

## **Alabama**

### **Compliance Program: Code of Conduct**

This is a supplement to Kindred's Employee Handbook for employees who work in Alabama. As stated in our Employee Handbook, the federal False Claims Act and similar state laws assist the federal and state governments in combating fraud and recovering losses resulting from fraud in government programs, purchases and/or contracts. These laws are some of the most important laws that govern our business. Like the federal False Claims Act, the Alabama Medicaid False Claims law and associated regulations impose liability on any person who, with intent to defraud or deceive, makes, or causes to be made or assists in the preparation of any false statement, representation, or omission of a material fact in any claim or application for any payment, regardless of amount, from the Medicaid Agency, knowing the same to be false. These Alabama laws prohibit, among other things:

- Billing Alabama's Medicaid program for services or goods not provided;
- Billing Alabama's Medicaid program for undocumented services;
- Making inaccurate, false or improper entries in medical records, cost reports and any other records used to support reimbursement;
- Billing Alabama's Medicaid program for services that are medically unnecessary or that fail to meet professionally recognized standards for health care;
- Characterizing non-covered services or costs in a way that secures reimbursement from Alabama's Medicaid program;
- Assigning an incorrect code to a service in order to obtain a higher reimbursement;
- Failing to seek payment from beneficiaries who may have other primary payment sources;
- Participating in kickbacks and rebates;
- Altering, falsifying, destroying, or concealing medical records, income and expenditure reports or any other records that support Medicaid reimbursement.

### **Civil and Criminal Penalties for False Claims or Statements**

A violation of these Alabama laws will result in restitution for any improper payments and also may lead to suspension or termination from the Medicaid program. In addition, any person who violates these laws commits a felony punishable by imprisonment for up to five years and a fine not to exceed \$10,000, for each false claim.

### **Civil Lawsuits**

Currently, unlike the Federal False Claims Act, Alabama law allows civil lawsuits to recover monetary damages to be filed only by the state government and not by private citizens or employees. There is no provision for a private citizen to share a percentage of any monetary recoveries.

## **No Retaliation**

Similar to Federal law and Kindred policy, various Alabama laws prohibit state employers from retaliating, discriminating or harassing state employees who report a violation of state law in sworn testimony or in an affidavit. Alabama law does not contains similar protections for non-governmental employees. Nevertheless, Kindred expects employees to adhere to Federal law and to Kindred's policy prohibiting retaliation.

Any employee who engages in or condones any form of retaliation against another employee because that employee either (1) reported a potential violation of violation of Kindred's Code of Conduct or regulatory violation, or (2) refused to violate Kindred's Code of Conduct or a government law or regulation, will be subject to disciplinary action up to and including separation of employment. See Kindred's Concern Resolution Procedure in the Employee Handbook for information on reporting concerns.

## **Copies of Alabama Laws**

The Alabama laws summarized above include: (1) Medicaid False Claims, Ala. Code § 22-1-11 and Ala. Admin. Code Rule 560-X-4-.01 to 560-X-4-.06; (2) State Employees Protection Act (whistleblower law), Ala. Code § 36-26A-1. If you have questions about any of these requirements, you may contact Kindred's Compliance Hotline at 1-800-359-7412. This summary and others are also posted on Kindred's external web site, [www.kindredhealthcare.com](http://www.kindredhealthcare.com), and Kindred's intranet site (KNECT) under the Compliance home page.