

Deficit Reduction Act of 2005 (DRA)

DMC is committed to comply with the terms and requirements of the DRA of 2005.

DMC's Compliance Program sets forth policies and procedures about the Federal & New York False Claims Acts, The Fraud Civil Remedies Act, Whistleblower Protection Law and other relevant state laws for detecting and preventing waste, fraud and abuse. In addition, DMC has a Code of Ethics & Business Conduct that outlines the expected legal and ethical conduct of its personnel.

Federal & New York False Claims Act (FCA)

State Finance Law §187-194, establishes liability for any person who engages in certain acts including:

- Knowingly presenting or causing to be presented a false or fraudulent claim to the Federal, State, or local government for payment.
- Knowingly making, using, or causing to be made or used, a false statement to get a false or fraudulent claim paid by the Federal, State or local government
- Conspiring to defraud the Federal, State or local government by getting a false or fraudulent claim allowed or paid , or
- Knowingly making, using, or causing a false statement to conceal, avoid or decrease an obligation to pay money to the Federal or local government

Under the Federal & NY False Claims Act

A person acts “knowingly” if she/he:

- Has actual knowledge of the information
- Acts in deliberate ignorance of the truth or falsity of the information, or
- Acts in reckless disregard of the truth or falsity of the information

In sum, the FCA imposes liability on any person who submits a claim to the government that she/he knows or should know is false.

Under the **Federal & NY Claims Act**, private parties may bring an action on behalf of the United States. These private parties known as whistleblowers, may share in a percentage of the proceeds from an FCA action or settlement.

However, DMC is a component of the State University of New York, SUNY and thus is a State agency and may NOT be eligible to file whistleblower lawsuits against State agencies and may **NOT** be entitled to a share of the proceeds of any FCA recoveries.

Fraud Civil Remedies Act 1986

The Program Fraud Civil Remedies of 1986, is similar to the False Claims Act, establishing an administrative remedy against any person who presents or causes to be presented a claim or written statement that the person knows or has reason to know is false, fictitious, or fraudulent to certain Federal agencies, including HHS, and again, includes Medicaid and Medicare claims.

Additional New York State Laws

There are additional New York State laws, both civil/administrative and criminal, that prohibit false claims. Some apply to recipient false claims and some apply to provider false claims. While most are specific to healthcare or Medicaid, some of the “common law” crimes apply to areas of interaction with the government.

New York Penal Law §177

New York Penal Law §177 establishes the crime of Health Care Fraud. A person commits such a crime when, with the intent to defraud Medicaid (or other health plans,, including non-governmental plans), she/he knowingly and willfully provides false information or omits material information for the purpose of requesting payment for a health care item or service and as a result of the false information or omission, receives such a payment in an amount to which she/he is not entitled. Health Care Fraud is punished with fines and jail time based on the amount of payment. The higher the payments in a one year period, the more severe the punishments, which currently range up to 25 years if more than \$1 million in improper payments are involved.

New York Labor Laws §740 & §741

New York law also affords protections to employees who may notice and reports inappropriate activities. An employer shall not take any retaliatory personnel action against an employee because the employee discloses, or provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such violation of law, rule or regulation by such employer.

DMC Compliance Info

- DMC has established a 24/7 Compliance Line as a mechanism for reporting activities, confidentially and anonymously, that may involve ethical violations or criminal conduct.
- DMC Compliance Line: **877-349-SUNY**
- The most up-to-date policies & procedures and compliance materials are located on DMC's website at www.downstate.edu/compliance

DMC & DRA

- DMC has a no tolerance policy for employees, agents, or vendors who are involved in any unlawful activity.
- It's DMC's goal is to have every employee, agent or vendor comply with the obligations under the DRA and all relevant Federal and New York State Laws.