

LOYOLA MEDICINE  
RESIDENT HANDBOOK  
III. POLICIES AND PROCEDURES

### III.P. CORPORATE COMPLIANCE

P.1. Definition

Corporate Compliance is a term that refers to an organization's ability to live within the law. The term may be defined by considering both its legal and ethical components. **To be legally compliant**, we should comply with federal, state and local laws and regulations. **To be ethically compliant**, we should follow the Jesuit example and be men and women for others. In health care, corporate compliance includes expectations that reflect a concern for what patients, employees and the community regard as fair or just. These expectations are described in Loyola's Standards of Conduct.

1. Loyola is committed to conducting its affairs in an ethical manner. Care, concern, respect and cooperation, respect for life and the valuing of human dignity are the stated values of our institution. Consistent with our Jesuit and Catholic traditions, Loyola has a commitment to social justice and responsibility and seeks to interact with patients, employees, students, members of the public at large, vendors, contractors, third party payers and others in compliance with applicable laws and regulations.
2. Standards of Conduct define Loyola's expectation for conduct for all employees. The standards combine ethical and legal requirements. All new employees, residents and physicians receive training in the corporate compliance standards of conduct and annually thereafter. If you suspect a compliance problem or have a concern:
  - Tell your supervisor (attending, chief resident, program director or chairman) or
  - Contact the Department of Corporate Compliance (Loyola University Hospital, room 1752, 6-2036) or
  - Call the Compliance Hotline at 1 (800) 424-6308 or
  - Call the Office of Graduate Medical Education at 7-4GME

P.2. In striving to be legally compliant, Loyola works hard to ensure that it creates accurate and truthful patient bills and submits accurate claims for payment to all payers, including Medicare and Medicaid, commercial insurance, or our patients. Several federal and state laws and regulations require accuracy in health care billing.

1. The Federal False Claims Act (FCA)  
The Federal False Claims Act (FCA) makes it a crime for any person or organization to knowingly present a false or fraudulent claim for payment to the government. An example of a false claim includes knowingly billing Medicare for services that were not

provided. Violations of the FCA may result in penalties of up to three times the amount owed; fines ranging from \$5,000 to \$10,000 for each count of fraud; and/or imprisonment of 5-10 years. The FCA allows individuals with direct knowledge of a false claim to file a lawsuit in federal court on behalf of the U.S. government alleging fraud against the government. If the claim results in a finding of fraud, the individual bringing the case may receive between 10% and 30% of any damages recovered. The FCA protects anyone who files a false claim lawsuit from retaliation for filing the suit. If a court finds that the employer retaliated against the employee, the court can order reinstatement, two times the amount of back pay owed, interest on back pay and reasonable attorney's fees.

2. Program Fraud Civil Remedies Act of 1986 (PFCRA)  
Under the Program Fraud Civil Remedies Act of 1986 (PFCRA) anyone who submits a false claim or causes a false claim to be submitted to the U.S. Department of Health and Human Services (as well as other certain federal agencies) is subject to a civil penalty of up to \$5,000 per claim regardless of whether property, services, or money is actually delivered or paid. If payment has not been made, the person who submits the false claim is also subject to an assessment of up to two times the amount of the false claim.
3. Federal Criminal Code on Health Care Fraud  
The Federal Criminal Code on Health Care Fraud provides that anyone who knowingly and willfully executes or attempts to execute a plan to (1) defraud any health care benefit program; or (2) to obtain, by means of fraud, any of the money or property owned by, or under the custody or control of any health care benefit program, in connection with the delivery of or payment for health care benefits/items/services shall be fined and/or imprisoned for up to 10 years. More serious penalties apply if serious bodily injury or death results.
4. Illinois Whistleblower Reward and Protection Act (IWRPA)  
The Illinois Whistleblower Reward and Protection Act (IWRPA) is the state version of the FCA discussed above. The two main differences between the FCA and the IWRPA are that cases brought under the IWRPA are litigated in state court and the penalties are higher - \$5,500 to \$11,000 plus three times the amount of damages and costs.
5. Illinois Insurance Fraud Claims Prevention Act  
The Illinois Insurance Fraud Claims Prevention Act prohibits remuneration for patient referrals where an insurance company will ultimately pay the claim. Penalties include civil fines of \$5,000 to \$120,000 per violation, plus up to three times the amount of each claim under a contract of insurance.

P.3. Institutional Compliance Program

Loyola's Department of Corporate Compliance supports compliance with the Standards of Conduct and applicable laws and regulations by:

- Monitoring and auditing to prevent or detect errors in coding or billing;
- Educating Loyola employees, residents and physicians that they are responsible for reporting suspected compliance problems or concerns;

- Investigating all reported concerns and correcting any billing errors discovered; and
- Working with Human Resources to protect Loyola employees, residents and physicians from adverse action when they do the right thing and report compliance problems or concerns.

P.4. Retaliation/Adverse Action/Disciplinary Action

Any form of retaliation or adverse action against any employee who reports a compliance problem or concern in good faith is strictly prohibited; however, an employee who knowingly makes a false report will be subject to corrective disciplinary action.

For more specific information on Loyola's Corporate Compliance Program and activities, please contact the Department of Corporate Compliance at 6-2036 or consult the Department of Corporate Compliance web page on [loyola.wired](http://loyola.wired) (LUHS intranet).

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