

FALSE CLAIMS ACT POLICY

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Approvals Signature Policy Owner: <u>Velinda Brown</u> Date: <u>3-30-23.</u> Policy Owner Printed Name: Velinda Brown, Director of Internal Audit Signature Senior Leader: <u>James Gentile</u> Date: <u>3-30-23</u> Senior Leader Printed Name: James Gentile, Senior Vice President and Chief Compliance Officer (CCO)	

I. PURPOSE

The purpose of this policy is to set forth the manner in which Fallon Health complies with the requirements of the Deficit Reduction Act of 2005 (“DRA”), the federal Civil False Claims Act (“Federal FCA”).

II. SCOPE

This policy applies to all employees of Fallon Community Health Plan, Inc. (d/b/a “Fallon Health”), and to any other person whose conduct, in the performance of of work for Fallon Health, is under the direct control of Fallon Health.

Throughout this policy, unless otherwise indicated, Fallon Health includes all Fallon Health Community Health Plan, Inc. subsidiaries and affiliated organizations.

III. RESPONSIBILITY

The CCO, is the owner of this policy. As such, it is the CCO’s, or their designee’s, responsibility to provide guidance and oversight on the implementation of this policy, and to monitor compliance with this policy. This includes educating of all employees about federal and state laws on False Claims and whistleblower protections.

This policy shall be reviewed by the Compliance Committee annually or as needed.

IV. DEFINITIONS

1. "Employee" includes an officer or employee of Fallon Health.
2. A "Contractor" or "Agent" includes any contractor, subcontractor, agent or other person (including the ultimate provider of either health care (including pharmacy) or administrative services) that enters directly into a written arrangement with Fallon Health to provide such services or that provides or otherwise authorizes the provision of such items or services through arrangements with downstream entities (such as through participating provider network arrangements or participating pharmacies contracted through Pharmacy Benefit Managers), or that performs billing or coding functions or is involved in monitoring of health care services arranged by Fallon Health.
3. A "Relator" or "Whistleblower" refers generally to an individual who files an action under the Federal FCA or a state false claims act (including the "Massachusetts FCA" and "NY FCA") on behalf of the government based on knowledge of alleged wrongdoing, and, in return if he/she prevails, he or she is entitled to a percentage of any damages awarded to the federal or state government.
4. "Knowing" or "Knowingly" mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information.

V. DESCRIPTION

Fallon Health complies with the requirements of the Deficit Reduction Act of 2005 ("DRA"), the federal Civil False Claims Act ("Federal FCA") as amended by the Fraud Enforcement and Recovery Act of 2009 ("FERA"), and the federal Patient Protection and Affordable Care Act of 2010 ("PPACA"). The policy and its attachments provide an overview of the Federal FCA, the Massachusetts False Claims Act ("Massachusetts FCA") and New York False Claim Act ("NY FCA"), and the federal Program Fraud Civil Remedies Act of 1986 ("Program Fraud Civil Remedies Act") and Fallon Health's internal mechanisms to help prevent and detect fraud, waste and abuse in the federal and Massachusetts health care programs.

Under the DRA, any entity who receives or makes annual Medicaid payments of more than \$5 million is required to provide information to its Employees, Contractors and Agents about the federal and applicable state false claims acts, the rights of employees to be protected as whistleblowers, and the organization's policies and procedures for detecting and preventing fraud, waste and abuse. This Policy covers all of Fallon Health, state and federal governmental programs, including all subsidiaries and affiliated organizations.

Applicability

This Policy applies to all Employees, Contractors and Agents of Fallon Health. This Policy prohibits the: (1) "submitting" or "causing the submission" of a false claim to a state or federal government program, or contractor thereof, Fallon Health or a Contractor of Fallon Health, (2) making or submitting a false record or statement to a state or federal government program, Fallon Health or a Contractor of Fallon Health, or (3) failing to return an overpayment in a timely fashion due to a state or federal government program, Fallon Health or a Contractor of Fallon Health, where such claims, records or statements are made in connection with any government program (for example Fallon Health's Medicare Advantage, Medicaid, MLTC, SCO, PACE or Part D programs) or in connection with the furnishing of any items or services to Fallon Health enrollees under such programs. Such activities are illegal and may subject the person who submits such claims, and the organization on whose behalf they submit such claims, to potential liability under federal and state law.

Accurate Billing

Fallon Health is committed to ensuring accurate billing and coding of all services. Physicians, health care facilities and all health care providers and subcontracted providers that are contracted with Fallon Health are expected to submit claims appropriately and to bill as required by Fallon Health, all applicable statutes, regulations and program instructions and consistent with industry standards for services rendered.

False or Misleading Entries

Fallon Health and its Employees, Contractors and Agents shall not knowingly make or submit any false or misleading entries or statements on any bills, claim forms or other requests for reimbursement. No Fallon Health Employee, Contractor or Agent shall engage or participate in such arrangements involving false or misleading claims or entries at the direction of another person, including any supervisor or manager, that results in such prohibited acts. All employees must abide by Fallon Health's Code of Conduct.

Overpayments to Contractors

All Contractors must report and refund within 60 days any overpayments due under any of Fallon Health's governmental programs. Such refunds shall be made to Fallon Health or to the Fallon Health Contractor to which such amounts are due. Overpayments shall be made in full and with a written explanation to Fallon Health or to the Fallon Health Contractor.

All Fallon Health Employees, Contractors (including an employee of a Contractor) and Agents must notify their supervisor or manager, the Fallon Health CCO any member of the Fallon Health Corporate Compliance department, or the Fallon Health Compliance Hotline immediately if they become aware that Fallon Health has or may have received an overpayment from any governmental program.

Reporting Non-Compliance

If a Fallon Health Employee, Contractor (including an employee of a Contractor) or Agent has any reason to believe or suspect that anyone is engaging in practices that could lead to a violation of this Policy, that individual shall immediately report the practice to their supervisor or manager, the Fallon Health CCO, any member of the Fallon Health Corporate Compliance department, or the Fallon Health Compliance Hotline in accordance with Fallon Health's Compliance Program. The Compliance Hotline telephone number is 888-203-5295.

If an Employee, Contractor (including an employee of a Contractor) or Agent does not believe that Fallon Health responds appropriately when given notification of a potential violation, that individual may have rights as a Relator under the federal and state false claims acts, as described in more detail in 104.03PR False Claims Act Attachments.

Internal Reporting Mechanisms

To assist in its efforts to detect and prevent fraud, waste and abuse, Fallon Health has a Corporate Compliance Program that includes the following internal reporting mechanisms: open door policy and anonymous hotline. Fallon Health's "open door policy" means that Fallon Health's CCO and Fallon Health managers are available to speak with any Fallon Health Employee or Contractor (or employee of a Contractor) about any compliance concerns. In addition, Fallon's members, employees, contractors, volunteers, business partners (including FDRs), and members of the Board of Directors can report any suspicious activity, compliance issue or questions; including fraudulent or abusive activity to a supervisor, manager, IA, Compliance, Human Resources, CEO, CCO or to Board members. Concerns can be reported face-to-face, email, or anonymously by calling the Fallon Health Compliance Hotline. Fallon Health's Corporate Compliance Program

does not tolerate retaliation against persons who make reports or submit questions in good faith to the Compliance Hotline or to Corporate Compliance department.

Auditing & Monitoring Procedures

Fallon Health conducts regular and periodic auditing and monitoring to ensure that proper procedures are being followed and to ensure that if such procedures are not followed, proper remedial steps are taken. These procedures include the auditing and monitoring of Agents, Contractors, Employees and internal departments as determined by Fallon Health. More information can be found in 503.13 Routine Monitoring and Auditing.

It is the policy of Fallon Health that detecting and preventing fraud, waste, and abuse is responsibility of everyone. More information on what Fallon Health does to prevent, detect and investigate fraud, waste and abuse can be found in Fallon Health's 104.02 Fraud, Waste and Abuse Prevention and Detection Policy.

Non-Retaliation

As described in Fallon Health's policy Reporting of Potential Issues or Areas of Non-Compliance, it is Fallon Health's policy to protect its Employees from retaliation of any kind for, among other things, reporting in good faith any concerns regarding fraud, waste and abuse. Retaliation against such Employees will result in disciplinary action. Refer to 102.11 Non-Retaliation (Whistleblower Protections) Policy.

Contractors and Agents

Fallon Health shall make a copy of this Policy available to its Contractors and Agents.

VI. REFERENCES

DRA, P.L. 109-171, § 6031 (Feb. 8, 2006); Federal FCA, 31 U.S.C. § 3729 et seq.; Program Fraud Civil Remedies Act, 31 U.S.C. § 3801 et seq.; FERA; PPACA; Massachusetts FCA, M.G.L. c. 12, §§ 5A-5O, Massachusetts and New York False Claims Act, N.Y. Fin. Law §§ 187 – 194.

VII. DOCUMENTATION REFERENCED

104.03PR False Claims Act Attachments

104.02 Fraud, Waste and Abuse Prevention and Detection Policy

102.01 Reporting Potential Issues or Areas of Non-Compliance

503.13 Routine Monitoring and Auditing