

**EXHIBIT J**  
**PREVENTION/DETECTION OF FRAUD AND ABUSE**

Contractor shall have in place internal controls, policies or procedures capable of preventing and detecting fraud and abuse activities as they relate to the Oregon Health Plan. This may include operational policies and controls in areas such as complaint and grievance resolution, provider credentialing and contracting, provider and staff education, and corrective action plans to prevent potential fraud and abuse activities. Contractor shall review its fraud and abuse policies annually. If Contractor is also a Medicare contractor, the fraud and abuse policies established by Contractor to meet CMS standards shall be deemed sufficient to meet DHS's requirements for fraud and abuse prevention and monitoring.

1. Contractor's fraud and abuse activities shall include, at minimum, the following:
  - a) Written policies, procedures, and standards of conduct that articulate Contractor's commitment to comply with all applicable Federal and state standards to guard against fraud and abuse;
  - b) The designation of a compliance officer and a compliance committee that are accountable to senior management, to monitor fraud and abuse activities;
  - c) Effective training and education for the compliance officer and Contractor's employees;
  - d) Effective lines of communication between the compliance officer and Contractor's employees;
  - e) Enforcement of standards that guard against fraud and abuse through well publicized disciplinary guidelines;
  - f) Provision for internal monitoring and auditing; and
  - g) Provision for prompt response to detected offenses and for development of corrective action initiatives relating to this MHO Agreement.
  
2. Services under this Agreement may not be provided by the following persons (or their affiliates as defined in the Federal Requisition Regulations): (a) Persons who are currently suspended, debarred or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issues pursuant to Executive Order No. 12549 or under guidelines implementing such order, (b) Persons who are currently excluded from the Medicaid participation under section 1128 or section 1128A of the Act.

3. Contractor shall not refer OHP Members to such persons and shall not accept billings for services to OHP Members by such persons.
4. Contractor may not knowingly: (1) have a person described in (a) above as a director, officer, partner, or person with beneficial ownership of more than 5% of Contractor's equity, or (2) have an employment, consulting, or other agreement with a person described in 1(a) above for the provision of items and services that are significant and material to Contractor's obligations under this Agreement.
5. Contractor is required to promptly refer all verified cases of fraud and abuse, including fraud by employees and subcontractors of the organization to the Medicaid Fraud Control Unit (MFCU), consistent with the Memorandum of Understanding between DHS and the MFCU. Contractor may also refer cases of suspected fraud and abuse to the MFCU prior to verification.
6. Examples of cases that should be referred:
  - (a) Providers who consistently demonstrate a pattern of intentionally reporting encounters or services that did not occur. A pattern would be evident in any case where 20% or more of sampled or audited services are not supported by documentation in the clinical records;
  - (b) Providers who consistently demonstrate a pattern of intentionally reporting overstated or up-coded levels of service. A pattern would be evident by 20% or more of sampled or audited services that are billed at a higher level procedure code than is documented in the clinical records;
  - (c) Any verified case where the provider purposefully altered, falsified, or destroyed clinical record documentation for the purpose of artificially inflating or obscuring compliance rating or collecting Medicaid payments not otherwise due;
  - (d) Providers who intentionally or recklessly make false statements about the credentials of persons rendering care to OHP Members;
  - (e) Providers who intentionally fail to render medically appropriate covered services to OHP Members;
  - (f) Providers who knowingly charge OHP Members for services that are covered or intentionally balance bill an OMAP Member the difference between the service charge and Contractor's payment, in violation of DHS rules;

- (g) Any case of theft, embezzlement or misappropriation of Title XIX or Title XXI program money.
7. An incident with any of the referral characteristics listed above should be referred to the MFCU. Contractor may also refer cases of suspected fraud and abuse to the MFCU.
  8. The MFCU phone number is (503) 229-5725, address 1515 SW 5<sup>th</sup> Avenue, Suite 410, Portland, Oregon 97201, and fax (503) 229-5120.
  9. Incidents of verified or suspected fraud or abuse by an OHP Member should be reported to DHS Fraud Investigation Unit, P.O. Box 14150, Salem, Oregon 97309-5027, phone number (503) 378-6826, facsimile number (503) 373-1525.
  10. Contractor shall promptly report all fraud and abuse as required under this section to the MFCU. Contractor shall also notify OMHAS of referrals to MFCU of complaints of fraud and abuse that warrant investigation. This notification shall include the following information:
  11. Contractor shall promptly report all fraud and abuse as required under this section to the MFCU. Contractor shall also notify OMHAS of referrals to MFCU of complaints of fraud and abuse that warrant investigation. This notification shall include the following information:
    - (a) Provider's name and address;
    - (b) Source of complaint;
    - (c) Nature of complaint;
    - (d) The approximate range of dollars involved; and
    - (e) The disposition of the complaint when known.
  12. Contractor shall cooperate with the MFCU and the DHS Fraud Unit and allow them to inspect, evaluate, or audit books, records, documents, files, accounts, and facilities as required to investigate an incident of fraud or abuse.
  13. In the event that Contractor reports suspected fraud, or learns of an MFCU or DHS Fraud Unit investigation, Contractor shall not notify or otherwise advise its subcontractors of the investigation so as not to compromise the investigation.