



Policy: HH.2019
Title: **Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Health Policies**
Department: Office of Compliance
Section: Regulatory Affairs & Compliance

CEO Approval: /s/ Michael Hunn 11/20/2024

Effective Date: 04/01/2012
Revised Date: 11/07/2024

Applicable to: ☒ Medi-Cal
☒ OneCare
☒ PACE
☐ Administrative

I. PURPOSE

This policy establishes a structure whereby the CalOptima Health Governing Body, Employees, and First Tier, Downstream and Related Entities (FDRs) are able to report suspected misconduct or violations, in good faith, without fear of retaliation, or retribution.

II. POLICY

- A. CalOptima Health is committed to establishing a culture that promotes prevention, detection, and resolution of instances of conduct that do not conform to its organizational policies, its Code of Conduct, state and federal laws or regulations, or program requirements of federal and state health care programs.
- B. All CalOptima Health Members, members of the Governing Body, Employees, and FDRs have the responsibility to promptly report, in good faith, any suspected Fraud, Waste, or Abuse, or suspected violations of any statute, regulation, or guideline, applicable to federal and/or state health care programs, of the Code of Conduct, or of CalOptima Health's policies and procedures.
 - 1. A CalOptima Health Member, member of the CalOptima Health Governing Body, Employee, or FDR may file a report, without fear of retaliation or retribution, by doing one (1) of the following:
 - a. Notifying his or her immediate supervisor;
 - b. Notifying the Chief Compliance Officer, their Designee, or a member of the Office of Compliance management;
 - c. Completing a Suspected Fraud or Abuse Referral Form;
 - d. CalOptima Health Employees, may complete and submit the "Regulatory Affairs & Compliance (RAC) Intake Form" on the CalOptima Health InfoNet website;

- e. External parties may complete and submit the “Report Suspected Non-Compliance or Fraud, Waste and Abuse Issues” form found on the Compliance Information / Healthcare Fraud page on CalOptima Health’s website;
 - f. Calling CalOptima Health’s Compliance and Ethics Hotline; or
 - g. Reporting directly to CalOptima Health’s Office of Compliance via mail, facsimile, or email for confidential and/or anonymous reporting.
- C. CalOptima Health is committed to a policy that encourages timely reporting of compliance concerns, and prohibits any action directed against a member of the Governing Body, Employee, or FDR for making such a report in good faith.
- D. CalOptima Health policy strictly prohibits retaliation for reporting, in good faith, perceived or suspected violations of any statute, regulation or guideline, Fraud, Waste, or Abuse, applicable to federal and/or state health care programs, of the Code of Conduct, or of CalOptima Health’s policies and procedures, or for participation in an investigation of an alleged violation, in accordance with CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.
- E. Individuals cannot exempt themselves from the consequences of their own misconduct by self-reporting, although self-reporting may be taken into account when determining the appropriate course of action.
- F. Any person who intentionally provides false information may be subject to disciplinary action.

III. PROCEDURE

- A. The Office of Compliance, in collaboration with the CalOptima Health management team, shall ensure awareness of the following compliance measures:
- 1. Open communication between Employees and their manager, or supervisor, about any questions regarding compliance. Managers and supervisors shall respond to any inquiry and/or refer the question to appropriate personnel.
 - 2. Management’s “open door policy.” All management personnel shall have an open-door policy that allows an Employee to present any suspected violation.
 - 3. All CalOptima Health Members, members of the Governing Body, Employees, and FDRs are responsible for promptly reporting suspected violations, in good faith, of any statute, regulation, or guideline, Fraud, Waste, or Abuse, applicable to federal and /or state health care programs, of the Code of Conduct, or of CalOptima Health’s policies and procedures, or other instances of misconduct.
- B. The Office of Compliance, in collaboration with the CalOptima Health management team, shall implement and publicize, in writing, compliance measures, including, but not limited to:
- 1. CalOptima Health Employee Handbook;
 - 2. CalOptima Health Code of Conduct; and
 - 3. Compliance training.

C. Mechanisms for reporting suspected violations

1. A member of the CalOptima Health Governing Body, Employee, or FDR may:
 - a. Report to a manager or supervisor: Concerns about business conduct in any department; and
 - b. Managers, or supervisors, who receive such reports from Employees shall immediately report the information to the Chief Compliance Officer or Designee.
2. Call CalOptima Health's Compliance and Ethics Hotline
 - a. CalOptima Health's Compliance and Ethics Hotline shall be accessible by calling 1-855-507-1805.
 - b. CalOptima Health's Compliance and Ethics Hotline shall be accessible twenty-four (24) hours a day, seven (7) days a week.
 - c. The caller may choose to remain anonymous.
 - d. The Office of Compliance shall receive, document, and manage calls, in accordance with CalOptima Health Policy HH.2018: Compliance and Ethics Hotline.
3. Suspected Fraud or Abuse Referral Form
 - a. This form is available on the CalOptima Health Intranet (InfoNet) and CalOptima Health Website at www.caloptima.org; and
 - b. Information received on the Suspected Fraud or Abuse Referral Form shall be handled in the same manner as calls received on CalOptima Health's Compliance and Ethics Hotline, in accordance with CalOptima Health Policy HH.2018: Compliance and Ethics Hotline.
4. Report to the Chief Compliance Officer or his or her Designee:
 - a. The Chief Compliance Officer can be reached at 1-657-235-6997, 7:30 a.m. - 5:00 p.m. Pacific Standard Time (PST), Monday through Friday.
 - b. Reports can be made directly to the Chief Compliance Officer, in lieu of other reporting options.
 - c. Any information received by the Chief Compliance Officer or Designee shall be handled in the same manner as calls received on CalOptima Health's Compliance and Ethics Hotline, in accordance with CalOptima Health Policy HH.2018: Compliance and Ethics Hotline.
5. Reports can be made directly to CalOptima Health's Office of Compliance via mail, facsimile or email for confidential and/or anonymous reporting.
 - a. Emails can be sent to fraud@caloptima.org for potential fraud, waste, or abuse issues. Faxes can be sent to 714-481-6457.
 - b. Emails can be sent to compliance@caloptima.org for potential non-compliance issues.

- c. Emails can be sent to privacy@caloptima.org for potential privacy/security incidents.
- D. The Chief Compliance Officer or Designee is responsible for reviewing all reports of suspected violations. The Chief Compliance Officer or Designee shall maintain, to as great a degree as practical, the confidentiality of the identity of any Employee who submits a report of suspected violation, as allowed by law.
- E. The Chief Compliance Officer or Designee shall conduct an investigation, in accordance with CalOptima Health Policy HH.2020: Conducting Compliance Investigations, and shall report findings to the Compliance Committee, the Board of Directors, regulatory and/or law enforcement agency, as deemed appropriate.

IV. ATTACHMENT(S)

- A. Suspected Fraud or Abuse Referral Form (English)
- B. Regulatory Affairs & Compliance (RAC) Intake Form

V. REFERENCE(S)

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Compliance Plan
- C. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- D. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- E. CalOptima Health PACE Program Agreement
- F. CalOptima Health Employee Handbook
- G. CalOptima Health Policy HH.2018: Compliance and Ethics Hotline
- H. CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations
- I. CalOptima Health Policy HH.2020: Conducting Compliance Investigations
- J. Medicare Managed Care Manual, 21
- K. Medicare Prescription Drug Benefit Manual, Chapter 9
- L. False Claims Act (FCA), (31, U.S.C., §§3729-3733)
- M. Title 45, Code of Federal Regulations (C.F.R.), §164.530

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
12/01/2016	Regular Meeting of the CalOptima Board of Directors
12/07/2017	Regular Meeting of the CalOptima Board of Directors
12/06/2018	Regular Meeting of the CalOptima Board of Directors
12/05/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
11/07/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	04/01/2012	HH.2019	Reporting Suspected Misconduct or Violations	Medi-Cal
Revised	03/01/2013	HH.2019	Reporting Suspected Misconduct or Violations	Medi-Cal Healthy Families OneCare
Revised	09/01/2015	HH.2019	Reporting Suspected Misconduct or Violations	Medi-Cal
Revised	12/01/2016	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Policies	Medi-Cal OneCare OneCare Connect PACE
Revised	12/07/2017	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Policies	Medi-Cal OneCare OneCare Connect PACE
Revised	12/06/2018	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Policies	Medi-Cal OneCare OneCare Connect PACE
Revised	12/05/2019	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Policies	Medi-Cal OneCare OneCare Connect PACE
Revised	12/03/2020	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Policies	Medi-Cal OneCare OneCare Connect PACE
Revised	12/020/2021	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Policies	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Health Policies	Medi-Cal OneCare PACE
Revised	09/01/2023	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Health Policies	Medi-Cal OneCare PACE
Revised	11/07/2024	HH.2019	Reporting Suspected or Actual Fraud, Waste, or Abuse (FWA), Violations of Applicable Laws and Regulations, and/or CalOptima Health Policies	Medi-Cal OneCare PACE

IX. GLOSSARY

Term	Definition
Abuse	<p><u>Medi-Cal</u>: Practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.</p> <p><u>OneCare</u>: A Provider practice that is inconsistent with sound fiscal, business, or medical practice, and results in an unnecessary cost to CalOptima Health and the OneCare program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to CalOptima Health and the OneCare program.</p>
Code of Conduct	The statement setting forth the principles and standards governing CalOptima Health's activities to which Board Members, Employees, FDRs, and agents of CalOptima Health are expected to adhere.
Compliance Committee	This CalOptima Health committee consists of executive officers, managers of key operating divisions, and legal counsel and oversees the implementation of CalOptima Health's Compliance Program.
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Downstream Entity	<p><u>Medi-Cal</u>: Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with persons or entities involved with a CalOptima Health Program benefit, below the level of arrangement between CalOptima Health and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.</p> <p><u>OneCare</u>: Any party that enters into an acceptable written arrangement below the level of the arrangement between a Medicare Advantage (MA) organization (and contract applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.</p>
Employee	For purposes of this policy, any and all employees of CalOptima Health, including all senior management, officers, managers, supervisors and other employed personnel, as well as temporary employees and volunteers.
First Tier, Downstream, and Related Entities (FDR)	<p>First Tier, Downstream or Related Entity, as separately defined herein.</p> <p>For the purposes of this policy, the term FDR includes delegated entities, contracted providers, Health Networks, Physician Medical Groups, Physician Hospital Consortia, and Health Maintenance Organizations.</p>

Term	Definition
First Tier Entity	<p><u>Medi-Cal</u>: Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima Health to provide administrative services or health care services to a Member under a CalOptima Health Program.</p> <p><u>OneCare</u>: Any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program.</p>
Fraud	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law, in accordance with Title 42 Code of Federal Regulations section 455.2, Welfare and Institutions Code section 14043.1(i).
Governing Body	The Board of Directors of CalOptima Health.
Member	A beneficiary enrolled in a CalOptima Health Program.
Related Entity	<p>Any entity that is related to the Medicare Advantage organization by common ownership or control and:</p> <ol style="list-style-type: none"> 1. Performs some of the Medicare Advantage organization's management functions under contract or delegation; 2. Furnishes services to Medicare enrollees under an oral or written agreement; or 3. Leases real property or sells materials to the Medicare Advantage organization at a cost of more than two-thousand five-hundred dollars (\$2,500) during a contract period.
Waste	<p><u>Medi-Cal</u>: The overutilization or inappropriate utilization of services and misuse of resources.</p> <p><u>OneCare</u>: The overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to a CalOptima Health Program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.</p>