



**BAPTIST HEALTH®**

Policy		
Category	Orig. Effective Date	Revised & Effective
Legal	1.1.2007	8.27.2007
Policy #	Pages	6.1.2013
2364.10	5	7.22.2016
		10.1.2016
		7.27.2018
		9.1.2020
		9.1.2021
		5.15.2025

<b>TITLE/SUBJECT</b>	<i>False Claims Act Information</i>
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**PURPOSE**

The following policy applies to all facilities owned and operated by Baptist Healthcare System, Inc. [BH] and describes BH’s commitment to comply with federal and state false claims laws and provides information about:

1. The Federal False Claims Act.
2. Kentucky and Indiana laws and regulations related to potential false claims under the Medicaid program.
3. BH policies and procedures for detecting and preventing fraud, waste and abuse.
4. Protection of employees against retaliation for reporting compliance concerns and potential false claims.

Through publication and distribution of this policy, BH will ensure that all employees, including management and contractors and agents, are educated regarding federal and state false claims laws and regulations and their purpose in preventing and detecting fraud, waste and abuse in federal health care programs.

**SCOPE**

Employees, medical staff members, allied health practitioners, and vendors for Baptist Healthcare System, Inc. [BH] hospitals, Baptist Health Medical Group [BHMG], and all entities or affiliates of which BH is the sole member.

**AUTHORIZATION**

Chief Executive Officer

<b>POLICY</b>
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The business of BH will be conducted according to all applicable federal, state and local laws. To accomplish this, BH requires employees, volunteers, medical staff members, vendors or other business partners to:

BH hospitals include: Baptist Health Corbin, Baptist Health Floyd, Baptist Health Hardin, Baptist Health La Grange, Baptist Health Lexington, Baptist Health Louisville, Baptist Health Paducah, and Baptist Health Richmond.

- Perform responsibilities and conduct business in a manner to avoid conflicts of interest.
- Bill only for services and items actually provided and maintain complete and accurate medical and billing records.
- Comply with the BH Corporate Responsibility Program (located under the Compliance link on the BH website).
- Become aware of the laws regarding fraud and abuse and false claims.
- Seek guidance and advice regarding billing and compliance issues.
- Contact one of the following resources if you have any knowledge or concern regarding a potential false claims:
  - Your immediate supervisor or manager.
  - The BH facility’s Compliance Officer, the BH Chief Compliance Officer or an attorney in the BH Legal Department; or
  - A concern may be reported anonymously by calling the BH Compliance Line at 833.204.8787 or reported anonymously by clicking on the word “Hotline” located on each BH facility’s website.

**I. Federal False Claims Act<sup>1</sup>**

One of the primary purposes of the federal False Claims Act is to combat fraud and abuse in federal health care programs such as Medicare and Medicaid. Violations of the False Claims Act may occur when a person “knowingly”:

1. Presents or causes to be presented a false claim for payment or approval;
2. Makes, uses, or causes to be made or used a false record or statement to material to a false claim;
3. Conspires to make a false claim or get one paid; or
4. Makes or uses a false record to avoid payments owed to the U.S. Government.

“Knowingly” means that a person:

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<sup>1</sup> 31 U.S.C. Code § 3729.

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1. Has actual knowledge that the information is false;
2. Acts in deliberate ignorance of the truth or falsity of the information; or
3. Acts in reckless disregard of the truth or falsity of the information.

Penalties and fines for violating the federal False Claims Act are significant. As of January 1, 2025, financial penalties for submitting a false claim ranged from \$13,508 and \$27,894<sup>2</sup> per false claim plus up to three times the amount that had been paid under the alleged false claim as well as the costs of the civil action against the entity that submitted the false claim. The statute provides that full and timely cooperation may reduce treble damages to double damages.

The federal False Claims Act contains provisions allowing individuals (called “Whistleblowers”) with actual knowledge concerning fraud involving government programs to file a lawsuit on behalf of the government if they are the original source of such information and meet certain other criteria. If the lawsuit is successful, the individual may be eligible to receive a portion of the recoveries received by the government.

## **II. Applicable State False Claims Laws**

### **A. Kentucky False Claims Laws**

The Commonwealth of Kentucky has not adopted false claims acts or statutes that include whistleblower provisions similar to those set forth in the federal False Claims Act. However, Kentucky has adopted laws similar to the federal False Claims Act to prevent Medicaid fraud and abuse and to prohibit employers from terminating an employee from bringing to its attention, or the attention of federal or state authorities conduct that may not comply with health care law. It is unlawful to knowingly submit false or fraudulent claims to the Kentucky Medicaid Program. Providers must refund any payments received for false or fraudulent claims and may guilty of a Class B misdemeanor, or a Class D felony, depending upon the facts, be responsible for the restitution of payments, be liable for civil payment in an amount up to three (3) times the amount of excess payments, be liable for a \$500.00 fine per claim plus interest and may be required to pay legal fees and costs related to the investigation and enforcement of civil penalties. Remedies under Kentucky law are separate from and cumulative to any other administrative, civil or criminal remedies available under federal law.

Kentucky law prohibits employers from discharging or discriminating or retaliating against any employee who in good faith makes a report regarding Medicaid fraud. Kentucky law also requires any person who knows or has reasonable cause to believe that the Medicaid program is being abused or defrauded to report such information to the Cabinet for Health Services.

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<sup>2</sup> Penalty amounts are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461).

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## **B. Indiana False Claims Laws**

The State of Indiana has adopted a version of the False Claims Act which mirrors many of the provisions of the federal False Claims Act. The actions that trigger civil penalties are substantially similar to those of the federal False Claims Act. The Indiana False Claims Act includes a whistleblower provision that prevents employers from retaliating against employees who report their employer's false claims.

Indiana has also adopted regulations that are intended to prevent fraud and abuse in the Indiana Medicaid program. These regulations generally prohibit the submission of false or fraudulent claims in order to receive compensation from the Indiana Medicaid program.

## **III. Employees' Right To Be Protected As a Whistleblower**

Federal law and BH policy (See BH policy titled "Non-retaliation Policy for Reporting Suspected Violations of Laws, Regulations, BH Policies and the Standards of Conduct Described in the BH Corporate Responsibility Program") prohibit retaliation or retribution against persons who report suspected violations of the federal False Claims Act in good faith or who file lawsuits on behalf of the government under the federal False Claims Act. Anyone who believes he or she has been subject to any such retribution or retaliation should also report this to the BH facility Compliance Officer, the BH Chief Compliance Officer, the BH General Counsel or the Compliance Hotline at 833.204.8787.

## **REFERENCES**

False Claims Act (FCA), 31 U.S.C. §§ 3729 – 3733

Kentucky Revised Statutes ("KRS") §§ 205.8451, 205.8463, 205.8465, 205.8467, and 61.102

Ind. Code § 5-11-5.5-2, Ind. Code §§ 5-11-5.5-3, 4 & 6, Ind. Code § 5-11-5.5-8, Ind. Code § 35-43-5-7.1, Ind. Code 12-15-23-8

## **APPROVAL**



**Gerard Colman**  
**Baptist Health**  
**Chief Executive Officer**

Date: May 15, 2025

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