COOPER UNIVERSITY HEALTH CARE

Compliance Policies and Procedures

Supersedes:	05/27/2025	Section:	Compliance Program
Reviewed:	08/07/2025	Subject:	12.103 - False Claims Act, Education About the

1otice: The official version of this Policy is contained in Cooper Policy Network and may have been revised since the document was printed.

I. PURPOSE:

A. To satisfy the requirements of Section 6032 of the Deficit Reduction Act of 2005 ("DRA") by setting forth required information concerning:

1. The federal False Claims Act and other laws pertaining to civil and criminal penalties for false claims;
2. New Jersey False Claims laws;
3. Protections against reprisals or retaliation for those who report wrongdoing; and
4. Cooper University Health Care's (CUHC) procedures to detect and prevent fraud, waste, and abuse.

II. SCOPE:

A. This Policy applies to all CUHC Representatives as well contractors and agents of CUHC.

III. DEFINITIONS:

A. CUHC Representatives means:

1. Members of the Board of Trustees and its committees;
2. Cooper's executives and officers;
3. All Cooper team members at all locations, including contract, part time, and temporary team members;
4. Residents, students, and volunteers;
5. Medical Staff; and
6. Agents of Cooper.

B. An **"agent"** or **"contractor** is a person or entity who, on behalf of CUHC, furnishes, or otherwise authorizes the furnishing of Medicaid health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by CUHC. This policy applies only to contractors associated with the provision of Medicaid health care items or services (e.g., does not apply to copy and shredding services, grounds maintenance, or gift shop services). The foregoing definition is intended to be consistent with the definition of covered contractors and agents that has been announced by CMS in its communications on the requirements of the DRA.

IV. BACKGROUND:

A. The Deficit Reduction Act of 2005:

1. Section 6032 of the DRA requires certain governmental, for-profit, and non-profit providers and other entities that receive Medicaid funding to:
    a. Establish written policies for all team members and contractors or agents that provide detailed information about federal and New Jersey false claims law as well as fraud, waste, and abuse in health care programs (including Medicaid, Medicare, and New Jersey FamilyCare);
    b. Establish policies for detecting and preventing fraud, waste, and abuse; and
    c. Provide team members with notification of their right to be protected as whistleblowers.

B. The False Claims Act:

1. The False Claims Act (FCA), 31 U.S.C. §§ 3729-3733, makes any person or entity that knowingly submits a false or fraudulent claim for payment of United States government funds liable for significant penalties and fines. These sanctions include a penalty of up to three times the government's damages, civil penalties ranging from $14,308 to $28,619 per false claim, and exclusion from the Medicare program. This law applies generally to federally-funded programs, including health care programs such as Medicaid and Medicare.
2. The FCA also provides that a private person with knowledge of a false claim may bring a civil action on behalf of the United States government to recover funds it has paid as a result of that false claim. The government will investigate the individual's allegations and may or may not choose to join in the lawsuit. If the government chooses to join, it assumes responsibility for all of the subsequent expenses associated with the lawsuit. If the lawsuit is ultimately successful, the court may award the individual who initially brought the suit a percentage of the funds recovered. That percentage is lower when the government joins in the action. Regardless of whether the government participates, the court may reduce the individual's share of the proceeds if it finds that he or she planned and initiated the false claim violation. If the individual is convicted of criminal conduct related to their role in the preparation or submission of the false claim, the individual will be dismissed from the civil action without receiving any portion of the proceeds.

3. The FCA also contains a provision that protects a private person from retaliation by their employer for participation in a false claims action. That provision applies to any team member who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of the team members lawful conduct in furtherance of a false claim action.

C. The Program Fraud Civil Remedies Act (PFCRA), 31 U.S.C.§ 3801-3812, provides for administrative remedies against those who knowingly submit false claims and statements. Under the PFCRA, a violation may result in a maximum penalty of $14,308[1] per claim, plus an assessment of up to twice the amount of each false or fraudulent claim.

D. New Jersey False Claims Laws

1. The New Jersey Medical Assistance and Health Services Act. Criminal Penalties, N.J.S.A. 30:4D-17(a)-(d)
    a. This statute provides criminal penalties for individuals and entities engaging in fraud or other criminal violations relating to Title XIX-funded programs. They include: (a) fraudulent receipt of payments or benefits: fine of up to $25,000, imprisonment for up to 5 years, or both per violation; (b) false claims, statements or omissions, or conversion of benefits or payments: fine of up to $25,000, imprisonment for up to 5 years, or both per violation; (c) kickbacks, rebates and bribes: fine of up to $25,000, imprisonment for up to 5 years, or both per violation; and (d) false statements or representations about conditions or operations of an institution or facility to qualify for payments: fine of up to $25,000, or imprisonment for up to 18 months, or both per violation.
2. Civil Remedies, N.J.S.A. 30:4D-17(e)-(i); N.J.S.A. 30:4D-17.1.a
    a. In addition to the criminal sanctions above, violations of N.J.S.A. 30:4D(a)-(d) can also result in the following civil sanctions:(1) payment of interest on the amount of the excess benefits or payments at the maximum legal rate in effect on the date the payment was made to said person, firm, corporation, partnership or other legal entity for the period from the date upon which payment was made to the date upon which repayment is made to the State; (2) payment of an amount not to exceed three-fold the amount of such excess benefits or payments; and (3) payment in the sum of not less than and not more than the civil penalty

[1] This is the current maximum penalty as of January 2025. The maximum penalty increases annually based on the percent change in the CPI-U over the relevant time period (government fiscal year) and rounded to the nearest dollar

allowed under the federal False Claims Act (31 U.S.C. s.3729 et seq.), as it may be adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, Pub.L.101-410 for each excessive claim for assistance, benefits or payments.

b. In addition to recovery actions, violations can result in the exclusion of an individual or entity from participation in all health care programs funded in whole or in part by the N.J. Division of Medical Assistance and Health Services. Recovery and exclusion can also be obtained as part of a criminal prosecution.

3. Health Care Claims Fraud Act, N.J.S.A. 2C:21-4.2 & 4.3; N.J.S.A. 2C:51-5
This statute provides criminal penalties for health care claims fraud, with penalties that vary according to intent:
   a. A practitioner who knowingly commits health care fraud in the course of providing professional services is guilty of a crime of the second degree, and is subject to a fine of up to five times the monetary benefits obtained or sought to be obtained as well as permanent forfeiture of his license;
   b. A practitioner who recklessly commits health care fraud in the course of providing professional services is guilty of a crime of the third degree, and is subject to a fine of up to five times the pecuniary benefit obtained or sought to be obtained and the suspension of his license for at least one year;
   c. A person who is not a practitioner who knowingly commits health care claims fraud is guilty of a crime of the third degree. Such a person is guilty of a crime of the second degree if that person knowingly commits five (5) or more acts of health care claims fraud, and the aggregate monetary benefit obtained or sought to be obtained is at least $1,000. In addition to all other criminal penalties allowed by law, such a person may be subject to a fine of up to five (5) times the monetary benefit obtained or sought to be obtained;
   d. A person who is not a practitioner is guilty of a crime of the fourth degree if that person recklessly commits health care claims fraud. In addition to all other criminal penalties allowed by law, such a person may be subject to a fine of up to five (5) times the monetary benefit obtained or sought to be obtained.

4. The Uniform Enforcement Act, N.J.S.A. 45:1-21. b
    a. A licensure board within the N.J. Division of Consumer Affairs "may refuse to admit a person to an examination or may refuse to issue or may suspend or revoke any certificate, registration or license issued by the board" who as engaged in "dishonesty, fraud, deception, misrepresentation, false promise or false pretense," or has "[a]dvertised fraudulently in any manner."
5. Conscientious Employee Protection Act, "Whistleblower Act", N.J.S.A. 34:19-4
    a. New Jersey law prohibits an employer from taking any retaliatory action against a team member because the team member does any of the following:
        i. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy or practice of the employer or another employer, with whom there is a business relationship, that the team member reasonably believes is in violation of a law, or a rule or regulation issued under the law, or, in the case of an team member who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care;
        ii. Provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a business relationship, or, in the case of an team member who is a licensed or certified health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care;
        iii. Provides information involving deception of, or misrepresentation to, any shareholder, investor, client, patient, customer, team member, former team member, retiree, or pensioner of the employer or any governmental entity;
        iv. Provides information regarding any perceived criminal or fraudulent activity, policy, or practice of deception or misrepresentation which the team member reasonably believes may defraud any shareholder, investor, client, patient, customer,

team member, former team member, retiree, or pensioner of the team member or any governmental entity; or

v. Objects to, or refuses to participate in, any activity, policy or practice which the team member reasonably believes:
   1. Is in violation of a law, or a rule or regulation issued under the law or, if the team member is a licensed or certified health care professional, constitutes improper quality of patient care;
   2. Is fraudulent or criminal; or
   3. Is incompatible with a clear mandate of public policy concerning the public health, safety or welfare or protection of the environment.

b. The protection against retaliation when a disclosure is made to a public body does not apply unless the team member has brought the activity, policy or practice to the attention of a supervisor of the team member by written notice and given the employer a reasonable opportunity to correct the activity, policy or practice. However, disclosure is not required where the team member reasonably believes that the activity, policy or practice is known to one or more supervisors of the team member or where the team member fears physical harm as a result of the disclosure, provided that the situation is emergent in nature.

6. The New Jersey False Claims Act N.J.S.A. 2A:32C
   a. A person shall be jointly and severally liable to the State for a civil penalty of not less than and not more than the civil penalty allowed under the federal False Claims Act, as may be adjusted in accordance with the inflation adjustment procedures prescribed in the Federal Civil Penalties Inflation Adjustment Act of 1990, Pub.L.101-410, for each false or fraudulent claim, plus three times the amount of damages which the State sustains, if the person commits any of the following acts:
      i. Knowingly presents or causes to be presented to an team member, officer or agent of the State, or to any contractor, grantee, or other recipient of State funds, a false or fraudulent claim for payment or approval;

ii. 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 State;
iii. Conspires to defraud the State by getting a false or fraudulent claim allowed or paid by the State;
iv. Has possession, custody, or control of public property or money used or to be used by the State and knowingly delivers or causes to be delivered less property than the amount for which the person receives a certificate or receipt;
v. Is authorized to make or deliver a document certifying receipt of property used or to be used by the State and, intending to defraud the entity, makes or delivers a receipt without completely knowing that the information on the receipt is true;
vi. Knowingly buys, or receives as a pledge of an obligation or debt, public property from any person who lawfully may not sell or pledge the property; or
vii. 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 State.

b. The New Jersey False Claims Act also provides that a private person with knowledge of a false claim may bring a civil action on behalf of the state to recover funds it has paid as a result of that false claim. The Attorney General will investigate the individual's allegations and may or may not choose to join in the lawsuit. If the Attorney General chooses to participate, it assumes responsibility for all of the subsequent expenses associated with the lawsuit. If the lawsuit is ultimately successful, the court may award the individual who initially brought the suit a percentage of the funds recovered.
c. The New Jersey False Claims Act prohibits an employer from taking any retaliatory action against an team member, contractor or agent because the team member, contract or agent:
i. discloses information to a State or law enforcement agency or acts to further a false claims action, including investigating, initiating, testifying, or assisting in an action filed or to be filed under this act;

d. Any team member, contractor, or agent shall be entitled to all relief necessary to make that team member, contractor, or agent whole, if that team member, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the team member, contractor, agent, or associated others in furtherance of an action under this act, or in other efforts to stop one or more violations of this act.

e. Relief under 6d above, shall include reinstatement with the same seniority status such team member, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, compensation for any special damages sustained as a result of the discrimination, and, where appropriate, punitive damages. In addition, the defendant shall be required to pay litigation costs and reasonable attorney's fees associated with an action brought under this section. An action may be brought in the Superior Court for the relief provided in this subsection.

f. A civil action under this subsection may not be brought more than three years after the date when the retaliation occurred.

7. New Jersey Insurance Fraud Prevention Act N.J.S.A. 17:33A-1, et seq. The purpose of this act is to confront aggressively the problem of insurance fraud in NJ, by facilitating its detection and eliminating its occurrence through the development of fraud prevention programs. It requires the restitution of fraudulently obtained insurance benefits. Civil penalty may be up to $5,000 for first violation, $10,000 for second and $15,000 for subsequent violations; court costs and attorney's fees; restitution to an insurance company or any person suffering loss; and a surcharge of $1,000, or if there is a settlement, a surcharge of 5% of the settlement payment. Surcharges fund fraud prevention programs.

V. POLICY:

A. It is the policy of CUHC:

1. To implement and enforce procedures to detect and prevent fraudulent or misleading claims to any government agency or payor; and
2. To educate CUHC Representatives about federal, New Jersey, and CUHC's whistleblower rules.

VI. PROCEDURE:

A. Detecting and Responding to Fraud, Waste, and Abuse
   1. CUHC's policies and procedures for detecting and preventing fraud are incorporated into its Code of Ethical Conduct.
   2. In accordance with these policies and procedures, team members are encouraged to take the initiative to ensure a culture of compliance by bringing to management's attention any potential violations of its Code of Ethical Conduct and any laws, including those referenced above.

B. Reporting Fraud, Waste, and Abuse
   1. CUHC's team members, contractors, or agents may make reports by:
      a. Informing their supervisor;
      b. Contacting CUHC's Chief Compliance Officer (at 856-536-1303) or via email);
      c. Using the Compliance Advice email at ComplianceAdvice@Cooperhealth.edu;
      d. Anonymous reports made by made by calling CUHC's Compliance Hotline phone number, 1-833-435-1006; or
      e. Submitting a report via the Compliance Hotline website.
         i. My Compliance Report
   2. Additional reporting methods
      a. The NJ Medicaid Fraud Division Hotline: 888-937-2835 or https://www.nj.gov/comptroller/about/work/medicaid/complaint.shtml or
      b. The New Jersey Insurance Fraud Prosecutor Hotline: 877-55-FRAUD or https://www.njoag.gov/report-fraud/

   3. Any information that team members provide to their supervisors, or any member of the administration or the Chief Compliance Officer, or other Compliance staff member, will be kept in confidence to the extent feasible and legal.
   4. In the event of a government investigation or lawsuit, or if the need otherwise arises for Cooper to disclose the information, such information may be disclosed at the direction of legal counsel.

5. Cooper will not take adverse action against an team member for reasonably requesting assistance from or reporting potential violations of law or Cooper policy to a supervisor, the Compliance Hotline, or the Compliance Office.
    a. By reporting their own misconduct, however, an team member will not insulate themselves from potential disciplinary action for such a violation.
    b. Team members should report concerns about possible retaliation or harassment to the Chief Compliance Officer.
    c. Cooper will not tolerate abuse of the reporting process. Any team member who makes an intentionally false statement, or makes a report of alleged misconduct in bad faith, shall be subject to appropriate disciplinary action up to and including termination.

C. Education for CUHC Representatives
    1. CUHC Representatives receive information concerning fraud, waste, and abuse as well as whistleblower protection policies upon orientation, annual education, and in CUHC's Code of Ethical Conduct, which is reviewed at orientation and is available online on the Cooper Policy Network.

D. Dissemination to Contractors and Agents
    1. This policy is available to all contractors and agents via CUHC's website:
        a. www.cooperhealth.org/about-us/education-about-false-claims-act
    2. Information regarding the FCA and related New Jersey laws and CUHC's policies regarding fraud, waste, and abuse are included in each vendor contract.

E. **Violations of this Policy or any applicable federal or state law pertaining to false claims may be grounds for disciplinary action up to and including immediate termination of employment, as well as possible legal and / or criminal action**.

VII. RELATED POLICIES AND PROCEDURES:

A. 12.102 - Conflicts of Interest and Commitment
B. 12.104 - Antitrust Rules
C. 12.106 - Auditing and Monitoring High Risk Areas
D. 12.109 - Exclusion and Sanction Screening Policy, Corporate
E. 12.110 - Exclusion and Sanction Screening Procedure, Corporate
F. 12.112 - Code of Ethical Conduct - Development, Distribution and Acknowledgement Policy
G. 12.113 - Mandatory Compliance Education (Formerly 8.625)

H. Code of Ethical Conduct
I. Medical Staff Credentials Procedure Manual
J. Additional policies and procedures as posted and updated on the Cooper Policy Network.

VIII. REFERENCES:

A. Section 6032 of the *Deficit Reduction Act of 2005* (Public Law 109-171) (establishes Section 1902(a)(68) of the *Social Security Act,* 42 U.S.C. § 1396(a))
B. *The False Claims Act, 31 U.S.C. §§ 3729, 3730, 3731, 3732, 3733*
C. *The Program Fraud Civil Remedies Act*, 31 U.S.C. §§ 3801-3812
D. Whistleblower Protections, 31 U.S.C. § 3730(h)
E. Pertinent New Jersey laws:
    1. *The New Jersey Medical Assistance and Health Services Act*, N.J.S.A. 30:4D-17(a)-(d)
    2. *Civil Remedies,* N.J.S.A. *30:4D-17(e)-(i);* N.J.S.A. 30:4D-17.1.a
    3. *Health Care Claims Fraud Act*, N.J.S.A. 2C:21-4.2 & 4.3; N.J.S.A 2C:51-5
    4. *The Uniform Enforcement Act*, N.J.S.A. 45:1-21.b
    5. *Conscientious Employee Protection Act, "Whistleblower Act,"* N.J.S.A. 34:19
    6. *The New Jersey False Claims Act*, N.J.S.A. 2A:32C

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