

POLICY COMMUNICATIONS REPORT (PCR)

DATE: August 13, 2009

Policy Name and Code #: Fraud, Waste and Abuse Protection and the Federal Deficit Reduction Act of 2005, 00-01-15-55:05

Check one of the following actions:

New                       Revised (Substantive)                       Revised (Non-Substantive)  
 Rescinded                       Reclassed

Date of Action: July 21, 2009

**Purpose of Policy:**

ADDEMDUM TO University policy, REPORTING COMPLIANCE AND ETHICS, 00-01-15-55:00:

This policy supplements the University policy, Reporting Compliance and Ethics Concerns, 00-01-15-55:00 and those sections of the UMDNJ Compliance Plan which concern the detection and prevention of fraud, waste and abuse in the implementation of federal and state healthcare programs and protection for those who report actual or suspected wrongdoing as well as sanctions for those who forward false information.

To satisfy the requirements of the Deficit Reduction Act of 2005 (DRA), particularly Section 6032, by providing information about federal and state laws relating to liability for false claims and statements.

**Motivation for New:**

To set policy summarizing highlights from the:

- Deficit Reduction Act of 2005 (DRA), in particular Section 6032
- Federal Program Fraud Civil Remedies Act of 1986 (38 U.S.C. §380 et seq.),
- The New Jersey Medical Assistance and Health Services Act (NJSA 30:4D-17(1)-(d)), and
- The New Jersey Health Care Claims Fraud Act (NJSA 2C:21-4.2 and 4.3; N.J.S. 2C:51-5)

**Highlights:**

- DRA's statute that imposes civil liability to persons under the **Federal Civil False Claims Act** (31 U.S.C. §3729 et seq.);
- Administrative remedy against a person who represents or causes to be presented a fraudulent claim or written statement under the **Federal Program Fraud Civil Remedies Act of 1986** (38 U.S.C. §380 et seq.)
- Criminal and civil provisions of **The New Jersey Medical Assistance and Health Services Act** (NJSA 30:4D-17(1)-(d)) and the potential monetary and prison terms for willfully receiving monies that which he or she is not entitled.
- Penalties if convicted of health care claims fraud under **The New Jersey Health Care Claims Fraud Act** (NJSA 2C:21-4.2 and 4.3; NJSA 2C:51-5).
- Amendment in **The New Jersey False Claims Act** (NJSA 30:4D-17(e)), which authorizes the Attorney General and/or whistleblowers to maintain false claims litigation similar to and what is authorized under the Federal False Claims Act. Moreover, this Act amends NJ Medicaid Statute, increasing monetary penalty to the same level as provided under the Federal FCA provision.

**Review/Approval Process:**

The policy was reviewed and endorsed by the General Counsel and the Chief Compliance Officer and approved by the Board of Trustees at their meeting on July 21, 2009.