

CLIENT ALERT

Congress Requires False Claims Act Employee Materials for Medicaid Providers and Plans

Feb.09.2006

Under Section 6032 of the Deficit Reduction Act of 2005 signed into law February 1, any entity that receives or makes annual payments of at least \$5 million under a state Medicaid plan must have written policies applicable to all its employees (including management), contractors and agents that include "detailed" information about the False Claims Act, about federal administrative remedies for false claims and false statements, about state laws pertaining to civil and criminal penalties for false claims and false statements and about the whistleblower protections in these laws and their role in preventing and detecting fraud, waste and abuse. The written policies must also include detailed provisions about the entity's own policies and procedures for detecting and preventing fraud, waste and abuse. Any *employee handbook* maintained by the entity must include a specific discussion of the laws described above, the rights of the employees to be protected as whistleblowers and the entity's policies and procedures for detecting and preventing fraud, waste and abuse.

These requirements are a *condition of payment* for the entity. So if an entity fails to comply, its requests for these payments could be considered "false" claims. These provisions *take effect on January 1, 2007*.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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