

FFacts Healthcare Compliance Insurance and Risk Management Program



The regulatory landscape for the healthcare industry is -- and will remain -- a significant challenge. Hospitals, clinics, nursing homes and other institutional healthcare settings are a prime target for Medicare recoveries under the False Claims Act. Last fiscal year the False Claims Act recoveries reached a record level of **\$5 billion**. In the last four years **\$13.3 billion** has been recovered by Medicare under the FCA.

FFActs (Federal False Acts) is an efficient and affordable insurance solution. The **FFActs** program combines innovative insurance features covering compliance related exposures. Traditional insurance products do not cover compliance related exposures.

Healthcare Organization Billing Errors & Omissions Regulatory Liability Policy

Healthcare organizations throughout the nation are spending millions of dollars every year to restructure and retool the way in which government funded programs are billed. Even with initiatives underway, **minor billing errors by providers are being transformed into major financial duress.**

Until now, options for regulatory liability have been limited. Other products purporting to offer coverage are cost **prohibitive, complicated**, often **invasive**, and fail to account for the compliance progress that an entity may have already made.

FFActs is an **efficient and affordable insurance solution.** The **FFActs (Federal False Acts)** program combines innovative insurance features covering compliance related exposures. The program provides retroactive coverage and includes the reimbursement of defense expenses for a myriad of compliance related issues.

Coverage extends to provide **indemnification for fines and penalties** associated with unintentional over-billing, including False Claims Act fines and penalties, or other similar fines and penalties. **FFActs** also gives immediate access to an **experienced attorney panel** that is well versed in healthcare compliance defense. Until now, expert attorneys and consults were affordable only to the largest healthcare institutions.

In addition to the baseline protection for Medicare/Medicaid billing liability, the improved **FFActs plus** insurance program extends coverage to a number of other healthcare compliance liability exposures such as:

MEDICARE / MEDICAID AUDIT COVERAGE - Allegations of Billing Fraud

Healthcare providers are under constant threat of government investigations from Medicare or Medicaid, RAC, ZPIC or whistleblower audits all of which could lead to costly legal expenses as well as enormous fines and penalties.

FFActs plus provides defense and indemnity coverage for governmental audits alleging billing fraud. Coverage includes protection for "whistleblower" claims made against the provider by an employee or patient on behalf of the government.

COMMERCIAL PAYOR AUDIT DEFENSE COVERAGE - Allegations of Billing Fraud

Commercial payor or private payor audits also threaten healthcare providers, and could lead to costly legal expenses.

FFActs plus expands coverage beyond governmental audits, and provides defense costs for commercial payor investigations for billing audits and allegations of overpayments.

STARK VIOLATIONS - Non-compliant Referral Agreements

Many patient referral relationships and financial incentive arrangements between physicians and other healthcare services could be found in violation of the current STARK regulations. Understanding the laws governing referral relationships are complicated, and increase the potential for non-compliance.

FFActs plus enhances coverage to provide defense and indemnity (fines and penalties) for providers that are investigated for any of STARK violations.

HIPAA PATIENT PRIVACY REGULATIONS - Patient Privacy Regulations

New rules governing the restricted use of patient information have been adopted, creating a new liability exposure for healthcare providers. The final HIPAA regulations establish the first-ever national standards for privacy of health information.

FFActs plus provides defense and indemnity protection for fines and penalties levied by Federal or State enforcement agencies as a result of allegations of HIPAA regulatory violations.

EMERGENCY MEDICAL TREATMENT AND LABOR ACT (EMTALA) - Emergency Room Regulations

Require healthcare providers that are involved in emergency medical care to comply with specific rules under the Emergency Medical Treatment Active Labor Act (EMTALA). Fines and penalties associated with violations of the act can run into the hundreds of thousands of dollars.

FFActs plus provides extra coverage for EMTALA enforcement activity, and protects entities from allegations of non-compliance.

UP TO TEN YEARS OF PRIOR ACTS COVERAGE

In addition to coverage enhancements, **FFActs plus** offers up to six years retroactive coverage to healthcare providers, and has lower deductibles available. In order to make the program more affordable, the premiums have been lowered so that even smaller community hospitals can budget for this important coverage.

FFActs adds NEW E-RISKS & PRIVACY LIABILITY PROTECTION

The costs of a data breach to a healthcare organization can be significant. This would include the expense of patient notification, setting up hotlines, forensic work, covering the expense of potential victims' access to credit bureaus, and paying federal and state fines. For an additional premium, healthcare institutions can add patient data breach and cyber liability coverage to their regulatory insurance program.

FFActs plus Patient Data Breach Coverage Endorsement Options include:

Broadened Defense and Indemnity Coverage for Patient Data Breach and Cyber exposures

Security and Privacy Liability Limits - \$1,000,000 for patients that claim to be harmed by a data breach.

Privacy Regulatory defense and penalties \$1,000,000 for violations of laws that govern and protect patient information.

Crisis Management, Patient Notification and related costs up to \$250,000

Multimedia Liability up to \$100,000

Data Recovery Expense up to \$250,000

Data Extortion up to \$250,000 -- *Higher limits available upon request*