

 <p>HAWAII HEALTH SYSTEMS C O R P O R A T I O N <i>"Touching Lives Everyday"</i></p> <p>Policies and Procedures</p>	<p><i>Quality Through Compliance</i></p>	Policy No.:	CMP 0011
		Revision No.:	
<p>Subject:</p> <p><i>False Claims Acts and Whistleblowers' Protection Act</i></p>	Issued by:	Effective Date:	December 20, 2006
	Approved by:	Supersedes Policy:	
	HHSC Board of Directors By: Jean Odo Its: Secretary/Treasurer	Page:	1 of 3

I. PURPOSE: To prevent and deter fraud, waste, and abuse.

II. POLICY: The Corporation can achieve its mission best if it is made aware of potential improper governmental actions and has the opportunity to investigate and fix problems. This goal is served when Corporate employees, contractors, and agents know they can bring such concerns to the attention of the administration or to the appropriate governmental agencies without fear that they may be penalized for sharing such information.

It is the policy of the Corporation to: (1) encourage employees, contractors, and agents, acting in good faith, to report what they reasonably believe to be improper governmental action or wrongdoing by Corporate officers, employees, contractors or agents and (2) protect persons so reporting in accordance with the provisions of this Policy.

III. FALSE CLAIMS ACT:

The Federal False Claims Act (31 U.S.C. § 3729) imposes liability upon any person who:

(1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States, a false or fraudulent claim for payment or approval;

(2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government;

(3) conspires to defraud the Government by getting a false or fraudulent claim allowed or paid;

(4) has possession, custody, or control of property or money used, or to be used, by the Government and, intending to defraud the Government or willfully to conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;

(5) 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;

(6) 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 the property; or

(7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

Any person who violates the False Claims Act may be liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus three times the amount of damages which the Government sustains because of the act of that person.

Any Corporate employee, contractor or agent who reasonably suspects a violation of the False Claims Act may notify a supervisor, the regional administration, the regional compliance officer, or by calling the toll free corporate compliance hotline number at (877) 733-4189. Any person reasonably suspecting a violation may also report the violation to the United States Department of Justice. Private parties are given standing to file civil suits on the Federal government's behalf under the False Claims Act to recover the damages and penalties, and to share in the proceeds.

The False Claims Act prohibits retaliation against a person reporting, or assisting in the investigation or a proceeding connected with a violation of the Act. A person suffering retaliation should contact the Corporate Compliance Officer, or report the retaliation to Corporate Officers. The person may also bring a civil action to recover damages, including attorney's fees.

IV. HAWAII'S FALSE CLAIMS ACT

Hawaii has a False Claims Act (Haw.Rev.Stat. §661-21 (2005 Supp.)), that prohibits false claims, such as Medicaid claims, from being submitted to the State. This Act is virtually identical to the federal False Claims Act. Violations of the Act can result in civil penalties of not less than \$5,000.00 and not more than \$10,000.00, plus three times that the State sustains. The Act also authorizes individuals discovering violations to bring legal actions against the violators and to recover a portion of the damages.

V. WHISTLEBLOWERS PROTECTION ACT

Hawaii's Whistleblowers Protection Act (Haw. Rev. Stat. § 378-62) provides in part that an employer shall not discharge, threaten, or otherwise discriminate against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(1) The employee, or a person acting on behalf of the employee, reports or is about to report to the employer, or reports or is about to report to a public body, verbally or in writing, a violation or a suspected violation of:

(A) A law, rule, ordinance, or regulation, adopted pursuant to law of this State, a political subdivision of this State, or the United States; or

(B) A contract executed by the State, a political subdivision of the State, or the United States, unless the employee knows that the report is false; or

(2) An employee is requested by a public body to participate in an investigation, hearing, or inquiry held by that public body, or a court action.

The term "employer" as used in the Act includes a person employed by the State or by a political subdivision of the State.

An employee believing he or she has been subject to retaliation should report this unlawful conduct to a supervisor, to the regional administration, the regional compliance officer, or by calling the toll free corporate compliance hotline number at (877) 733-4189. Also, a person belonging to a union may file a grievance under the relevant collective bargaining agreement.

A person alleging a violation of the anti-retaliation provision may bring a civil action in the State circuit court for appropriate injunctive relief, or actual damages, or both.