

Deficit Reduction Act Compliance

Section 6032 of the Federal Deficit Reduction Act (the “DRA”) (42 U.S.C. § 1396a (a) (68)) applies to entities that receive at least \$5 million in payments in a Federal fiscal year (October 1-September 30) for furnishing, directly or indirectly, Medicaid services. MHN and MHN ACO, LLC (the accountable care organization managed by MHN) must comply with the DRA. Although MHN and the MHN ACO are separate entities, they are referred to collectively here as “MHN” for ease of reference.

MHN is committed to acting in compliance with all rules and regulations related to its services. MHN has established a comprehensive Compliance Program that demonstrates MHN’s commitment to compliance. It provides guidance on all aspects of MHN’s compliance activities. It also helps ensure that MHN remains in compliance with applicable laws and regulations, including the DRA.

MHN’s DRA Compliance

To comply with the DRA, MHN must establish written policies that provide detailed information to employees (including management), contractors, and agents about certain laws and their role in preventing and detecting fraud, waste, and abuse. These policies must include information about the federal False Claims Act; administrative remedies for false claims and statements under Federal law; state laws relating to civil or criminal penalties for false claims; and information regarding whistleblower protections under the above laws, all to assist MHN in preventing and detecting fraud, waste, and abuse. The policies must also include detailed information about MHN’s policies for detecting and preventing fraud, waste, and abuse.

MHN employees and contractors are required to report any suspected cases of fraud, waste, abuse, and overpayments to MHN management, or to use the anonymous reporting methods available through the MHN compliance hotline or email address. MHN’s Compliance Program includes policies to ensure MHN complies with the Deficit Reduction Act by providing information on its fraud, waste and abuse policies to its employees. The policies on fraud, waste and abuse provide information on how to detect, deter, and report fraud, waste and abuse. MHN also has a policy that specifically addresses the DRA requirements, and policies providing information on false claims acts (Federal and state), whistleblower protections, and non-retaliation as required by the DRA.

As required by the DRA, MHN makes these policies available to employees, contractors, and agents. For employees, the policies are available electronically in both MHN’s Compliance Manual and its Employee Handbook. MHN contractors and agents are directed to a link to a shared file system containing the following policies and procedures:

- EC.005 – Government Sanctions Screening
- EC.007 – Reporting Compliance Issues
- EC.008– Non-Retaliation Policy
- EC.009 – Deficit Reduction Act Compliance
- EC.015 – Detecting and Preventing Fraud, Waste and Abuse and Overpayment

MHN expects its employees, agents, and contractors to comply with all applicable federal and state laws as well as MHN’s policies.

False Claims Act Information

MHN provides detailed information about the Federal False Claims Act (31 U.S.C. §§ 3729 – 3733) in its Compliance Manual, at EC.015 – Detecting and Preventing Fraud, Waste and Abuse and Overpayments. In addition to the information about the federal False Claims Act and state false claims acts provided in MHN’s policies and in the MHN Employee Handbook, the CMS summary of the federal False Claims Act is available [here](#).

Because MHN currently operates only in Illinois, a summary of Illinois’ False Claims Act is set forth below. If MHN’s operations expand beyond Illinois, a summary of any additional applicable state false claims laws will be added.

Illinois’ false claims act (740 Ill. Comp. Stat. 175/) is modeled on the Federal False Claims Act. Liability arises under the Illinois False Claims Act for any person who:

- i. Knowingly presents, or causes to be presented, 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 material to a false or fraudulent claim;
- iii. Conspires to commit a violation of any of this false claim act’s provisions;
- iv. Has possession, custody, or control of property or money used or to be used by the State and knowingly delivers, or causes to be delivered, less than the full amount of that money or property;
- 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 State, makes or delivers the 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 an officer or employee of the State, or a member of the Illinois National Guard, 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 material to an obligation to pay or transmit money or property to the State, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the State.

Under the Illinois False Claims Act, a claim is any request or demand for money or property that is presented to an officer, employee, or agent of the state; or to a contractor or other third party, if the funds will be used on the state’s behalf or to advance a State program or interest and the State provided some or all of the funds or property used, requested or demanded. Civil penalties for Illinois False Claims Act violations currently are generally the same as Federal false claims act penalties and range from \$5,550 to more than \$20,000 per claim plus three times the amount of damages the State sustains as well as fees and costs for any action brought by the State.

The Illinois Attorney General may bring an action against an individual for violation of the Illinois False Claims Act. In addition, individuals with actual knowledge of false claims violations may file suit on behalf of the State.

Like the Federal False Claims Act, the Illinois False Claims Act bars retaliatory actions against individuals who take lawful actions in support of a false claims act complaint. Additional information relating to

protections available under the Federal and Illinois false claims acts is provided in the MHN Employee Handbook, and in the MHN Compliance Manual.

If an individual has questions about how to handle a situation or has concerns that MHN is not living up to its commitments, MHN wants to be made aware of these issues. Speak to a member of the MHN Compliance Committee, the President and Executive Director, or contact the MHN Compliance Hotline at 1.800.401.8004. Calls to the Hotline can be made anonymously, if you wish. MHN prohibits retaliation against any employee for good faith reporting or participating in an investigation of a possible Code of Conduct violation. You may also report compliance concerns via email, at reports@lighthouse-services.com.