

# Diversions Issues



Pharmacy fraud involving controlled  
and non-controlled medications

# Learning objectives



- Understand the mission of HHS/OIG
- Recognize that drug diversion and health care fraud include both controlled **and** non-controlled medications
- Learn common health care fraud and drug diversion schemes and how they are accomplished
- Describe the drugs frequently found in drug diversion and health care fraud schemes



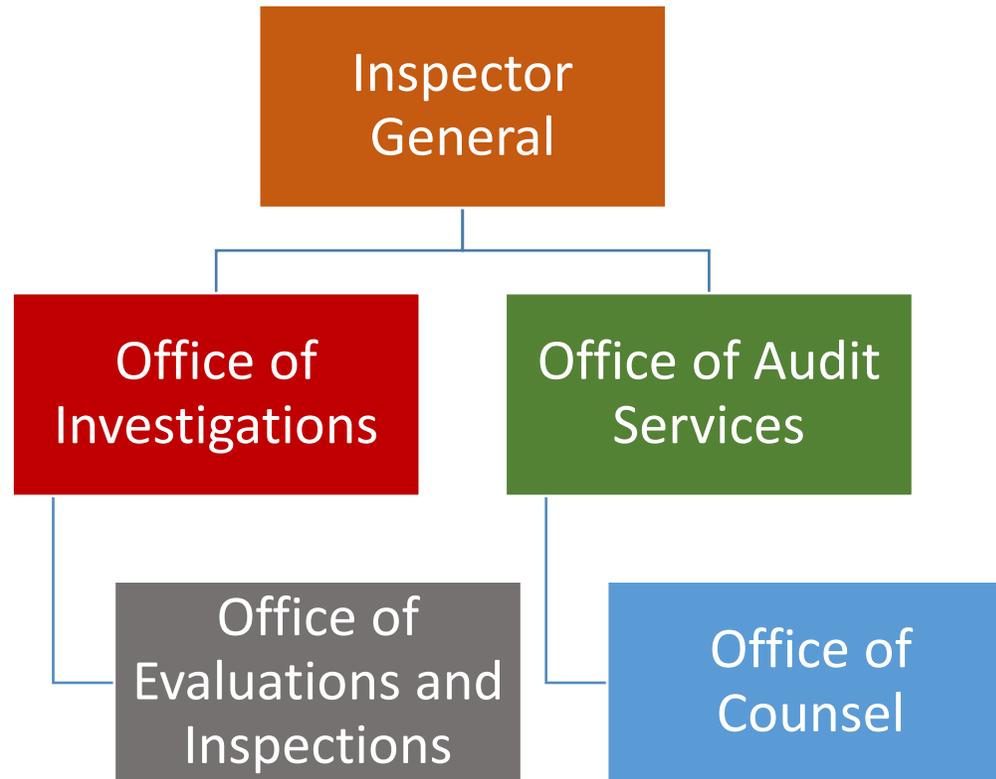
# Our mission



- Protecting the 300 programs at the Department of Health and Human Services, including:
  - Medicare
  - Medicaid
  - Centers for Disease Control
  - National Institutes of Health
- Protecting the health and safety of America's 55+ million Medicare beneficiaries and 65+ million Medicaid recipients



# HHS/OIG



# Demonstrated results



- **FY 2014**

- \$4.9 billion in recoveries
- 4,017 exclusions
- 544 civil actions
- 971 convictions

- **FY 2013**

- \$4.77 billion in recoveries
- 3,214 exclusions
- 390 civil actions
- 960 convictions



# Collaborative efforts



- **HHS/OIG**

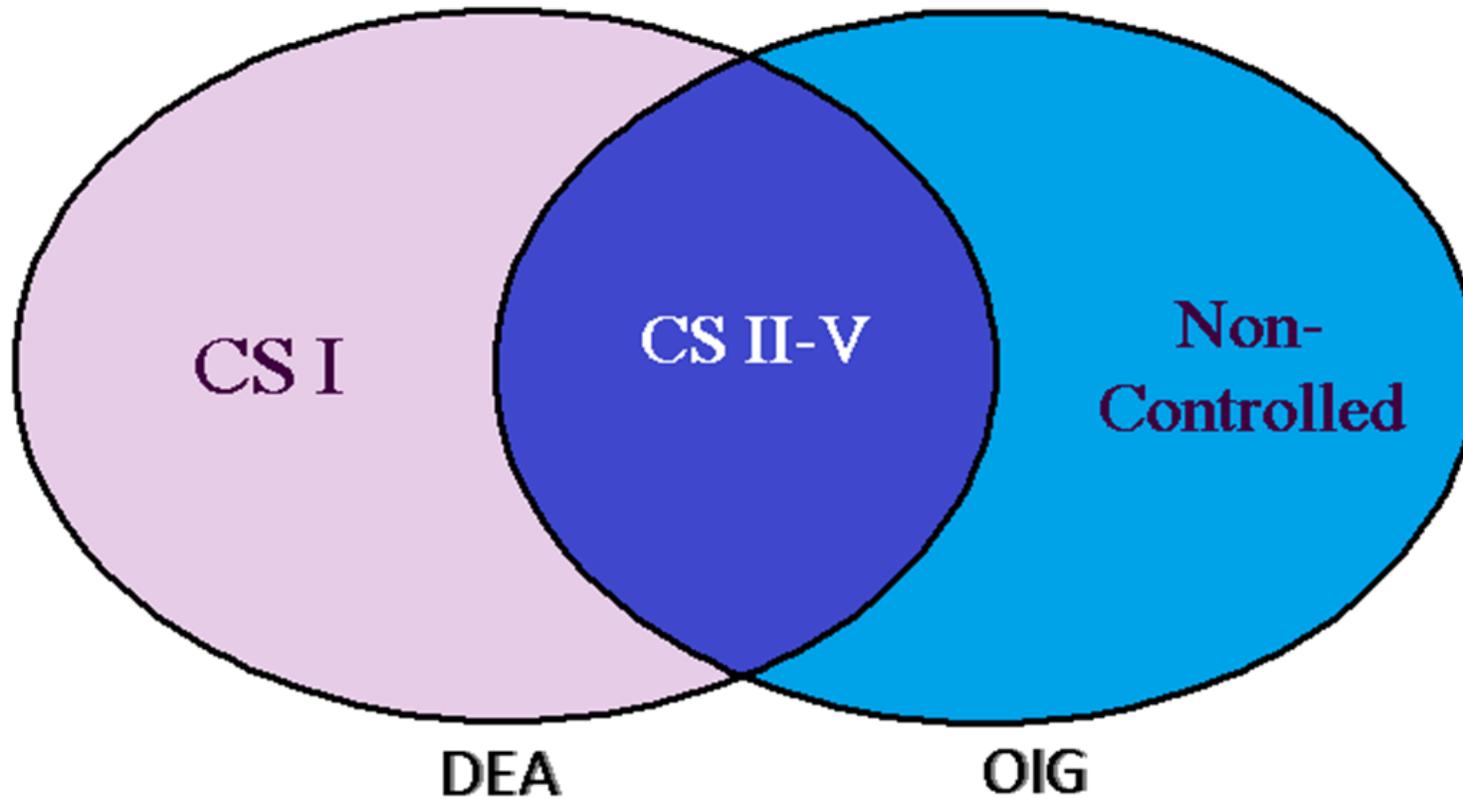
- Health care fraud involving:
  - Drugs billed to Medicare and Medicaid (controlled and non-controlled)
  - Drug trafficking organizations and organized crime groups involved in pharmacy fraud
  - Non-FDA (often foreign source) drugs billed to federal health care programs

- **DEA**

- Drug trafficking involving:
  - Schedule I controlled substances (i.e., “street” drugs)
  - Prescription drug diversion (especially those involving cash payments)
  - Organized crime groups based outside the United States (e.g., Colombia, Mexico, etc.)



# Overlapping jurisdictions



# Diversion of controlled substances



- Every patient receives the same or similar drugs in the same quantities
- Patients receive a “cocktail” of drugs like “The Holy Trinity”:
  - Hydrocodone / Oxycodone
  - Xanax
  - Soma
- Patients sometimes live a long distance from the doctor or pharmacy
- Patients know one another (friends, family members)
- Patients arrive in a group but act as if they do not know one another
- Patients are anxious, nervous and hurried



# Just say “No”



- You can **refuse** to fill a prescription that in your professional opinion is dangerous to the patient.
- You can **refuse** to fill prescriptions from a provider that shows a pattern of catering to drug seeking patients.
- You **should** report a prescription you believe to be forged or altered.
- **Never** give a questionable prescription back to the patient...he or she will simply take it to another pharmacy.
- **Never** shred or otherwise destroy a questionable prescription....it is evidence of a crime!



# Just say “No”



- The pharmacist who deliberately ignores a questionable prescription when there is reason to believe it was not issued **for a legitimate medical purpose** may be prosecuted along with the issuing practitioner, for knowingly and intentionally distributing controlled substances.
- “...defendant deliberately and consciously closed his eyes to what he had every reason to believe...”
  - (*United States v. Kershman, 1977*)



# Growth of Medicare Part D



## Medicare Part D Expenditures

- 2012 - \$66.9 Billion
- 2022 - \$165 Billion
  - Projection by Centers for Medicare and Medicaid Services, Office of the Actuary



# Pharmacy fraud schemes



- Billing for meds that are never picked up
- Billing for refills that are never dispensed
- Returning meds to stock without refunding insurance
- Billing for name-brand drugs while dispensing generic



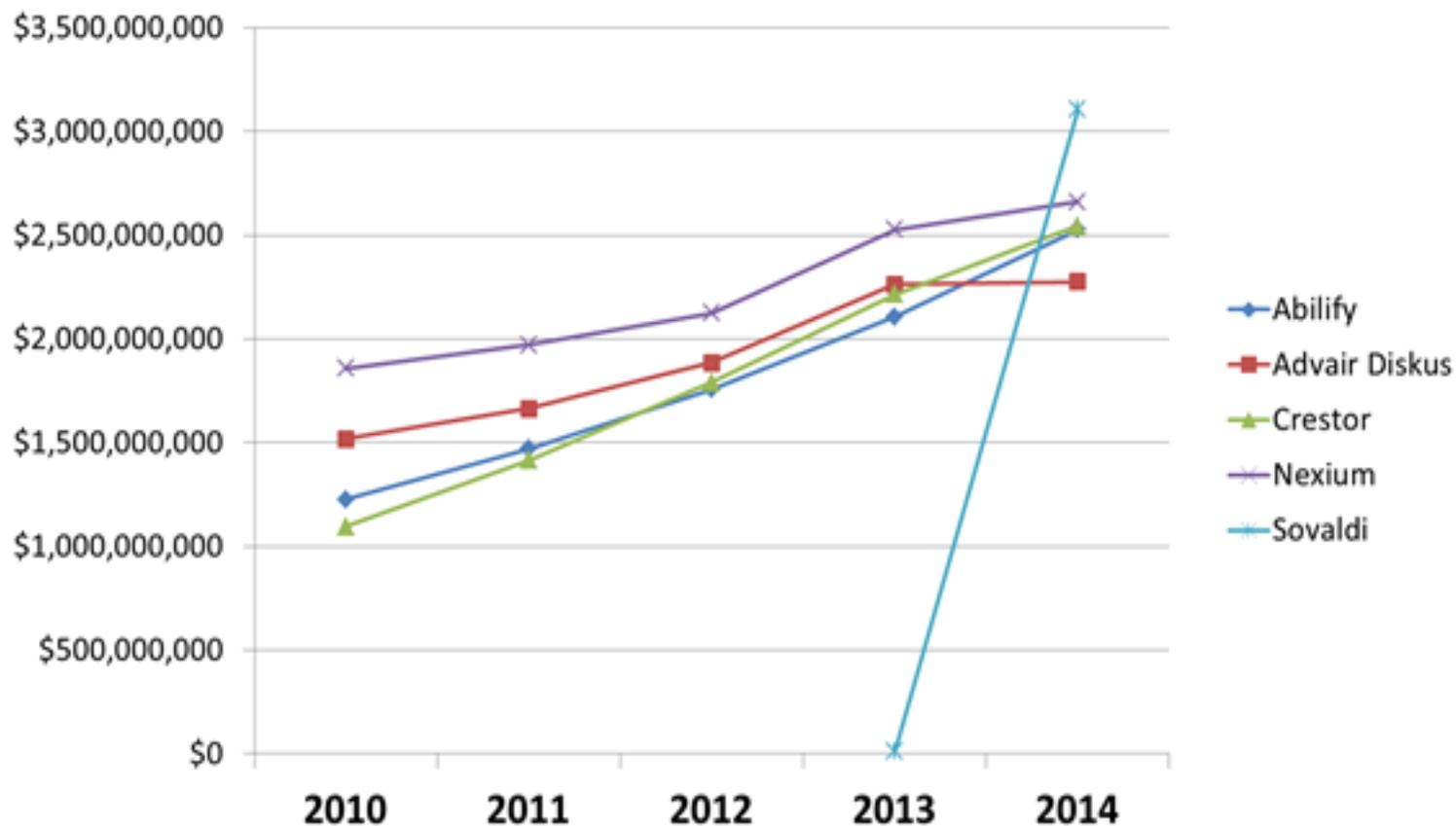
# Forged and altered prescriptions



- Prescriptions produced in the names of actual physicians then forged that look authentic
- If the prescription is for a controlled substance, this is both a Title 21 violation and medical identity theft



# Non-controlled drug schemes



# Organized crime and identity theft



- Organized crime groups play an active role in health care fraud
- Schemes generally involve medical identity theft involving patients and physicians



# Drugs of abuse



- **Controlled:** Oxycodone, Hydrocodone, Opana, Dilaudid, Suboxone
- **Non-Controlled:**
  - Antipsychotics: Abilify, Zyprexa, Seroquel
  - Diabetic: Januvia, Actos
  - Respiratory: Spiriva, Advair
  - Statins: Lipitor, Crestor, Zetia
  - HIV: All anti-retrovirals, protease inhibitors
  - Topical: Solaraze, Lidoderm



# Lessons learned



- You **must** fill a prescription that was actually written by a licensed medical professional
  - **FALSE**
- Drug diversion only involves controlled substances
  - **FALSE**
- Organized crime groups are only focused on “street” drugs
  - **FALSE**



# Lessons learned



- Prescriptions for Crestor and Nexium are not worth a second look
  - FALSE
- Once you identify a prescription is forged you should immediately destroy it
  - FALSE
- What do you do when a physician writes the **exact** same prescription for every one of his patients:
  - #120 Hydrocodone
  - #90 Xanax
  - #90 Soma

