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## North Sound Behavioral Health Administrative Services Organization, LLC

Section 2000 - Compliance: Program Integrity

Authorizing Source: HCA Contract

Approved by: Executive Director Date: 10/15/2024

Signature:

### **POLICY # 2001.00**

### **SUBJECT: Program Integrity**

### **MISSION STATEMENT**

The mission of North Sound Behavioral Health Administrative Services Organization (North Sound BH-ASO) is:  
*“Empowering individuals and families to improve their health and well-being.”*

The vision of the North Sound BH-ASO is to create:

*“A system of care that is shaped by the voices of our communities and people using behavioral health services. The people who work in this system are competent, compassionate, empowering and supportive of personal health and wellness.”*

North Sound BH-ASO Values are:

1. Integrity: North Sound BH-ASO will nurture an environment of transparency, trust and accountability;
2. Collaboration: North Sound BH-ASO believes every voice matters;
3. Respect: North Sound BH-ASO accepts and appreciates everyone we encounter;
4. Excellence: North Sound BH-ASO strives to be the best in everything we do;
5. Innovation: North Sound BH-ASO endeavors to try new things, be forward thinking, learn from mistakes and be adaptable;
6. Culture: North Sound BH-ASO endeavors to cultivate cultural humility in attempting to understand the world view of the persons and communities we serve; and
7. Social Equity: North Sound BH-ASO commits to working to reduce institutionalized racism and reduce disparities in health care.

As North Sound BH-ASO pursues this mission, vision and values, North Sound BH-ASO is committed to conducting all activities in compliance with applicable laws and regulations and in accordance with the highest ethical standards.

North Sound BH-ASO will maintain a business culture that builds and promotes professional responsibility and encourages colleagues to conduct all North Sound BH-ASO business with honesty and integrity.

North Sound BH-ASO’s commitment to Compliance includes:

1. Communicating to all employees, consultants, independent contractors and subcontractors’ clear ethical guidelines;
2. Providing training and education regarding applicable State and Federal laws, regulations and policies; and
3. Providing assistance and conducting monitoring and oversight to help ensure we meet our Compliance Commitment.

North Sound BH-ASO promotes open and free communication regarding our ethical and compliance standards and provides work environment free from retaliation.

## **PURPOSE**

The purpose of this policy is to outline and define the scope, responsibilities, operational guidelines, controls and activities employed by North Sound BH-ASO to ensure that we maintain an environment that facilitates ethical decision making and that we act in accordance with federal and state laws and regulations that govern North Sound BH-ASO.

## **POLICY**

### **General Requirements**

North Sound BH-ASO will have and comply with policies and procedures that guide and require North Sound BH-ASO and North Sound BH-ASO's officers, employees, agents, and Behavioral Health Agencies (BHAs) to comply with Program Integrity requirements.

North Sound BH-ASO will include Program Integrity requirements in its subcontracts.

### **Information on Persons Convicted of Crimes**

North Sound BH-ASO will include the following in its written agreements with all Subcontractors and BHAs who are not individual practitioners or a group of practitioners:

1. Requiring the Subcontractor/BHA to investigate and disclose to Health Care Authority (HCA), at contract execution or renewal, and upon request of HCA, the identity of any person who has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or Title XX of the Social Security Act since the inception of those programs.

### **Fraud, Waste and Abuse**

North Sound BH-ASO's Fraud, Waste and Abuse program shall have:

1. A process to inform officers, employees, agents and BHAs about the False Claims Act.
2. Administrative procedures to detect and prevent fraud, waste and abuse, and a mandatory compliance plan.
3. Standards of conduct that articulate North Sound BH-ASO's commitment to comply with all applicable federal and state standards.
4. The designation of a compliance officer and a compliance committee that is accountable to senior management.
5. Training for all affected parties.
6. Effective lines of communication between the compliance officer and the North Sound BH-ASO staff and BHAs.
7. Enforcement of standards through well-publicized disciplinary policies.
8. Provision for internal monitoring and auditing of the North Sound BH-ASO and BHAs.
9. Provision for prompt response to detected violations, and for development of corrective action initiatives.
10. Provision of detailed information to staff and Subcontractors regarding fraud and abuse policies and procedures and the False Claims Act and the Washington false claims statutes, Chapter 74.66 RCW and RCW 74.09.210.

## Washington State False Claims Statute

Chapter 74.66 RCW and RCW 74.09.210 guide the Washington State False Claims Statute and all of the rules specific to the State of Washington. Similar to the Federal False Claims Act, the Washington False Claims Statutes outlines the circumstances that constitute a false claim, along with the penalties for individuals determined to have engaged in fraudulent activities. These penalties are outlined in RCW 74.66.020 and are noted below:

(1) Subject to subsections (2) and (4) of this section, a person is liable to the government entity for a civil penalty of not less than the greater of ten thousand nine hundred fifty-seven dollars or the minimum inflation adjusted penalty amount imposed as provided by 31 U.S.C. Sec. 3729(a) and not more than the greater of twenty-one thousand nine hundred sixteen dollars or the maximum inflation adjusted penalty amount imposed as provided by 31 U.S.C. Sec. 3729(a), plus three times the amount of damages which the government entity sustains because of the act of that person, if the person:

- (a) Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;
- (b) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;
- (c) Conspires to commit one or more of the violations in this subsection (1);
- (d) Has possession, custody, or control of property or money used, or to be used, by the government entity and knowingly delivers, or causes to be delivered, less than all of that money or property;
- (e) Is authorized to make or deliver a document certifying receipt of property used, or to be used, by the government entity and, intending to defraud the government entity, makes or delivers the receipt without completely knowing that the information on the receipt is true;
- (f) Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the government entity who lawfully may not sell or pledge property; or
- (g) Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the government entity, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the government entity.

(2) The court may assess not less than two times the amount of damages which the government entity sustains because of the act of a person, if the court finds that:

- (a) The person committing the violation of subsection (1) of this section furnished the Washington state attorney general with all information known to him or her about the violation within thirty days after the date on which he or she first obtained the information;
- (b) The person fully cooperated with any investigation by the attorney general of the violation; and
- (c) At the time the person furnished the attorney general with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to the violation, and the person did not have actual knowledge of the existence of an investigation into the violation.

(3) A person violating this section is liable to the attorney general for the costs of a civil action brought to recover any such penalty or damages.

(4) For the purposes of determining whether an insurer has a duty to provide a defense or indemnification for an insured and if coverage may be denied if the terms of the policy exclude coverage for intentional acts, a violation of subsection (1) of this section is an intentional act.

The Washington False Claims Statute also outlines protections awarded to any individual who identifies and reports fraudulent activities, otherwise known as a “whistleblower”. Whistleblower protections are outlined in RCW 74.66.090 and noted below:

(1) Any employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, 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 employee, contractor, agent, or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

(2) Relief under subsection (1) of this section must include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees, and any and all relief available under RCW [49.60.030](#)(2). An action under this subsection may be brought in the appropriate superior court of the state of Washington for the relief provided in this subsection.

(3) A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

### **Referring of Allegations of Potential Fraud and Invoking Provider Payment Suspensions**

North Sound BH-ASO shall establish policies and procedures for referring all identified allegations of potential fraud to HCA, as well as for provider payment suspensions. When HCA notifies North Sound BH-ASO that a credible allegation of fraud exists, North Sound BH-ASO will follow the provisions for payment suspension contained in this Section.

1. When North Sound BH-ASO has concluded that an allegation of potential fraud exists, North Sound BH-ASO will make a Fraud referral to HCA within five (5) business days of the determination. The referral must be emailed to HCA at [HotTips@hca.wa.gov](mailto:HotTips@hca.wa.gov). North Sound BH-ASO will report using the WA Fraud Referral Form.
2. When HCA determines North Sound BH-ASO’s referral of potential fraud is a credible allegation of fraud, HCA will notify North Sound BH-ASO’S Compliance Officer.
  - a. To suspend provider payments, in full, in part, or if a good cause exception exists to not suspend.
    - i. Unless otherwise notified by HCA to suspend payment, North Sound BH-ASO will not suspend payment of any provider(s) identified in the referral.
  - b. Whether HCA, or appropriate law enforcement agency, accepts or declines the referral.
    - i. If HCA or appropriate law enforcement agency accepts the referral, North Sound BH-ASO must “stand-down” and follow the requirements in the Investigation subsection of this Section.
      1. If HCA or appropriate law enforcement agency decline to investigate the

potential fraud referral, North Sound BH-ASO may proceed with its own investigation and comply with the reporting requirements.

3. Upon receipt of payment suspension notification from HCA, North Sound BH-ASO will send notice of the decision to suspend program payments to the provider within five (5) calendar days of HCA's notification to suspend payment, unless an appropriate law enforcement agency requests a temporary withhold of notice.
4. The notice of payment suspension must include or address all of the following:
  - a. State that payments are being suspended in accordance with this provision;
  - b. Set forth the general allegations identified by HCA. The notice should not disclose any specific information concerning an ongoing investigation;
  - c. State that the suspension is for a temporary period and cite suspension will be lifted when notified by HCA that it is no longer in place;
  - d. Specify, when applicable, to which type or types of claims or business units the payment suspension relates; and
  - e. Where applicable and appropriate, inform the provider of any Appeal rights available to this provider, along with the provider's right to submit written evidence for consideration by North Sound BH-ASO.
5. All suspension of payment actions under this Section will be temporary and will not continue after either of the following:
  - a. North Sound BH-ASO is notified by HCA or appropriate law enforcement agency that there is insufficient evidence of Fraud by the provider; or
  - b. North Sound BH-ASO is notified by HCA or appropriate law enforcement agency that the legal proceedings related to the provider's alleged Fraud are completed.
6. North Sound BH-ASO must document in writing the termination of a payment suspension and issue a notice of the termination to the provider. A copy must be sent to HCA at [ProgramIntegrity@hca.wa.gov](mailto:ProgramIntegrity@hca.wa.gov).
7. HCA may find that good cause exists not to suspend payments, in whole or in part, or not to continue a payment suspension previously imposed, to an individual or entity against which there is an investigation of a Credible Allegation of Fraud if any of the following are applicable:
  - a. A law enforcement agency has specifically requested that a payment suspension not be imposed because such a payment suspension may compromise or jeopardize an investigation.
  - b. Other available remedies are available to North Sound BH-ASO, after HCA approves the remedies as more effective or timely to protect Medicaid funds.
  - c. HCA determines, based upon the submission of written evidence by North Sound BH-ASO, the individual or entity that is the subject of the payment suspension, there is no longer a Credible Allegation of Fraud and that the suspension should be removed. HCA shall review evidence submitted by North Sound BH-ASO or the provider. North Sound BH-ASO may include a recommendation to HCA. HCA shall direct North Sound BH-ASO to continue, reduce, or remove the payment suspension within thirty (30) calendar days of having received the evidence.
  - d. Enrollee access to items or services would be jeopardized by a payment suspension because of either of the following:
    - i. An individual or entity is the sole community physician or the sole source of essential

- specialized services in a community.
- ii. The individual or entity serves a large number of Enrollees within a federal Health Resources and Services Administration (HRSA) designated medically underserved area.
  - e. A law enforcement agency declines to certify that a matter continues to be under investigation.
  - f. HCA determines that payment suspension is not in the best interests of the Medicaid program.
8. North Sound BH-ASO will maintain for a minimum of six (6) years from the date of issuance all materials documenting:
    - a. Details of payment suspensions that were imposed in whole or in part; and
    - b. Each instance when a payment suspension was not imposed or was discontinued for good cause.
  9. If North Sound BH-ASO fails to suspend payments to an entity or individual for whom there is a pending investigation of a Credible Allegation of Fraud without good cause, and HCA directed North Sound BH-ASO to suspend payments, HCA may impose sanctions in accordance with the HCA contract.
  10. If any government entity, either from restitutions, recoveries, penalties or fines imposed following a criminal prosecution or guilty plea, or through a civil settlement or judgment, or any other form of civil action, receives a monetary recovery from any entity or individual, the entirety of such monetary recovery belongs exclusively to the state of Washington and North Sound BH-ASO and any involved subcontractor have no claim to any portion of this recovery.
  11. Furthermore, North Sound BH-ASO is fully subrogated, and shall require its Subcontractors to agree to subrogate, to the state of Washington for all criminal, civil and administrative action recoveries undertaken by any government entity, including, but not limited to, all claims North Sound BH-ASO or subcontractor has or may have against any entity or individual that directly or indirectly receives funds including, but not limited to, any Health Care Provider, manufacturer, wholesale or retail supplier, sales representative, laboratory, or other provider in the design, manufacture, marketing, pricing, or quality of drugs, pharmaceuticals, medical supplies, medical devices, Medical Equipment, or other health care related products or services.
  12. Any funds recovered and retained by a government entity will be reported to the actuary to consider in the rate-setting process.
  13. For the purposes of this Section, “subrogation” means the right of any state of Washington government entity or local law enforcement to stand in the place of a Contractor or individual in the collection against a third party.

### **Reporting**

North Sound BH-ASO shall submit to HCA a report of any recoveries made, or overpayments identified by the North Sound BH-ASO during the course of claims review/analysis. The report must be submitted to HCA at [ProgramIntegrity@hca.wa.gov](mailto:ProgramIntegrity@hca.wa.gov).

North Sound BH-ASO is responsible for investigating Enrollee fraud, waste and abuse. If North Sound BH-ASO suspects Client Fraud:

1. The North Sound BH-ASO will notify and submit all associated information of any alleged or investigated cases in which North Sound BH-ASO believes there is a serious likelihood of fraud by an Individual to the HCA Office of Medicaid Eligibility and Policy (OMEP) by any of the following:

- a. Sending an email to [WAEligibilityfraud@hca.wa.gov](mailto:WAEligibilityfraud@hca.wa.gov);
- b. Calling OMEP at 360-725-0934 and leaving a detailed message;
- c. Mailing a written referral to:

Health Care Authority  
Attn: OMEP  
P.O. Box 45534  
Olympia, WA 98504-5534

- d. Faxing the written complaint to Washington Apple Health Eligibility Fraud at 360-725-1158.

North Sound BH-ASO will notify and submit all associated information of any alleged or investigated cases in which North Sound BH-ASO believes there is a serious likelihood of provider fraud by an individual or group using the WA Fraud Referral Form within five (5) business days from the date of determining an allegation of potential fraud exists.

The North Sound BH-ASO shall submit to HCA, on occurrence, a list of terminations report including BHAs terminated due to sanction, invalid licenses, services, billing, data mining, investigation and any related Program Integrity termination. If the North Sound BH-ASO has nothing to report, the report will so state. The North Sound BH-ASO shall send the report electronically to HCA at [ProgramIntegrity@hca.wa.gov](mailto:ProgramIntegrity@hca.wa.gov) with subject "Program Integrity Monthly list of Terminations Report." The report must include all of the following:

1. Individual BHA/entities' name;
2. Individual BHA/entities' NPI number;
3. Source of termination;
4. Nature of the termination; and
5. Legal action against the individual/entities.

### **Records Requests**

Upon request, North Sound BH-ASO and contracted BHAs shall allow HCA or any authorized state or federal agency or authorized representative, access to all records, including computerized data stored by North Sound BH-ASO or its contracted BHA. North Sound BH-ASO and its contracted BHAs shall provide and furnish the records at no cost to the requesting agency.

### **On-Site Inspections**

North Sound BH-ASO and its contracted BHAs must provide any record or data related to its contract, but not limited to:

1. Medical records;
2. Billing records;
3. Financial records;
4. Any record related to services rendered, quality, appropriateness, and timeliness of service; and
5. Any record relevant to an administrative, civil or criminal investigation or prosecution.

Upon request, North Sound BH-ASO or its contracted BHA shall assist in such review, including the provision of complete copies of records.

North Sound BH-ASO must provide access to its premises and the records requested to any state or federal agency or entity, including, but not limited to: HCA, U.S. Department of Health and Human Services (HHS), OIG, Office of the Comptroller of the Treasury, whether the visitation is announced or unannounced.

**ATTACHMENTS**

None