

# Policy: Detection and Prevention of Fraud Waste and Abuse

Updates Approved by Compliance Committee: 6.7.2023

Reviewed w/ No Changes: 9.4.2024; 9.3.2025

Revised:

## Purpose:

To ensure regulatory compliance and the communication of expectations regarding the prevention of fraud, waste, and abuse pertaining to Cayuga Health System (CHS) operations.

## Definitions:

**Staff:** Includes employees, contractors, agents, consultants, volunteers, and others who act on Cayuga Health Systems' behalf.

**Fraud:** Knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program.

**Waste:** Includes practices such as overusing services that, directly or indirectly, result in unnecessary costs to any health care benefit program. Waste is generally not considered to be caused by criminally negligent actions but rather by the misuse of resources.

**Abuse:** Includes actions that may, directly or indirectly, result in unnecessary costs to any health care benefit program. Abuse involves accepting payment for items or services when there is no legal entitlement to that payment, and the provider has not knowingly or intentionally misrepresented facts to obtain payment.

## Policy:

It is the policy of CHS to consistently and fully comply with laws and regulations and to implement reasonable precautions and take appropriate actions to prevent, detect, and address potential or actual cases of fraud, waste, and abuse.

- I. **Deficit Reduction Act.** Section 6032 of the Deficit Reduction Act ("DRA") requires entities that receive annual payments under a State Medicaid Plan of at least \$5 million dollars, as a condition of receiving such payments, to have established written policies and procedures regarding detection and prevention of fraud, waste, and abuse and which provide detailed information about:
  - a. The Federal False Claims Act, including administrative remedies for false claims and statements established under Title 31, United States Code, Chapter 38;
  - b. State laws pertaining to civil or criminal penalties for false claims and statements;
  - c. Whistleblower protection under such laws; and
  - d. The role of these laws in preventing and detecting fraud, waste, and abuse in federal health care programs.
- II. **DRA Compliance.** As part of its Compliance Program, CHS has established and disseminated written policies and procedures addressing its efforts to detect and prevent fraud, waste, and abuse.

For more information please reference Appendix A of the CHS Compliance Plan.