

**STATE OF NEVADA
SILVER STATE HEALTH INSURANCE EXCHANGE**

Title: Fraud, Waste and Abuse Policy

Effective Date: May 26, 2016

Revision Number: _____

The Exchange is committed to encouraging employees and various Stakeholders to report on suspected Fraud, Waste, and Abuse (FWA), perceived ethical violations, as well as any suspected misconduct or improper governmental action. Improper governmental action is defined in the State of Nevada Employee Handbook (1), as any action taken by a State Officer or employee in the performance of his or her official duties, which is:

- In violation of any Federal or State law or regulation;
- An abuse of authority;
- Of substantial and specific danger to the public health or safety; or
- A gross waste of public money.

The Nevada State, Division of Internal Audits hosts the Fraud Hotline which is promoted by flier to all State agencies.(2) This flyer contains the phone number to the Fraud hotline and must be conspicuously posted in all public buildings. A copy of the notice is also available on the Department of Administration website. The Exchange also encourages the reporting of compliance issues from its employees and various Stakeholders through training and on-going technical support.

A. *Reporting of Suspected Problems*

Suspected problems may be reported to The Executive staff, The Exchange's Compliance Officer, the Fraud Hotline, the Nevada Commission on Ethics and the Nevada Division of Internal Audits. The Exchange will report certain confirmed misconduct to the Department of Health and Human Services (HHS), the Nevada Office of the Attorney General, and the Division of Insurance, including criminal, civil, or administrative law violations, widespread occurrences involving multiple stakeholders, patterns of fraud or abuse that could cause substantial harm to the public, known fraud schemes, and schemes with large financial risk.

The State has developed a whistleblower protection/non-retaliation plan to protect State Employees who report suspected improper governmental action. NRS 281.641 sets forth an appeal process in the event reprisal or retaliatory action is taken against an employee who discloses improper governmental action. The process to appeal is described in the State of Nevada Employee Handbook.

I. *Enforcement Standards*

All reports on suspected Fraud, Waste, and Abuse (FWA), perceived ethical violations, as well as any suspected misconduct or improper governmental action will be promptly referred to the appropriate Agency and addressed. Additionally, The Exchange will take prompt action on non-performance of Agency staff and various Stakeholders as detected through routine monitoring and audits.

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In general, the process for enforcement actions consists of the following sequential actions:

- **Intake and Review or Referral.** This step consists of gathering initial information regarding the reported violation or the report of non-performance and referring the matter to the appropriate individual or Agency. All reports of FWA should immediately be referred to the Fraud Hot Line which is responsible for these types of suspected violations. The Exchange staff who receive reports of improper governmental action must notify the Compliance Officer who will make the Executive Director immediately aware of the report along with promptly sending referrals and reporting information to appropriate agencies. Reports of non-performance of The Exchange staff should be handled per the State of Nevada Employee Handbook. Non-performance of any Stakeholder shall be addressed by the Agency department responsible for oversight of the respective Stakeholders operations and follow established contractual agreements regarding non-performance.
- **Investigation.** If the information gathered from the Intake phase substantiates a potential violation or non-performance, then an investigation regarding the circumstances of the violation or non-performance occurs. Depending on the potential severity of the case, the investigation may be internal and require minimal data gathering or the investigation can be extensive and done through external resources such as law enforcement officials or contracted auditing entities.
- **Resolution.** The Exchange's goal during this step is correct the violation and to prevent reoccurrence. In correcting the violation, the action should be commensurate with the severity of the violation or non-performance. The action can range from notification of the issue and the need for correction to termination and potential legal or civil action. Examples of resolution may include, but are not limited to:
 - Training and education either on an individual basis or system-wide, for example on the Code of Ethical Standards and improper governmental actions
 - Revising policy and procedures to reflect new processes or to tighten compliance with established business standards
 - Corrective action plans that specify the desired behavior
 - Ongoing targeted reporting and/or auditing
 - Reprimands, suspensions and demotions
 - Termination or decertification after required notice and any subsequent appeals
 - Civil or criminal action

(1) State of Nevada Employee Handbook

http://hr.nv.gov/uploadedFiles/hrnvgov/Content/Resources/Publications/Employee_Handbook.pdf

(2) State of Nevada Fraud, Waste and Abuse flier

http://admin.nv.gov/uploadedFiles/adminnvgov/content/Documents/AB_327_Fraud_Hotline_Flyer.pdf

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