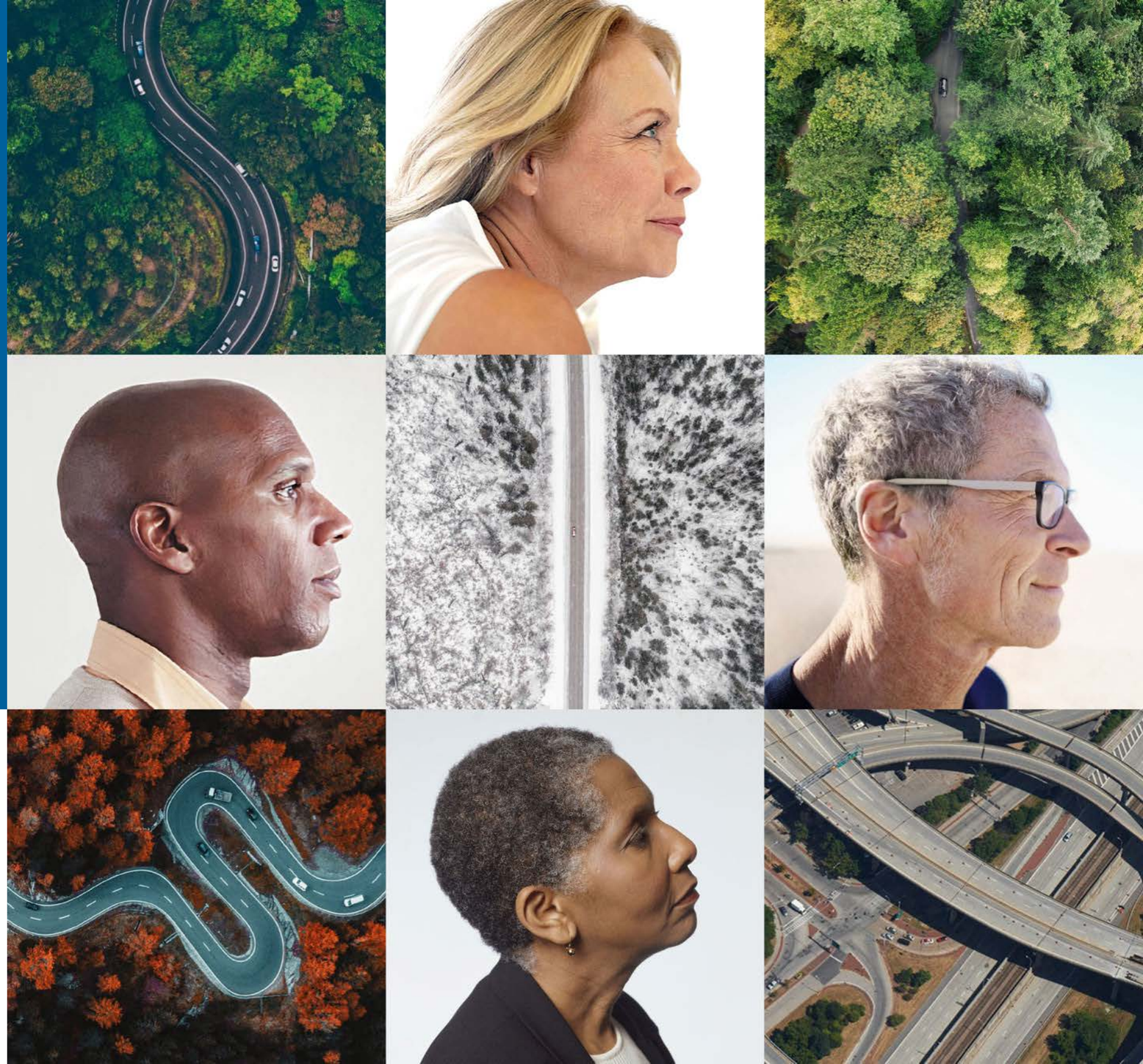
Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

September 2021

modivcare



Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

By completing this course, you will satisfy an important regulatory requirement for annual compliance training and education. This course:

- provides an overview of the Medicare and Medicaid systems of health insurance
- outlines ModivCare's Code of Conduct
- reviews ModivCare's policy on conflicts of interest and business gifts
- explains how you can help us detect, prevent, and mitigate fraud, waste, and abuse

If you have questions about any of the matters explained in this course, contact your supervisor or manager, our Chief Compliance Officer, Jody Kepler, at 800-897-7958 or jody.kepler@modivcare.com, or ethics&complianceofficer@modivcare.com, or any member of ModivCare's Legal Department.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

What is Medicare?

Medicare is a federally-funded system of health insurance and healthcare delivery for U.S. citizens age 65 or older and certain disabled persons. It is administered by the Centers for Medicare and Medicaid Services (CMS), a federal agency within the Department of Health and Human Services (HHS).

Eligibility for Medicare doesn't depend on income; almost everyone who is at least 65 is entitled to coverage. Eligibility also doesn't depend on employment status; workers are not required to retire when they reach 65 to be eligible for Medicare.

ModivCare serves Medicare beneficiaries primarily through its contracts with Medicare Advantage plans or Medicare Managed Care Organizations (MCOs), which may offer nonemergency medical transportation as a supplementary benefit to their members.

For more information about Medicare and Medicaid, visit CMS's website at www.CMS.gov

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

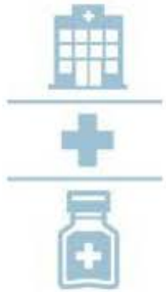
Medicare: The Sum of Four Parts

Part A
Hospital Insurance

Covers reasonable and medically necessary costs of treatment in a hospital, staying at a skilled nursing home, and home health services and hospice care for terminally ill patients

Part B
Medical Insurance

Pays some of the costs of doctors and outpatient medical care, including physician services, outpatient care, home health services and preventive services



Part C
Medicare Advantage

Allows private insurance companies to offer the benefits covered under Parts A and B as a "Medicare Advantage" plan that may also include extra benefits such as dental and vision coverage, and transportation

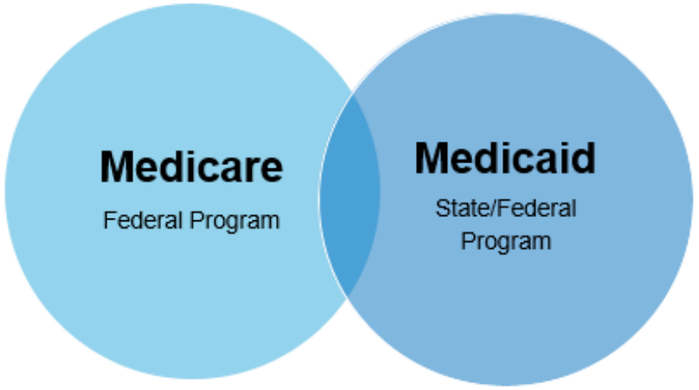
Part D
Prescription Drugs

Pays for some of the cost of prescription drugs. It is provided by private insurers and is available to people with either Original Medicare or Medicare Advantage

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

What is Medicaid?

Medicaid was enacted into law at the same time as Medicare, and it is the main public health insurance program for many low income individuals. Those enrolled in Medicaid are usually called "members."



Unlike Medicare, which is an entirely federal program, Medicaid is a joint state/federal endeavor. Each state designs its own Medicaid program, which it then submits to CMS for approval.

The federal government reimburses the states for a percentage of the funds that they spend on their Medicaid programs based upon the wealth of the state. The federal matching funds range from a low of 50% for the wealthier states up to 100% for certain Medicaid expansion programs.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Government Oversight of Medicare & Medicaid

CMS is the agency directly responsible for administering Medicare. CMS requires all organizations that provide Medicare Advantage (Part C) and prescription drug (Part D) plans and related services to have an effective compliance program. The program must include a plan to prevent, detect, and correct noncompliance with CMS requirements, including but not limited to Medicare fraud, waste, and abuse.

As key parts of our Compliance Program, we have established a Compliance Department that is responsible for implementing and overseeing our Code of Conduct. Our Code of Conduct is based upon the seven elements of an effective compliance program identified by the Department of Justice and the Office of Inspector General, and set forth in the Medicare Managed Care Manual Chapter 21. As such, our Compliance and Ethics Plan is designed to meet all of the applicable requirements of both Medicare and Medicaid regulations.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Our Compliance Program

- ✓ is based on written policies and procedures that articulate our commitment to comply with ethical principles and all applicable federal and state laws and regulations
- ✓ includes a designated **Chief Compliance Officer** and **Compliance Committee**
- ✓ includes this training course and other ethics and compliance education and training as a requirement for all employees, managers, and directors
- ✓ requires downstream and related entities such as our subcontracted transportation providers to complete education and training on general compliance and fraud, waste, and abuse

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Our Compliance Program

- ✓ provides multiple ways of reporting ethics and compliance issues, and prohibits retaliation against anyone who makes a good-faith report
- ✓ includes disciplinary guidelines for ethics, policy, or legal violations and failures to report them, up to and including termination of employment
- ✓ includes procedures for conducting risk assessments and internal monitoring and auditing (including self-auditing)
- ✓ includes procedures for ensuring prompt and thorough investigations of and responses to reports of ethics and compliance issues

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Our Policies & Procedures

ModivCare has numerous policies and procedures for preventing, detecting, and combating fraud, waste, and abuse. Some of our policies and procedures include:

- Annual company-wide risk assessments and risk mitigation work plans
- A detailed verification process for claims submitted by transportation
- providers
- Regular reassessment and re-certification of standing orders for transportation
- Regular confirmation of member attendance records with health care facilities
- Field monitoring activities
- Requiring pre-authorization and a unique job number for every trip
- A conflict of interest policy that requires anyone with interests that are contrary to
- ModivCare's to make the Company aware

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

ModivCare's purpose is Making Connections to Care. Non-compliance negatively affects our ability to carry out that purpose for our Members in a safe, effective, and efficient manner.

Non-compliance causes harm to members:

- Delayed services
- Improper denial of benefits
- Difficulty accessingmedical care
- Poor health outcomes
- Other obstacles to care

Non-compliance causes financial harm to everyone:

- High insurance copayments
- Higher premiums
- Lower benefits for individuals and employers
- Lower profits

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Your Responsibilities

As a subcontractor partner of an organization working on federal and state healthcare programs, **YOU** are a vital part of our efforts to report, prevent, detect, and mitigate non-compliance and possible fraud, waste, and abuse. It's all about doing the right thing!

Your responsibilities include:

- Acting fairly and honestly
- Adhering to high ethical standards in all you do
- Complying with ModivCare's policies and all applicable laws, regulations, and CMS requirements
- Knowing and following ModivCare's Compliance & Ethics Plan and Code of Conduct
- Looking out for suspicious activity
- Verifying information provided to you and by you for accuracy and timeliness
- Reporting known or suspected violations of ModivCare's policies, procedures, laws, regulations or CMS guidelines

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

How to Prevent FWA?

- Look for suspicious activity
- Conduct yourself in an ethical manner
- Know FWA policies and procedures, standards of conduct, laws, regulations, and
- CMS guidelines
- Verify information you provide and receive

Downstream entities such as our subcontracted transportation providers who violate our policies and procedures or applicable laws and regulations face disciplinary action, up to and including contract termination. Downstream entities that know of policy or legal violations but fail to report them are also subject to disciplinary action.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Confidentiality and Non-Retaliation

We will treat information reported by ModivCare team members, subcontractors, clients, their members, and the general public confidentially to the extent possible, consistent with our obligation to investigate, mitigate, and report non-compliance and fraud, waste, and abuse.

We will not engage in or allow retaliation against anyone who makes good-faith reports of suspected ethical or legal violations or other misconduct.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Penalties for Non-Compliance

As a company, we face an array of penalties for non-compliance with Medicare and Medicaid regulations and requirements. Sanctions vary with the severity of the issue and can be significant depending on the scale of the violation.

Penalties may include:

- Notices of non-compliance and warning letters
- Corrective action plans
- Contract suspension or termination
- Criminal convictions and fines
- Exclusion or debarment from federal and state healthcare programs
- Financial penalties
- Imprisonment

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Conflicts of Interest

A conflict of interest is a situation in which you have a personal or private interest that interferes with (or appears to interfere with) your ability to provide partnership duties with ModivCare fairly and ethically.

Our policy regarding conflicts of interest is simple:

ModivCare team members or subcontractor partners may not compete with our organization, and may never let business dealings on behalf of the company be influenced (or appear to be influenced) by personal or family interests.

- Transportation providers should disclose to ModivCare any relationships they may have with our team members and should not give or receive anything of value to ModivCare team members, and should disclose if any of their relatives receive a transportation benefit that may be managed by ModivCare.
- Conflicts of interest are addressed in depth in our Code of Conduct. You have an ongoing obligation to report potential or actual conflicts of interest to ModivCare. Address any questions you may have about our conflict of interest policy to our Chief Compliance Officer, Jody Kepler, or to any member of the Legal Department.

Business Courtesies

Under ModivCare's gift policy, our team members may not exchange anything of value with our clients or potential clients, our transportation providers, or other vendors. Any exceptions must be approved by ModivCare's Chief Compliance Officer, Jody Kepler.

There are exceptions for political and charitable contributions and minimal spending on meals and entertainment by our business development personnel, but these expenditures are closely monitored by relevant management and are subject to review by our Compliance Committee.

Please address any questions you may have with our Chief Compliance Officer, Jody Kepler, jody.kepler@modivcare.com, or any member of the Legal Department.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Medicare & Medicaid FWA

"Medicare or Medicaid fraud" is the general term for any scheme to collect money from the Medicare or Medicaid programs illegitimately.

There are differences between fraud, waste, and abuse. One of the primary differences is intent/knowledge. Fraud requires intent to obtain payment and the knowledge the actions taken to do so are wrong or illegal.

- **Fraud** is the intentional deception or misrepresentation that an individual knows to be false or does not believe to be true and makes, knowing that the deception could result in some unauthorized benefit to himself/herself or someother person.
- **Waste** is overutilization of services or other practices that, directly or indirectly, result in unnecessary costs to the healthcare system, including Medicare and Medicaid programs. It is not generally considered to be caused by criminally negligent actions, but by the misuse of resources.
- **Abuse** is the excessive or improper use of services or actions that are inconsistent with acceptable business or medical practices.

CMS and State Medicaid agencies are extremely focused on reducing fraud, waste, and abuse by all individuals and organizations involved with Medicare and Medicaid programs.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Examples of FWA in Transportation Programs

Fraudulent activity is clearly criminal, but waste and abuse are also serious problems that contribute to the enormous sums of money lost by Medicare and Medicaid each year.

Types of fraud, waste, and abuse by **Team Members**:

- Taking gifts from transportation providers in return for favors, such as better or extra trips
- Favoritism towards transportation providers not based on provider performance
- Failure to review provider credentials or billing
- Routing trips without regard to cost
- Failure to review standing orders in accordance with company standards for continued need and assigned level of service
- Misrepresenting data to meet client standards
- Intentionally failing to pay transportation providers

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Examples of FWA in Transportation Programs, Continued

By Transportation Providers:

- Offering anything of value to team members or our clients' members to get more or better trips
- Intentionally or negligently billing for trips they did not provide, including, for example, billing for deceased members
- Claiming a higher level of service than necessary ("up coding") to receive a higher payment

By Members:

- Falsifying the purpose of the trip to receive transportation not covered by Medicaid or Medicare
- Misrepresenting ability to transport themselves; for example dishonesty about whether they have a working vehicle or a family member who can transport them
- Taking money from transportation providers to reserve trips they do not intend to take and signing trip manifests when they didn't take thetrip
- Misrepresenting the required level of service
- Selling mass transit passes provided for medical transportation

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Methods of Fighting FWA

ModivCare employs many methods to combat fraud, waste, and abuse in our business and in the industry as a whole.

Some of the important protocols for reducing fraud, waste, and abuse are:

- Gatekeeping protocols and trip pre-authorization practices that are designed to ensure that the member is entitled to the transportation benefit generally, and for each trip specifically
- Regular standing order re-certification and attendance verification intended to ensure that transportation providers are not billing for standing orders when members are no longer attending their healthcare appointments
- Provider credentialing and field monitoring activities designed to ensure that transportation providers are complying with the quality assurance requirements imposed by the law and by client contract
- Detailed verification of invoices and trip logs, designed to ensure that we don’t pay invoices that are overstated, incorrect, or fraudulent

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Anti-Fraud Laws

- These are the laws used to combat Medicare and Medicaid fraud, waste, and abuse:
- The **False Claims Act** protects the government from being overcharged or sold substandard goods or services, or from being billed for services that were not provided.
- The **Anti-Kickback Statute** prohibits an individual or company from paying or receiving anything of value for referrals of members or services.
- The **Physician Self-Referral Law** (or Stark Law) prohibits "self-referral arrangements," in which a physician refers patients to entities with which the physician (or his/her family member) has a financial relationship.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Anti-Fraud Laws, Continued

- The **Criminal Healthcare Fraud Statute** establishes a federal offense of "healthcare fraud" prohibiting schemes to defraud any healthcare benefit program in connection with the delivery of or payment for healthcare benefits.
- The **Exclusion Statute** requires the Office of Inspector General of HHS (OIG) to exclude from participation in all federally- funded health care programs individuals and entities criminally convicted of healthcare-related fraud, and grants the OIG the discretion to exclude individuals and entities that are convicted or found liable on several other grounds relating to healthcare fraud. Many states also have exclusion and sanctions statutes that provide for suspension or debarment of individuals and entities that are found to have engaged in fraud, waste, or abuse in Medicaid programs.
- The **Civil Monetary Penalties Law** is another mechanism that enables the government to penalize healthcare-related fraud offenders with civil monetary penalties in addition to other fines and penalties permitted under other laws.

Medicaid / Medicare General Compliance and Fraud, Waste, and Abuse Training for Transportation Providers

Reporting Violations

All ModivCare team members have a responsibility to understand and follow our organization's policies and procedures, as well as applicable laws and regulations. Violations may lead to disciplinary action, up to and including termination. Our subcontractors and other downstream entities who have knowledge of wrongdoing but fail to report it may also be subject to disciplinary action including termination of their contracts with us.

Federal and state law and our company policy prohibits any retaliation or retribution against persons who report suspected violations of these polices and laws, whether they are reported to the company or to law enforcement. Anyone who believes that he or she has been the subject of retaliation or retribution should also report it to the Chief Compliance Officer Jody Kepler, or any member of the Legal Department. We will treat the information reported confidentially to the extent possible, consistent with our obligation to investigate. We will not retaliate against a team member, subcontractor, or other downstream entity that makes a good faith report of a suspected violation or other misconduct.

You may also report any suspected fraud, waste, abuse or other misconduct to ModivCare's Ethics & Compliance Hotline and Helpdesk at 1-855-818-6929, or file a report online at https://ethicshotline.modivcare.com.

These reporting channels are administered by a third party, and you may submit information anonymously if you wish, but remember that the more details you provide assist in more thorough and timely investigations and resolution of issues.