

Compliance Fact Sheet



Prevent Fraud, Waste, and Abuse

Fraud, waste, and abuse (FWA) puts our patients at risk and increases the cost of health care for us all. It is everyone's responsibility to safeguard our organizational assets. Our national Fraud, Waste, and Abuse policy articulates Kaiser Permanente's commitment to "do the right thing." Find out more at the National Compliance, Ethics & Integrity Office website at kp.org/compliance.

What Is Fraud?

Fraud occurs when someone misrepresents the truth to get a benefit or advantage.

Examples: Using another person's medical identity to receive treatment or submitting receipts for personal expenses for business reimbursement.

What Is Waste?

Waste is the extravagant, careless, or needless expenditure of KP or government funds.

Example: Going to a local store to purchase office supplies instead of using Kaiser Permanente-approved vendors and discounts.

What Is Abuse?

Abuse is the wrongful or improper use of KP or government resources. This includes, but is not limited to, the misuse of position or authority that causes the loss or misuse of organization assets such as funds, medical equipment, vehicles, computers, or copy machines.

Examples: Using a company car for personal use or using the copy machine to make fliers for your child's school.

If you suspect fraud, waste, or abuse

Talk to your manager/supervisor, Compliance Officer, or Human Resources representative

Or call the Compliance Hotline 1-888-774-9100



Are There Fraud Laws and Regulations You Should Know About?

Yes. The federal government has regulations to control fraud and abuse in health care. The Federal False Claims Act and similar state laws

make it a crime to present a false claim to the government for payment. If your role includes coding and documentation, accuracy is critical to avoid a false claim. These laws also protect whistleblowers — people who report fraud or who assist in investigations. KP prohibits retaliation of any kind against individuals who in good faith report or participate in the investigation of noncompliance or fraud, waste, or abuse.

What Can You Do?

- Do not participate in fraud, waste, or abuse and report when you suspect potential FWA.
- Follow the *Principles of Responsibility* and all policies, laws, and regulations.

Allegations are taken seriously and investigated.

When you report suspected FWA, provide as much detail as possible so it can be investigated thoroughly. We also actively monitor and audit systems to detect indicators or red flags of fraud, waste, or abuse. Corrective action can include operational or policy changes, disciplinary action, and legal action. Consequences for individuals who are out of compliance include disciplinary action, up to and including termination; loss of licenses and accreditation; legal prosecution, fines, and penalties; and, possibly, jail time.

What Are Red Flags?

A red flag is a pattern, practice, or activity that indicates possible fraud. A common example is when a person checks in without photo identification. This may be a red flag for identity theft. The staff checking in the patient must then take appropriate steps to validate the patient's identity.

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