SUNY DOWNSTATE HEALTH SCIENCES UNIVERSITY

POLICY AND PROCEDURE

No: OCA-5

Subject: **Complying with the Deficit Reduction Act of 2005: Detection & Prevention of Fraud, Waste & Abuse** **Page** 1 **of** 4

Prepared by:	Shoshana Milstein	**Original Issue Date:**	**07/2007**
Reviewed by:	Alexandra Bliss	**Supersede Date:**	**01/2017**
		Effective Date:	**01/2026**
		Distribution:	☒ **Administrative Manual** ☒ **Department Manual** ☒ **Patient Care Manual** ☒ **AOD Manual** ☒ **Campus Manual**
Approved by:	Compliance & Audit Oversight Committee	**Issued by:**	**Office of Compliance & Audit Services**

I. Purpose: SUNY Downstate Health Sciences University (Downstate) is committed to complying with the requirements of Section 6032 of the Federal Deficit Reduction Act of 2005 (DRA) and to detecting and preventing fraud, waste or abuse. This policy is intended to comply with the DRA and will be modified, as necessary, based upon any Federal or State guidance promulgated regarding Section 6032.

II. Policy: Downstate prohibits the knowing submission of a false claim for payment from a Federally or State funded health care program. This policy provides information regarding Federal & State statutes pertaining to false claims and statements, whistleblower protections under these laws and Downstate's policies and procedures for detecting and preventing fraud, waste and abuse.

A. Federal and State Statutes & Whistleblower Protections- Detailed information regarding these laws are delineated in Appendix A of this policy.

B. Downstate's Policies & Procedures- Downstate maintains a comprehensive Compliance Program which sets forth, in detail, its compliance policies and processes for detecting and preventing fraud, waste and abuse. Information regarding Downstate's Compliance Program

is provided to employees and is available on the Office of Compliance & Audit Services (OCAS) website at https://www.downstate.edu/about/our-administration/compliance-audit-services/index.html.

C. Education- Downstate strives to educate its workforce on fraud and abuse laws, including the importance of submitting accurate claims and reports to the Federal and State governments, as well as complying with all elements of Downstate's Compliance Program. This policy applies to Downstate:

1. Employees;
2. Residents and fellows;
3. Physicians and allied health professionals appointed to Downstate's Medical Staff;
4. Faculty; and
5. Contractors, subcontractors or agents who, on behalf of Downstate, furnish or authorize the furnishing of health care items or services, perform billing or coding functions, or who monitor the health care provided by Downstate.

III. Procedure:

A. Dissemination of Information to Employees

1. **DRA Brochure-** The DRA Brochure containing a specific discussion of the Federal & State fraud and abuse laws, as well as whistleblower protections and Downstate's policies and procedures for detecting and preventing fraud, waste and abuse will be provided to current Downstate employees, as well as to new employees at Orientation.

2. **DRA Online Training Program-** Employees will be required to complete Downstate's online Compliance Training program which includes additional information regarding the DRA.

3. **Compliance Program Information-** A Compliance Program Manual is posted on the Office of Compliance & Audit Services website and includes the following information:

    a. Code of Ethics & Business Conduct;
    b. Administration of the Compliance Program (including description of the elements of Downstate's Program and Affected Contractor requirements);
    c. Maintenance and Certifications;

B. Dissemination of Information to Contractors- Downstate will disseminate information regarding the DRA, applicable laws and whistleblower protections to its contractors and will require their adoption of such. The term "contractors" include contractors, subcontractors or agents who, on behalf of Downstate, furnish or authorize the furnishing of health care items or services, perform billing or coding functions, or who monitor the health care provided by Downstate.

1. **Existing Contracts-** For existing contracts, prior to 01/01/2007 (the effective date of this policy), vendors that met the definition of the term "contractor", as defined above, were sent "Appendix A: Federal Deficit Reduction Act of 2005 (DRA)- Federal & State Statutes", as well as the "Letter to Vendor: Compliance with Deficit Reduction Act of 2005" by the Office of Contracts and Procurement. Documentation supporting the dissemination of the DRA information is maintained.

2. **New Contracts-** For contracts with vendors executed after 01/01/2007 that meet the definition of the term "contractor", as defined above, the underlying agreement will include general language requiring such contractors to comply with the DRA provisions as well as information regarding whistleblower protections. "Appendix A: Federal Deficit Reduction Act of 2005 (DRA)- Federal & State Statutes" will be included in these agreements and acceptance of Downstate's DRA policies will be a condition for approval of the agreements.

C. Revisions of DRA Information- Downstate will revise "Appendix A: Federal Deficit Reduction Act of 2005 (DRA)- Federal & State Statutes", as necessary, to comply with Federal and State regulatory changes and guidance. The information will be available electronically on the OCAS website.

D. Reporting of Potential Fraud, Waste or Abuse- To assist Downstate in meeting its legal and ethical obligations, any employee, contractor or agent who reasonably suspects or is aware of the preparation or submission of a false claim or report or any other potential fraud, waste or abuse related to a Federally or State funded health care program is required to report such information.

1. **Internal Reporting Process**

   a. An employee, contractor or agent who suspects a violation should report concerns to the appropriate Downstate Supervisor or Department Head; or

   b. The employee, contractor or agent should report the concern to:

      i. **Downstate's Compliance Line:** *Call:* 877-349-SUNY (7869)
      Web- Report: Go to www.Downstate.edu and click on "**Compliance Line"** link.

      ii. **Downstate's Office of Compliance & Audit Services:** 718-270-4033

   c. Failure to report and disclose or assist in an investigation of fraud and abuse is a breach of the employee's obligations to Downstate and may result in disciplinary action.

2. **Non- Retaliation-** Any employee, contractor or agent of Downstate who reports information regarding potential fraud, waste or abuse will have the right and opportunity to do so anonymously and will be protected against retaliation for coming forward with such information both under internal Downstate Compliance policies, as well as under Federal and State law.

3. **Investigations-** Downstate commits itself to investigate any suspicions of fraud, waste or abuse swiftly and thoroughly and will initiate the appropriate action against any employee, contractor or agent who has committed a violation with Downstate related records/information.

E. Compliance Monitoring- In accordance with Downstate's Compliance Program and related Work- Plan, the Office of Compliance & Audit Services will monitor Downstate's compliance with Federal and State false claims statutes.

IV. Responsibilities: The Office of Compliance & Audit Services is responsible for administering Downstate's Compliance Program. It is the responsibility of the entire Downstate workforce to comply with the Compliance Program and related policies and to report any suspicions of fraud, waste or abuse via the appropriate internal reporting process.

V. Reasons for Revision- Regulatory requirements

VI. Attachments- Appendix A: Federal Deficit Reduction Act of 2005 (DRA)- Federal & State Statutes, Letter to Vendor: Compliance with Deficit Reduction Act of 2005

VII. References- Deficit Reduction Act of 2005, Sec. 6032; False Claims Act 31 U.S.C. 3729-3733; Program Fraud Civil Remedies Act of 1986 31 U.S.C. 3801-3812; New York State Finance Law §187-194; New York Social Services Law §145-b, §145-c & §366-b(2); New York Penal Law §177; New York Labor Law §740; Centers for Medicare and Medicaid Services Letter to State Medicaid Directors- December 13, 2006 and March 22, 2007; New York State Plan Amendment- effective January 1, 2007; Department of Justice Description of Federal False Claims Act; New York State Office of Medicaid Inspector General Deficit Reduction Act Documents- July 2007; Fraud Enforcement and Recovery Act- May 2009; and Patient Protections and Affordable Care Act- January 2010.

	Revision	Required	Responsible Staff Name and Title
12/2006	**Yes**	**(No)**	**Shoshana Milstein**
08/2016	**(Yes)**	**No**	**Alexandra Bliss**
12/2016	**Yes**	**(No)**	**Zhanna Kelley**
1/2026	**(Yes)**	**No**	**Alexandra Bliss**

DOWNSTATE
HEALTH SCIENCES UNIVERSITY

Appendix A: SUNY Downstate Health Sciences University's Compliance Program and the Federal Deficit Reduction Act of 2005 (DRA) – Federal & State Statutes

As part of our commitment to compliance and in accordance with the Deficit Reduction Act (DRA) of 2005 and Office of Medicaid Inspector General Compliance Program requirements (NYS SOS 363-d and 18 NYCRR Subpart 521-1), we are providing you with information about SUNY Downstate Health Sciences University's (Downstate) Compliance Program, as well as a comprehensive summary of the Federal and New York State False Claims laws, along with their related fraud and abuse statutes. It is crucial that all contractors are aware of these laws to prevent and address any fraudulent activities in the Medicaid program.

Please note that Downstate's Compliance Program, Code of Ethics and other related materials are living documents that are subject to change as new regulations become effective and as policies & procedures are revised. In order to ensure that you are utilizing the most up-to-date information, you may always access our Compliance materials on our website at:

https://www.downstate.edu/about/our-administration/compliance-audit-services/

Downstate has established a 24/7 Compliance Line as a mechanism for reporting activities, confidentially and anonymously, that may involve ethical violations or criminal conduct:

Downstate Compliance Hotline
877-349-SUNY (telephone reports) **or**
"Compliance Line" link at the bottom of Downstate's web-page
www.downstate.edu (web report)

Downstate has a no tolerance policy for employees, agents or vendors who are involved in any unlawful activity. Downstate's Compliance Program requires good faith participation from its workforce and affected contractors. Intimidation or retaliatory behavior for reporting concerns or cooperating with compliance reviews/initiatives will not be tolerated. To that end, we expect that you share our goals of eliminating fraud and abuse, and meet your obligations as our business partner.

Please be advised that failure to abide or effectively comply with Downstate's Compliance Program requirements or the information herein may result in contract termination.

The following is a summary of the Federal & New York False Claims Acts, the Program Fraud Civil Remedies Act and other relevant State laws:

FEDERAL & NEW YORK STATUTES RELATING TO FILING FALSE CLAIMS

I. FEDERAL LAWS

1) Federal False Claims Act (31 USC §§3729-3733)

II. NEW YORK STATE LAWS

A) CIVIL AND ADMINISTRATIVE LAWS

1) New York False Claims Act (State Finance Law §§187-194)

2) Social Services Law, Section 145-b-False Statements

3) Social Services Law, Section 145-c-Sanctions

B) CRIMINAL LAWS

1) Social Services Law, Section 145 – Penalties

2) Social Services Law, Section 366-b- Penalties for Fraudulent Practices

3) Social Services Law, Section 145-c-Sanctions

4) Penal Law Article 175 – False Written Statements

5) Penal Law Article 176 – Insurance Fraud

6) Penal Law Article 177 – Health Care Fraud

III. WHISTLEBLOWER PROTECTION

1) Federal False Claims Act (31 U.S.C. §3730(h))

2) New York State False Claim Act (State Finance Law § 191)

3) New York State Labor Law, Section 740

4) New York State Labor Law, Section 741

IV. OBLIGATIONS OF CONTRACTORS

I. FEDERAL LAWS

1) Federal False Claims Act (31 USC §§3729-3733)

I. FEDERAL LAWS

1) Federal False Claims Act (31 USC §§3729-3733)

The False Claims Act ("FCA") provides, in pertinent part, as follows:

§ 3729. False claims

(a) Liability for certain acts. –

(1) In general.—Subject to paragraph (2), any person who—

(A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

(C) conspires to commit a violation of subparagraph (A), (B), (D), (E), (F), or (G);

(D) has possession, custody, or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less that all of that money or property;

(E) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
(F) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge property; or
(G) knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government, is liable to the United States Government for a civil penalty of not less than $5,500 and not more than $11,000 as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461) note; Public Law 104-410, plus 3 times the amount of damages which the Government sustains because of the act of that person.[1]

(2) Reduced damages.—If the court finds that—

(A) the person committing the violation of this subsection furnished officials of the United States responsible for investigating false claims violations with all information known to such person about the violation within 30 days after the date on which the defendant first obtained the information;
(B) such person fully cooperated with any Government investigation of such violations; and
(C) at the time such person furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation, the court may assess not less than 2 times the amount of damages which the Government sustains because of the act of that person.

(3) Costs of civil actions.—A person violating this subsection shall also be liable to the United States Government for the costs of a civil action brought to recover any such penalty or damages.

(b) Definitions.—For purposes of this section—

(1) the terms “knowing” and “knowingly” –

(A) mean that a person, with respect to the information—
(i) has actual knowledge of the information;
(ii) acts in deliberate ignorance of the truth or falsity of the information; or
(iii) acts in reckless disregard of the truth or falsity of the information; and

(B) require no proof of specific intent to defraud;

(2) the term “claim” –

(A) means any request or demand, whether under a contract or otherwise, for money or property and whether or not the United States has title to the money or property, that—
(i) is presented to an officer, employee, or agent of the United States; or
(ii) is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the Government’s behalf or to advance a Government program or interest, and if the United States Government-
(I) provides or has provided any portion of the money or property requested or demanded; or
(II) will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and

[1] As of 2025 the Federal FCA penalties adjusted for inflation was not less than $14,308 and not more than $28,619.

(B) does not include requests or demands for money or property that the Government has paid to an individual as compensation for Federal employment or as an income subsidy with no restrictions on that individual's use of the money or property;

(3) the term "obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment; and

(4) the term "material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

(C) Exemption from disclosure.—Any information furnished pursuant to subsection (a)(2) shall be exempt from disclosure under section 552 of title 5.

(D) Exclusion.—This section does not apply to claims, records, or statements made under the Internal Revenue Code of 1986.

While the False Claims Act imposes liability only when the claimant acts "knowingly," it does not require that the person submitting the claim have actual knowledge that the claim is false. A person who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information, also can be found liable under the Act. 31 U.S.C. 3729(b).

In sum, the False Claims Act imposes liability on any person who submits a claim to the federal government, or submits a claim to entities administering government funds, that he or she knows (or should know) is false. An example may be a physician who submits a bill to Medicare for medical services she knows she has not provided. The False Claims Act also imposes liability on an individual who may knowingly submit a false record in order to obtain payment from the government. An example of this may include a government contractor who submits records that he knows (or should know) are false and that indicate compliance with certain contractual or regulatory requirements. The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called "reverse false claim" may include a hospital which obtains interim payments from Medicare or Medicaid throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicare of Medicaid program.

In addition to its substantive provisions, the FCA provides that private parties may bring an action on behalf of the United States. 31 U.S.C. 3730 (b). These private parties, known as "qui tam relators," may share in a percentage of the proceeds from an FCA action or settlement.[2]

Section 3730(d)(1) of the FCA provides, with some exceptions, that a qui tam relator, when the Government has intervened in the lawsuit, shall receive at least 15 percent but not more than 25 percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action. When the Government does not intervene, section 3730(d)(2) provides that the relator shall receive an amount that the court decides is reasonable and shall not be less than 25 percent and not more than 30 percent.

3. Administrative Remedies for False Claims (31 USC Chapter 38. §§ 3801 – 3812)

This statute allows for administrative recoveries by federal agencies. If a person submits a claim that the person knows is false or contains false information, or omits material information, the agency receiving the claim may

[2] However, as Downstate is a component of the State University of New York, and thus, is a State agency, the United States Supreme Court has held that private persons may NOT be eligible to file qui tam / whistleblower lawsuits against State agencies and may NOT be entitled to a share of the proceeds of any FCA recoveries.

impose a penalty of up to $5,000 for each claim, adjusted for inflation.[3] The agency may also recover twice the amount of the claim.

Unlike the False Claims Act, a violation of this law occurs when a false claim is submitted rather than when it is paid. Also, unlike the False Claims Act, the determination of whether a claim is false and the imposition of fines and penalties is made by the administrative agency, not by prosecution in the federal court system.

II. NEW YORK STATE LAWS

New York State False Claim Laws fall under the jurisdiction of both New York's civil and administrative laws, as well as its criminal laws. Some apply to recipient false claims and some apply to provider false claims. The majority of these statutes are specific to healthcare or Medicaid. Yet, some of the "common law" crimes apply to areas of interaction with the government and so, are applicable to health care fraud and will be listed in this section.

A. CIVIL AND ADMINISTRATIVE LAWS

1) New York False Claims Act (State Finance Law §§187-194)

The New York False Claims Act is similar to the Federal False Claims Act. It imposes penalties and fines upon individuals and entities who knowingly file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. It also has a provision regarding reverse false claims similar to the federal FCA such that a person or entity will be liable in those instances in which the person obtains money from a state or local government to which he may not be entitled and then uses false statements or records in order to retain the money.

The penalty for filing a false claim is six to twelve thousand dollars per claim plus three times the amount of the damages which the state or local government sustains because of the act of that person.[4] In addition, a person who violates this act is liable for costs, including attorneys' fees, of a civil action brought to recover any such penalty.

The Act allows private individuals to file lawsuits in state court, just as if they were state or local government parties, subject to various possible limitations imposed by the NYS Attorney General or a local government. If the suit eventually concludes with payments back to the government, the person who started the case can recover twenty-five to thirty percent of the proceeds if the government did not participate in the suit, or fifteen to twenty-five percent if the government did participate in the suit.

2) Social Services Law, Section 145-b – False Statements

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Service program, including Medicaid, by use of a false statement, deliberate concealment or other fraudulent scheme or device. The state or local Social Services district may recover three times the amount incorrectly paid. In addition, the Department of Health may impose a civil penalty of up to ten thousand dollars per violation. If repeat violations occur within five years, a penalty of up to thirty thousand dollars per violation may be imposed if the repeat violations involve more serious violations of Medicaid rules, billing for services not rendered, or providing excessive services.

---

[3] As of 2025 the Program Fraud Civil Remedies Act penalty, adjusted for inflation was $14,308 per false claim or statement.

[4] As adjusted to be equal to the civil penalty allowed under the federal False Claims Act, 31 USC sec. 3729, and as adjusted for inflation by Federal Civil Penalties Inflation Adjustment Act of 1990.

B. CRIMINAL LAWS

1) Social Services Law, Section 145 – Penalties

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

2) Social Services Law, Section 366-b – Penalties for Fraudulent Practices

a. Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation or other fraudulent means is guilty of a class A misdemeanor.

b. Any person who, with intent to defraud, presents for payment a false or fraudulent claim for furnishing services, knowingly submits false information to obtain greater Medicaid compensation, or knowingly submits false information in order to obtain authorization to provide items or services is guilty of a class A misdemeanor.

3) Penal Law Article 155 – Larceny

The crime of larceny applies to a person who, with intent to deprive another of his property, obtains, takes or withholds the property by means of trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. This statute has been applied to Medicaid fraud cases.

a. Forth degree grand larceny involves property valued over $1,000. It is a class E felony.
b. Third degree grand larceny involves property valued over $3,000. It is a class D felony.
c. Second degree grand larceny involves property valued over $50,000. It is a class C felony.
d. First degree grand larceny involves property valued over $1 million. It is a class B felony.

4) Penal Law Article 175 – False Written Statements

Four crimes in this Article relate to filing false information or claims and have been applied in Medicaid fraud prosecutions:

a. §175.05 – Falsifying business records involves entering false information, omitting material information or altering an enterprise's business records with the intent to defraud. It is a class A misdemeanor.
b. §175.10 – Falsifying business records in the first degree includes the elements of the §175.05 offense and includes the intent to commit another crime or conceal its commission. It is a class E felony.
c. §175.30 – Offering a false instrument for filing in the second degree involves presenting a written instrument, including a claim for payment, to a public office knowing that it contains false information. It is a class A misdemeanor.
d. §175.35 – Offering a false instrument for filing in the first degree includes the elements of the second degree offense and must include an intent to defraud the state or a political subdivision. It is a class E felony.

5) Penal Law Article 176 – Insurance Fraud

This law applies to claims for insurance payments, including Medicaid or other health insurance, and contains six crimes

a. Insurance Fraud in the 5th degree involves intentionally filing a health insurance claim knowing that it is false. It is a class A misdemeanor.
b. Insurance fraud in the 4th degree is filing a false insurance claim for over $1,000. It is a class E felony.
c. Insurance fraud in the 3rd degree is filing a false insurance claim for over $3,000. It is a class D felony.

d. Insurance fraud in the 2nd degree is filing a false insurance claim for over $50,000. It is a class C felony.
e. Insurance fraud in the 1st degree is filing a false insurance claim for over $1 million. It is a class B felony.
f. Aggravated insurance fraud is committing insurance fraud more than once. It is a class D felony.

6) Penal Law Article 177 – Health Care Fraud

This statute, enacted in 2006, applies to health care fraud crimes. It was designed to address the specific conduct by health care providers who defraud the system including any publicly or privately funded health insurance or managed care plan or contract, under which any health care item or service is provided. Medicaid is considered to be a single health plan under this statute.

This law primarily applies to claims by providers for insurance payment, including Medicaid payment, and it includes six crimes.

a. Health care fraud in the 5th degree – A person is guilty of this crime when, with intent to defraud a health plan, he or she knowingly and willfully provides materially false information or omits material information for the purpose of requesting payment from a health plan. This is a class A misdemeanor.
b. Health care fraud in the 4th degree – A person is guilty of this crime upon filing such false claims on more than one occasion and annually receives more than three thousand dollars. This is a class E felony.
c. Health care fraud in the 3rd degree – A person is guilty of this crime upon filing such false claims on more than one occasion and annually receiving over ten thousand dollars. This is a class D felony.
d. Health care fraud in the 2nd degree – A person is guilty of this crime upon filing such false claims on more than one occasion and annually receiving over fifty thousand dollars. This is a class C felony.
e. Health care fraud in the 1st degree – A person is guilty of this crime upon filing such false claims on more than one occasion and annually receiving over one million dollars. This is a class B felony.

III. WHISTLEBLOWER PROTECTION

1) Federal False Claims Act (31 U.S.C. §3730(h))

The Federal False Claims Act provides protection to qui tam relators (individuals who commence a False Claims action) who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. 31 U.S.C. 3730(h). Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

2) New York State False Claims Act (State Finance Law §191)

The New York State False Claims Act also provides protection to qui tam relators (individuals who commence in a False Claims action) who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the Act. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

3) New York State Labor Law, Section 740

An employer may not take any retaliatory action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that the employer is in violation of the law that creates a substantial and specific danger to the public health and safety or which constitutes health care fraud under Penal Law §177 (knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions). The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of $10,000 on the employer.

4) New York State Labor Law, Section 741

A health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care. The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of $10,000 on the employer.

IV. Obligations of Contractors

As a contractor of SUNY Downstate Health Sciences University, it is your responsibility to ensure compliance with these laws. This includes:

- **Avoiding False Claims:** Ensuring that any claims for payment submitted to Medicaid or any other government-funded program are accurate, truthful, and complete.
- **Training:** Providing training to employees on the detection and prevention of fraud, waste, and abuse.
- **Reporting:** Promptly reporting any suspected false claims or fraudulent activities to SUNY Downstate Health Sciences University or relevant authorities.

Reporting Mechanisms

- **Internal Reporting:**

Downstate has established a 24/7 Compliance Line as a mechanism for reporting activities, confidentially and anonymously, that may involve ethical violations or criminal conduct:

Downstate Compliance Hotline

8770349-SUNY (telephone reports) **or**
"Compliance Line" link at the bottom of Downstate's web-page
www.downstate.edu (web report)

- **External Reporting:** Whistleblowers can report directly to federal or state authorities if they suspect fraud.

We are committed to upholding the highest standards of integrity and compliance. Please review these laws carefully and ensure that your practices align with legal requirements.

LETTER TO VENDOR: COMPLIANCE WITH DEFICIT REDUCTION ACT

DOWNSTATE
HEALTH SCIENCES UNIVERSITY

To: All Contractors

Date:

Re: Compliance with Deficit Reduction Act

SUNY Downstate Health Sciences University (DOWNSTATE) is committed to conducting business in compliance with all applicable laws. To this end, we have an extensive Compliance Program in place to be followed by all employees and certain persons or entities with which we have contractual agreements.

As a participant in the Medicaid Program, we are obligated to comply with the terms and requirements of the Deficit Reduction Act of 2005 (DRA). In accordance with the DRA, we have adopted written polices for all employees that provide detailed information about the Federal & New York False Claims Acts, the Program Fraud Civil Remedies Act, other relevant state laws, the whistleblower protections under such laws and Downstate's policies for detecting and preventing waste, fraud and abuse.

The DRA also requires that we provide this information to all contractors and agents for your adoption. Accordingly, we are attaching "Appendix A: Federal Deficit Reduction Act of 2005 (DRA)- Federal and State Statutes" and are providing you with information regarding our Compliance Program which sets forth, in detail, our compliance policies and processes for detecting and preventing fraud, waste and abuse. In addition, Downstate has a Code of Ethics & Business Conduct that outlines the expected legal and ethical conduct of its personnel.

Please note that the Compliance Program and related materials are living documents that are subject to change as new regulations become effective and as policies & procedures are revised. In order to ensure that you are utilizing the most up-to-date version, you may always access our Compliance materials on our website at https://www.downstate.edu/about/our-administration/compliance-audit-services/.

Downstate has established a 24/7 Compliance Line as a mechanism for reporting activities, confidentially and anonymously, that may involve ethical violations or criminal conduct:

DOWNSTATE COMPLIANCE LINE:
877-349-SUNY (telephone report)
OR
"COMPLIANCE LINE" link on the bottom of Downstate's web- page:
www.Downstate.edu (web report)

Downstate has a no tolerance policy for employees, agents, or vendors who are involved in any unlawful activity. To that end, we expect that you share our goals of eradicating fraud and abuse and, therefore, will comply with your obligations under the DRA.