



Commonwealth of Massachusetts
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MassHealth
All Provider Bulletin 162
December 2006

TO: All Providers Participating in MassHealth
FROM: Beth Waldman, Medicaid Director *BW*
RE: **Employee Education about False Claims**

New Federal Requirement

This is to inform you about a federal law that becomes effective January 1, 2007, and requires all entities that receive at least five million dollars in Medicaid payments annually to educate employees about federal and state laws concerning false claims and whistleblower protections. The new law requires that as a condition of receiving such payments, the entity:

- establish written policies for all employees of the entity (including management), and for all employees of any contractor or agent, that provide detailed information about federal and state false claims laws, penalties for submitting false claims and statements, whistleblower protections, and the role of the laws in preventing and detecting fraud, waste, and abuse;
- include as part of such written policies detailed information about the entity's policies and procedures for detecting and preventing fraud, waste, and abuse; and
- include in any employee handbook a specific discussion of the laws, whistleblower protections, and the entity's policies and procedures for detecting fraud, waste, and abuse.

Attached for your reference is a copy of Section 6032 of the Deficit Reduction Act of 2005, which specifies the new federal requirements. For further information, please see the [State Medicaid Director Letter \(SMDL # 06-024\) regarding Employee Education about False Claims, dated December 13, 2006](#), on the federal Centers for Medicare and Medicaid Services Web site (CMS.gov).

SEC. 6032. EMPLOYEE EDUCATION ABOUT FALSE CLAIMS RECOVERY.

(a) In General- Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended--

(1) in paragraph (66), by striking `and' at the end;

(2) in paragraph (67) by striking the period at the end and inserting ` ; and'; and

(3) by inserting after paragraph (67) the following:

`(68) provide that any entity that receives or makes annual payments under the State plan of at least \$5,000,000, as a condition of receiving such payments, shall--

`(A) establish written policies for all employees of the entity (including management), and of any contractor or agent of the entity, that provide detailed information about the False Claims Act established under sections 3729 through 3733 of title 31, United States Code, administrative remedies for false claims and statements established under chapter 38 of title 31, United States Code, any State laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs (as defined in section 1128B(f));

`(B) include as part of such written policies, detailed provisions regarding the entity's policies and procedures for detecting and preventing fraud, waste, and abuse; and

`(C) include in any employee handbook for the entity, a specific discussion of the laws described in subparagraph (A), the rights of employees to be protected as whistleblowers, and the entity's policies and procedures for detecting and preventing fraud, waste, and abuse.'.

(b) EFFECTIVE DATE- Except as provided in section 6035(e), the amendments made by subsection (a) take effect on January 1, 2007.