaken by a member, practitioner, employee, or contractor that is inconsistent with sound fiscal, business or medical/dental practices and results in
unnecessary cost to Moda Health, reimbursement for services that are not medically necessary, or that fails to meet professionally recognized standards for health care.

B. **Fraud** - Is conduct that involves intentional deception or misrepresentation, knowingly making a false claim, or other intentional or willful deception or misrepresentation, known to be false or otherwise unlawful or improper, in order to receive some unauthorized benefit.

C. **Waste** - The extravagant, careless, or unnecessary utilization of or payment for health care services.

**III. Fraud, Waste, and Abuse Detection and Prevention Process**

Moda Health’s plan to detect and prevent fraud, waste, and abuse is comprised of internal activities and controls.

Moda Health maintains the following activities and controls within various departments to promote effective utilization of dental/medical resources and/or identify potential fraud, waste, or abuse occurrences (not inclusive):

- a. Information system claims edits such as appropriateness of services and level(s) of care, reasonable charges, and potential excessive over-utilization.
- b. Post-processing review of claims and other claim analytics.
- c. Practitioner credentialing and re-credentialing policies and procedures, including on-site reviews.
- d. Prior authorization policies and procedures (member eligibility verification, medical necessity, appropriateness of service requested, covered service verification, appropriate referral).
- e. Utilization management practices, as delineated in Moda Health’s Utilization Management Plan for prior authorization, concurrent review, discharge planning, retrospective review.
- f. Quality improvement practices, as delineated in Moda Health’s Quality Improvement Plan.
- g. Dental/medical claims review such as appropriateness of services and level(s) of care, reasonable charges, and potential excessive over-utilization.
- h. As circumstances warrant, referrals from committees such as Quality Improvement Operations, Dental Quality Improvement, Credentialing, and Pharmacy & Therapeutics Committees.
- i. Practitioner and member handbooks language regarding the reporting of potential fraud, waste and abuse.
- j. Employee training regarding potential fraud, waste and abuse occurrences, detection and reporting. Such training occurs at least annually and is a part of the orientation for new employees.
- k. Training of contracted providers. First tier, downstream, and related entities who have met the fraud, waste, and abuse certification requirements through enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) are deemed to have met the training and educational requirements for fraud, waste, and abuse.
I. Monitoring of practitioner and member complaints and grievances.

m. With respect to OHP (Oregon Health Plan) members, confirmation with a statistically valid portion of the population that services as billed by the provider were actually received by the member. As part of this process, Moda Health sends member verification letters to OHP members and performs follow-up if a timely response is not received.

IV. Primary Contact

Moda employs a Medicare Compliance Officer who reports to the Director of Legal and Regulatory Affairs. The Compliance Officer has direct access to management personnel of all operations of the company, to the Chief Executive Officer and to the Board of Directors. The Compliance Officer shall report any material issues of fraud, waste and abuse to the Board. The Compliance Officer must be an employee of Moda Health.

V. Applicability of the Plan to Agents and Contractors

Moda Health’s agents and contractors are required to comply with Moda Health’s policies and procedures. Moda Health provides agents, contractors and subcontractors with its written standards of conduct, as well as their written policies and procedures which:

a. Promote the commitment to compliance by the agent or contractor;

b. Requires the agent and contractor to address specific areas of potential fraud, such as claims submission process, and financial relationships with its employees and permitted subcontractors;

c. Provide detailed information about the False Claims Act established under sections 3729 through 3733 of title 31, United States Code, administrative remedies for false claims and statements established under chapter 38 of title 31, United States Code, any Oregon laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs (as defined in 42 USC 1320a-7b);

d. Provide as part of Moda Health’s written policies, detailed provisions regarding the agent’s or contractor’s policies and procedures for detecting and preventing fraud, waste and abuse; and

e. Include in any employee handbook for the agent or contractor a specific discussion of the laws described in subsection (c) of this section, the rights of employees to be protected as whistleblowers, and the entity’s policies and procedures for detecting and preventing fraud, waste and abuse.

VI. Reporting Suspected Fraud, Waste, and Abuse

Each Moda Health employee, agent, and contractor has an obligation to report suspected fraud, waste, or abuse, regardless of whether such wrongful actions are undertaken by a peer, supervisor, contractor, provider, or member. When an employee suspects fraud, waste or abuse, the employee must do one of the following: (1) submit an anonymous report through Ethics Point at www.EthicsPoint.com or telephonically at (866) 294-5591; (2) report to his/her supervisor and/or manager; (3) email the report to StopFraud@modahealth.com; or (4) complete a Fraud & Abuse
Incident Referral Form (used only if the alleged activity involves a member or a provider) and submit it to StopFraud@modahealth.com. Moda Health agents, contractors or other parties wishing to report suspected fraud, waste or abuse may submit a report through stopfraud@modahealth.com or through the SIU Fraud Hotline at (855) 801-2991. This will ensure the confidentiality of the report. To submit an anonymous report, Moda’s delegates, contractors, or other parties wishing to report suspected fraud, waste, or abuse may use the EthicsPoint hotline at 866-294-5591 or online report form at www.EthicsPoint.com.

VII. Fraud, Waste, and Abuse Investigations

When conducting investigations the SIU has the right to access practitioner, member, and employee records necessary to audit or conduct an investigation into allegations of fraud, waste, or abuse. This right to audit or inspect does not extend to information subject to legal privilege.

The following summary provides an overview of the steps taken when the SIU receives a report of suspected fraud, waste or abuse, though additional steps may be necessary depending upon the circumstances of each case.

a. Member or Provider Fraud- When member fraud, waste or abuse is reported, upon receipt of Referral Form (See Attachment A) or other communication, the Moda Health SIU shall perform an audit of the relevant materials to determine if a preliminary case of fraud, waste or abuse is detected. As part of this audit, the SIU may:
   i. Review member demographic or provider database information.
   ii. Review member claims or other claims submitted by the provider to identify existence and scope of possible fraudulent activity.
   iii. Contact other Moda Health departments for relevant information or obtain necessary information from outside sources, including the billing or treating provider.
   iv. Analyze encounter data, billing, medical/dental procedure coding or other information as circumstances warrant to develop data for further analysis and decision.
   v. The SIU may determine that a desk audit or onsite audit is necessary based on the egregiousness of the material facts.
   vi. Review assembled case file information and make referral assessment decision. If the circumstances and data warrant referral to an outside entity, the SIU will forward information to the appropriate city, county, state or federal regulatory agencies, or forward OHP plan information to the DMAP Medicaid Fraud Control Unit, the DHS Audit Unit or the appropriate state or federal regulatory agency. If circumstances and data do not warrant referral, a summary of the non-referral decision factors will be included in the file and the case will be closed.
   vii. Provide feedback to originator and management, as appropriate.

b. Employees- If an employee, agent or contractor suspects that an Moda Health employee has engaged in fraud, waste or abuse, the individual should immediately report the incident to the employee’s Supervisor (if known) or to the Moda Health Human Resources department. Such reports may also be submitted through EthicsPoint at (866) 294-5591 or www.ethicspoint.com. Appropriate disciplinary action, up to and including immediate termination of employment, is taken against employees who have violated Moda Health fraud, waste and abuse policies, applicable statutes, regulations, or Federal or State health care program requirements.
VIII. Confidentiality of Investigation

a. Information identified, researched or obtained for or as part of a suspected fraud, waste or abuse investigation is considered confidential. Any information used and/or developed by participants in the investigation of a potential fraud, waste, and abuse occurrence is maintained solely for this specific purpose and no other.

b. Moda Health assures the anonymity of complaints to the extent permitted by law.

c. Moda Health is responsible for maintaining the confidentiality of all potential fraud, waste, and abuse information identified, researched or obtained, in accordance with the terms and conditions of Moda Health’s Confidentiality Policy.

IX. Non-Retaliation

Moda Health will not permit or tolerate any form of retaliation or intimidation towards an individual who, in good faith, reports an incident of suspected fraud, waste or abuse, including but not limited to reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to appropriate officials. Any employee who attempts to retaliate against or intimidate an individual who has reported suspected fraud, waste or abuse will be subject to disciplinary action up to and including termination of employment. If an agent or contractor of Moda Health commits the act of retaliation or intimidation, the continued participation of such agent or contractor of Moda Health will be evaluated and, if warranted, the relationship with such agent or contractor will be terminated.

X. Corrective Action Plans

In the event that fraud, waste or abuse is discovered, Moda Health must develop a corrective action plan designed to correct or eliminate the cause of the fraud. In certain instances, Moda Health may need to work with, and obtain approval from, appropriate external agencies in developing the scope of any such corrective action plan. To the extent that the event involves Moda Health’s Medicare benefits, the SIU will coordinate with the Medicare Compliance Officer with respect to the development, implementation and monitoring of all corrective actions.

XI. Coordination with External Agencies

a. The Moda Health SIU, along with Legal and Regulatory Affairs, coordinates all information requests and reporting, whether initiated internally or externally. Moda Health promptly refers all suspected cases of fraud, waste and abuse by groups, members, practitioner and employees of the organization to the appropriate regulatory agencies for further investigation. In addition, Moda Health assists various governmental agencies as practical in providing information and other resources during the course of investigations of potential practitioner or member fraud or abuse. These agencies include, but are not limited to city, county, state and federal agencies; the DHS Audit Unit, the Medicaid Fraud Control Unit of the Oregon Attorney Generals’ Office, and the United States Office of the Inspector General.

b. Moda Health will self-report any suspected or potential cases of fraud, waste or abuse involving Medicare or Medicaid to CMS or the applicable state agency, including instances of member fraud. Moda Health may disenroll an individual from its Medicare Advantage plans or Part D benefit plan if the individual knowingly provides, on the election form, fraudulent information
that materially affects the individual's eligibility to enroll in the Medicare Advantage plan or if the individual intentionally permits others to use his or her enrollment card to obtain services under the Medicare Advantage plan. If a Medicare Advantage member is disenrolled for fraud or abuse, Moda Health must report any such disenrollment to CMS. An individual who is disenrolled for fraud or abuse will be considered to have elected original Medicare.

c. If Moda Health disenrolls a member or terminates a provider due to an illegal act, including member or provider Medicaid fraud, Moda Health shall report such disenrollment and/or suspected fraud to the OHA Office of Payment Accuracy and Recovery, consistent with 42 CFR 455.13. Such reports shall be submitted to:

d. The Fraud Hotline 1-888-FRAUD01 (1-888-372-8301) or online at https://apps.state.or.us/cf1/OPR_Fraud_Ref/index.cfm?act=evt.subm_web.

e. In the event Moda Health identifies potential issues of fraud, waste or abuse in its capacity as a subcontractor of another entity, Moda Health shall notify such other entity of the potential issue and cooperate with such entity in resolving the issue.

XII. Suspend, Debarred, and Excluded Practitioners

a. Participating practitioner contracts stipulate practitioner responsibilities to comply with all applicable Federal, State and local laws, rules and regulations, to maintain and furnish records and documents as required by law. Practitioners who are found to have violated a state or federal law regarding fraud, waste and abuse are often suspended, debarred or excluded from participation in federal programs and thus such practitioner’s participating provider agreement with Moda Health will likely terminate.

b. Except in very limited circumstances (i.e., provision of emergency services, sole source provider), the following individuals or entities may not be reimbursed from federal funds for otherwise covered services provided to Moda Health members:

   i. Practitioners who are currently suspended, debarred or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued pursuant to Executive Order No. 12549 or under guidelines implementing such order;

   ii. Persons or entities who are currently suspended or terminated from OMAP or excluded from participation in the Medicare program; or

   iii. Persons who have been convicted of a felony or misdemeanor related to a crime or violation of Title XVIII or XX of the Social Security Act and/or related laws (or entered a plea of nolo contendere).

c. Moda Health does not refer members to suspended or terminated practitioners and does not accept billings for services to Moda Health members submitted by such practitioners.

XIII. Periodic Review of Policies and Procedures

Moda Health shall review its fraud, waste and abuse policies at least annually and will submit any such revised policies to the Department of Human Services, Division of Medical Assistance Programs, Medical Section, Quality Assurance and Improvement Unit on or before May 1st of the then-current calendar year. Moda Health will also review and revise these policies and procedures to address systemic problems in any risk evaluation techniques or internal controls.
XIV. Facets/Moda Health Help/Document Search Words

S:/alldpt/Healthcare Services/Policies & Procedures/ACTIVE P&Ps/Quality Improvement/MEDICAL/Miscellaneous/Fraud_Abuse_P&P_0406.doc

XV. Revision Activity

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<td>Clarified coordination between Medicare Compliance Department and SIU</td>
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<td>Update Attachment A to the new reporting form. Unchecked “California” as a state affected by the policy. Changed FWA investigation verbiage in Section I. Changed MCO and VP verbiage in Section IV.</td>
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XVI. Affected Departments:

All Moda Health Departments

XVII. References:

A. Moda Health OHP Medical and Dental Contracts False Claims Act;
B. Program Fraud Civil Remedies Act OAR 410-120-1380;
C. ORS 165.692;
D. ORS 166.715 et seq;
E. ORS 411.675; and
F. ORS 659A.230, 23
## Special Investigations Unit (SIU) Referral Form

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### Narrative of issue: (We do not work from CST’s)
Please be as specific as possible- include names, dates, time, phone #, action taken, etc.

Please submit with the referral all supporting documentation i.e. claim images, medical records, correspondence, telephonic communication records, etcetera

Submit this form and all supporting documentation to stopfraud@modahealth.com