
The National Society of Dental Practitioners and the Dentist's Advantage Insurance Program for Dentists

RISK MANAGEMENT ALERT

FEDERAL FALSE CLAIMS ACT

All dental offices that participate in any federally funded dental programs such as Medicaid should be aware of the provisions of the Federal False Claims Act (FCA), 31 U.S.C. – 3729-3733 as amended.

The act was enacted in 1863 and amended many times over the years since enacted. The FCA creates liability for anyone who knowingly submits a false claim of any type to the federal government, or causes some else to file a false claim, intending to be paid by the federal government. It also includes those who improperly attempt to avoid having to pay money to the federal government. The act does not include IRS claims. A claim submission to the government by a person without knowledge of it being false does not cause a violation.

The current civil liabilities for those found guilty of violating the FCA are between \$5,500 and \$11,000 plus treble the amount of the government's damages. These liabilities are not covered by malpractice insurance. The act also allows a member of the public, including an employee of a dental practice, to file a FCA suit on behalf of the government and, if successful in the suit, get a 15% to 25% share of the award.

The FCA provisions can be enforced in addition to any insurance or other regulatory actions. The full act can be viewed at: https://www.justice.gov/sites/default/files/civil/legacy/2011/04/22/C-FRAUDS_FCA_Primer.pdf

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