

DEFICIT REDUCTION ACT

Background:

The Deficit Reduction Act (DRA) of 2005 is a federal law which allows States to modify their Medicaid Program, while providing guidance to align with federal guidelines focused on eliminating Fraud, Waste and Abuse (FWA) in Medicaid. Section 6032 of the DRA requires organizations receiving Medicaid payments in excess of \$5 million per year to establish written policies addressing the Federal False Claims Act, applicable to associates, contractors, and/or agents.

The DRA also promotes education as a key strategy in targeting Medicaid FWA. An organization should utilize education to support efforts for detection and prevention of misconduct within the organization. A copy of the DRA of 2005 may be [found here](#).

The Federal False Claims Act (FCA) concerns result from the submission of a false claim, record or statement to the government and/or a recipient to which the government will reimburse. Key concepts include:

- FCA Liability – addresses liability of those who knowingly make a false statement and/or submits or causes another to submit a false claim to the government
- Reverse False Claim – addresses liability of those who conspire to violate the FCA or act improperly to avoid paying money owed to the government
- Civil and Criminal Penalties – addresses that those held liable may be subject to civil and criminal penalties for each false claim and treble (three times) the amount of damage
- Knowledge Requirement – addresses knowledge of a false submission which may include (1) actual knowledge, (2) deliberate ignorance of the truth, or (3) reckless disregard of the truth
- “Whistleblower” (Qui Tam) Provisions: addresses the protection of those who wish to file suit for violations of the FCA

Our Compliance Program

This organization supports an established Compliance Program, focused on detecting and preventing FWA:

- Organizational Code of Conduct (CoC)
- Guidelines applicable to those authorized to deliver health care services and/or perform coding or billing on behalf of the organization
- CoC and Guidelines are available to associates (employees).
- Annual CoC training as an additional condition of employment
- Additional education includes areas identified for heightened risk in the healthcare environment, emphasizing each associate’s duty to promptly report potential concerns.

Non-compliance may violate the FCA requirements, making services ineligible for reimbursement, and could result in sanctions which prohibit an individual or organization from future participation with state and federal health care programs.

Those interested in learning more about our organization and its Compliance Program are encouraged to [contact Compliance online](#). Compliance may also be contacted by phone at (888) 892-9962 or by mailing CHSGa Compliance Department at 110 Stone Brooke Drive, Gray, GA 31032.

Additional resources and details about the Deficit Reduction Act of 2005 are also available at:

- DOJ – [The False Claims Act: A Primer](#)
- CMS – [False Claims Act Description](#)
- CMS – [The DRA: Important Facts for State Government Officials](#)
- CMS – [DRA 6032: Employee Education About False Claims Recovery – Frequently Asked Questions](#)
- CMS – [DRA 6032: State Implementation Guidance](#)