



# Pharmacy Diversion Awareness Conference

## **Pharmaceutical Diversion in Medicare**

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# Pre-Test Questions to Consider

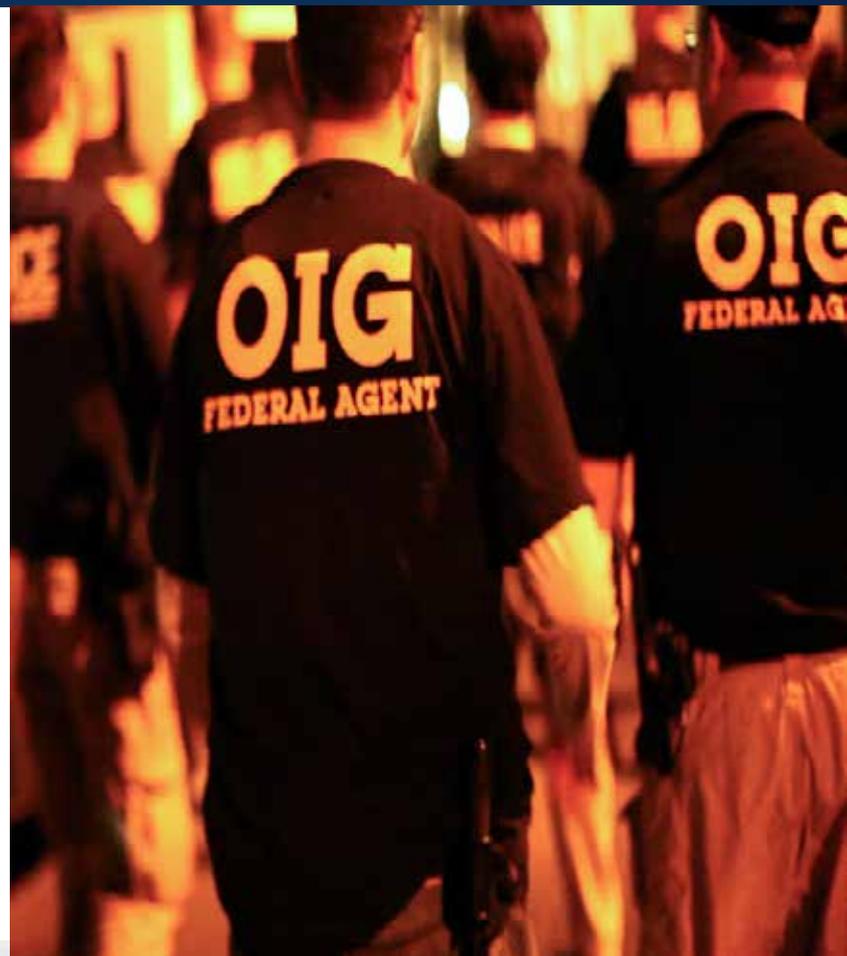
- Does HHS/OIG have oversight for controlled drugs, non-controlled drugs, or both?
- Pharmacist-owner who gives a local physician two tickets to next months playoff game in exchange for sending patients to your pharmacy.
- Diversion can occur of both controlled and non-controlled drugs.





# HHS Office of Inspector General: Background

- **Mission:** Protect the integrity HHS programs as well as the health and welfare of program beneficiaries
- Fight fraud, waste, abuse in Medicare & Medicaid, plus 300 other HHS programs
- Largest Inspector General's office in Federal Government
- Office of Investigations performs criminal, civil and administrative enforcement





# Example HHS Programs

- Medicare (CMS)
- Medicaid (CMS)
- Center for Disease Control (CDC)
- Indian Health Services (IHS)
- National Institute of Health (NIH)
- Substance Abuse & Mental Health Services Administration (SAMHSA)
- Food & Drug Administration (FDA)





# OIG Collaborative Effort

- Tactical Diversion Squads (with DEA)
- Strike Force Units (FBI on HEAT initiative)
- With state, local LE
- Use/encourage Prescription Drug Monitoring Programs (PDMP)
- Support education of industry, patients, providers, pharmacists - Can't prosecute our way out of this problem



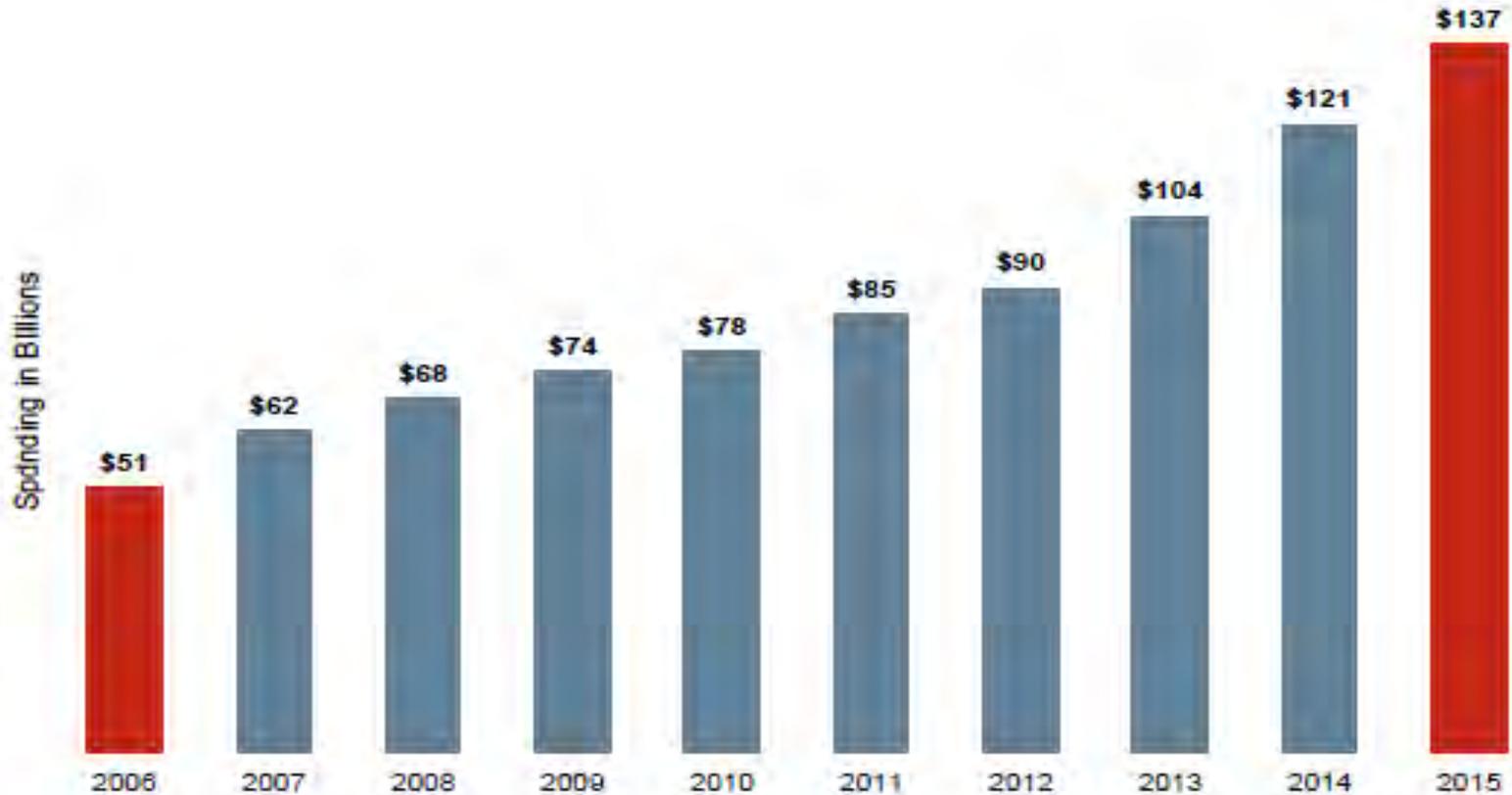


# Recent OIG Drug Reports

- **Inappropriate Medicare Part D Payments for Schedule II Drugs Billed as Refills**
  - \$25M
- **Prescribers with Questionable Patterns in Medicare Part D**
  - 736 general care physicians
- **Retail Pharmacies with Questionable Part D Billing**
  - Over 2600 pharmacies identified
- **Medicare Inappropriately Paid for Drugs Ordered by Individuals Without Prescribing Authority**
  - Massage Therapists, Athletic Trainers, Home Repair Contractors, etc.



# Spending for Part D Drugs 2006-2015



Source: OIG analysis of Medicare Part D data, 2016.





# Part D Breakdown

- **\$8.4 B spent on controlled drugs (6%)**
- **\$129 B spent on non-controlled drugs**
- **Predicted to double by 2023**





# Basis for Many Pharmaceutical Frauds Involve **KICKBACKS**

## **Antikickback Statute - 42 U.S.C. Section 1320a-7b(b) provides:**

- (1) Whoever knowingly and willfully solicits or receives any remuneration (including any kickback, bribe or rebate) directly or indirectly, overtly or covertly, in cash or in kind –
  - (A) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program, or
  - (B) in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under a Federal health care program,shall be guilty of a felony and upon conviction thereof, shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.





# Examples

- Pharmacy paid money to physician to write for expensive brand medications without regard for medical necessity
- Pharmacy receiving dinners, cash, rebates and discounts from drug companies
- Pharmacy hired “marketing firm” to hire recruiters to find patients and physician for expensive compounding cream
- Offer physician a percent of insurance reimbursement to write scripts and send them to your pharmacy





# Example of Physician Kickback



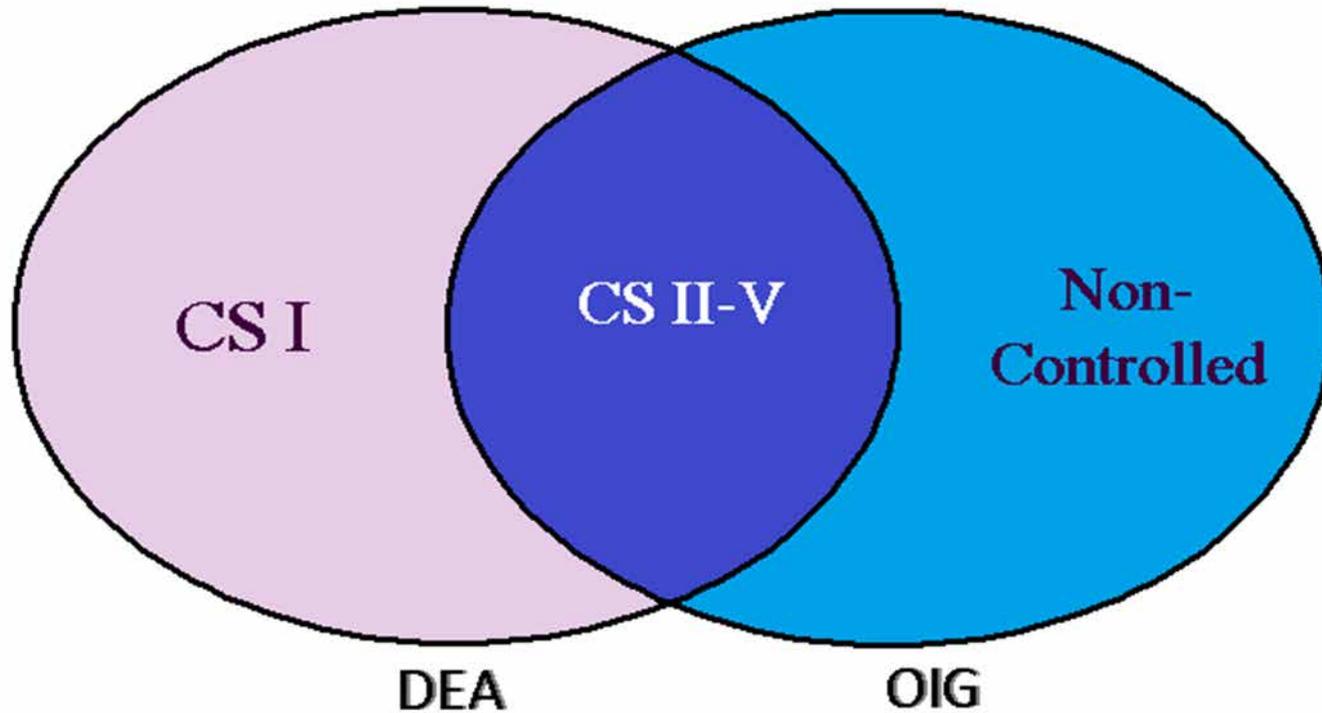


# Different Drug Jurisdictions

- **DEA:** Controlled substance laws and regulations of the United States
- **HHS/OIG:** Pharmaceuticals billed to federal healthcare programs
  - Those paid by Medicare, Medicaid
  - Includes Controlled Substances paid by federal programs
  - But also includes Non-Controlled Substances



# DEA & HHS/OIG Authority





# Why Divert Non-Controlled?

- **Controlled Drugs:**
  - Diverted for recreational use
  - \$100+ B in societal costs
- **Non-Controlled:**
  1. High reimbursement—financial crime. Not dispensed, just billed. It’s not “the government’s money” – it’s YOUR money.
  2. Some diverted to other countries
  3. Others mixed into street cocktails with controlled substances; are “POTENTIATORS”





# Common Pharmacy Schemes

- Billed but not dispensed
- Fictitious scripts/name)
- Auto refills
- Add-on scripts
- Dispense compound/bill for brand
- Paying patients for scripts
- Payment for referrals

## Other Issues:

- Stolen identities
- Prescription shorting
- Narcotics without prescriptions (backdoor sales)





# Drug Blogs

- [Erowid.org](http://Erowid.org)
- [Bluelight.org](http://Bluelight.org)
- [Drugs-Forum.com](http://Drugs-Forum.com)
- [Opiophile.org](http://Opiophile.org)



# Erowid Recipe Blog



## Erowid Experience Vaults

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### Help Erowid win a 2013 Health Award!

...by rating us in Great Nonprofit's "Health Nonprofits 2013" campaign.  
Spread the word that Erowid improves health. [Write a Review!](#)

#### Knocked Out!!!

Percocet, Fioricet, Elavil & Lyrica  
by [webouy16](#)

Citation: webouy16: "Knocked Out!!!: experience with Percocet, Fioricet, Elavil & Lyrica (ID 77361)". Erowid.org, Mar 21, 2010. erowid.org/exp/77361

DOSE:	300 mg	oral	<a href="#">Pharms - Pregabalin</a>	<a href="#">(pill / tablet)</a>
	200 mg	oral	<a href="#">Pharms - Amitriptyline</a>	<a href="#">(pill / tablet)</a>
	10 mg	oral	<a href="#">Pharms - Oxycodone</a>	<a href="#">(pill / tablet)</a>
	1 tablet	oral	<a href="#">Acetaminophen</a>	<a href="#">(pill / tablet)</a>

BODY WEIGHT:	160 lb
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1945-- I just took 300mg lyrica, 200mg elavil, 10mg percocet, and 1 fioricet. I also have one of those power energy shots that im thinking of taking when i get really tired. Looking back at all of that typed out makes me think that it may not have been my best idea ever, but i guess im just going to have to see where this takes me...

1950-- Already bored of waiting for the effects to kick in, I guess that i will just go smoke a bowl (marijuana) while i wait.

2000-- Starting to feel a little warm in the face and lightheaded... a little bit of tingling. Its pretty faint and not easy to describe, but it is noticeable. I have been reading some of the other experiences and I just want to mention this incase something crazy happens and I die or something. I love you mom and am so proud of my two brothers that i cant even describe it.

2011-- I find myself feeling really tingly and also really warm and fuzzy. Im spacing out alot and forgetting to keep typing, im normally a really quick typist but im finding it really really hard to focus on it at all. Its now 2018 and i am still typing...

2033-- My thinking and even my movement seems really slow and sluggish, like things are delayed or something, it also feels really hard to move, like i weigh about another 100 pounds. Even my eyes seem very slow when i move them from one place to another or when i try to read. 2040 is the time right now, so it took about 7 minutes in order to type this...

Well, after that last entry i just kind of passed out, i remember seeing something out of the corner of my eyes and trying to grab for it but never actually catching it. Once I passed out I was GONE. people tried to wake me and i was completely unresponsive, they almost called 911 but decided against when they could see i was still breathing. So... yea.. i am going to do it again pretty soon probably...

Exp Year: 2006

ID: 77361

Gender: Male

Age at time of experience: Not Given

Added: Mar 21, 2010

Views: 17177



# Polypharmacy Cocktails Potentiators

- Abilify + Seroquel Snort (“jailhouse heroin”)
- Soma + Codeine (“Soma Coma”)
- Seroquel + Zyprexa + Ativan + ETOH + Cocaine
- HIV Protease Inhibitors + Percocet
- Caffeine + ETOH + Eyeball
- Promethazine/Codeine + Tampon
- ETOH + Albuterol Inhaler
- Adderall + Albuterol + Sleep deprivation
- Adderall + Lexapro + Cannabis
- Meth/Ecstasy/Viagra (Rectally)=“Royal Flush”





# Drug Diversion - DTOs



## DEA CARIBBEAN DIVISION OPERATION "LA REDONDA"



# “La Redonda”



- Distribution of Oxycodone tablets in various Public Housing Projects in the San Juan metropolitan area.
- Defendants acquired over 20,000 Oxycodone tablets from 2008 to 2010.
- Defendants sold each Oxycodone tablet for \$6-\$10 per tablet, depending on the current supply.
- Investigators recovered almost 300 fraudulent prescriptions, from over 60 pharmacies, located at 27 different municipalities in Puerto Rico.
- Over 24 medical physicians, specialties ranging from General Practice to Surgeons, have been affected by identity theft.



# Example of False Prescription

**CLÍNICA EXPRESO**  
Auxilio Mutuo

Carr. PR-1 Km 0.3  
Ave. Las Cumbres, Cuyby Bajo  
Rio Piedras, PR. 00923  
Tel: (787) 300-2000

Nombre: [Redacted]  
Dirección: [Redacted]

R  
SALA EMERGENCIA

Recetado 5 mg / 125 mg  
Sig 1 o 2 tab po  
3 p.k.e. pr. pa  
Prn  
# 60

[Redacted]

Se permite sustituir producto genérico. Sí  No

Favor rotular. Reptase: 1  2  3  prn

I certify that the pharmacist indicated me of the possibility to exchange the medicine(s) prescribe in this prescription, according to Law No. 11 June 29, 1976, as amended.  
Exchange accepted  Yes  No  
Pharmacist Signature: [Redacted] Date: [Redacted]  
Pharmacist Exam: [Redacted]

no 1290211-00150





# Aggravated Identity Theft

## Title 18 United States Code 1028A

*“Whoever, during and in relation to any felony violation enumerated in subsection (c), knowingly transfers, possesses, or uses, without lawful authority, a means of identification of another person shall, in addition to the punishment provided for such felony, be sentenced to a term of imprisonment of 2 years”*





# Videos, Videos, Videos





# Videos, Videos, Videos

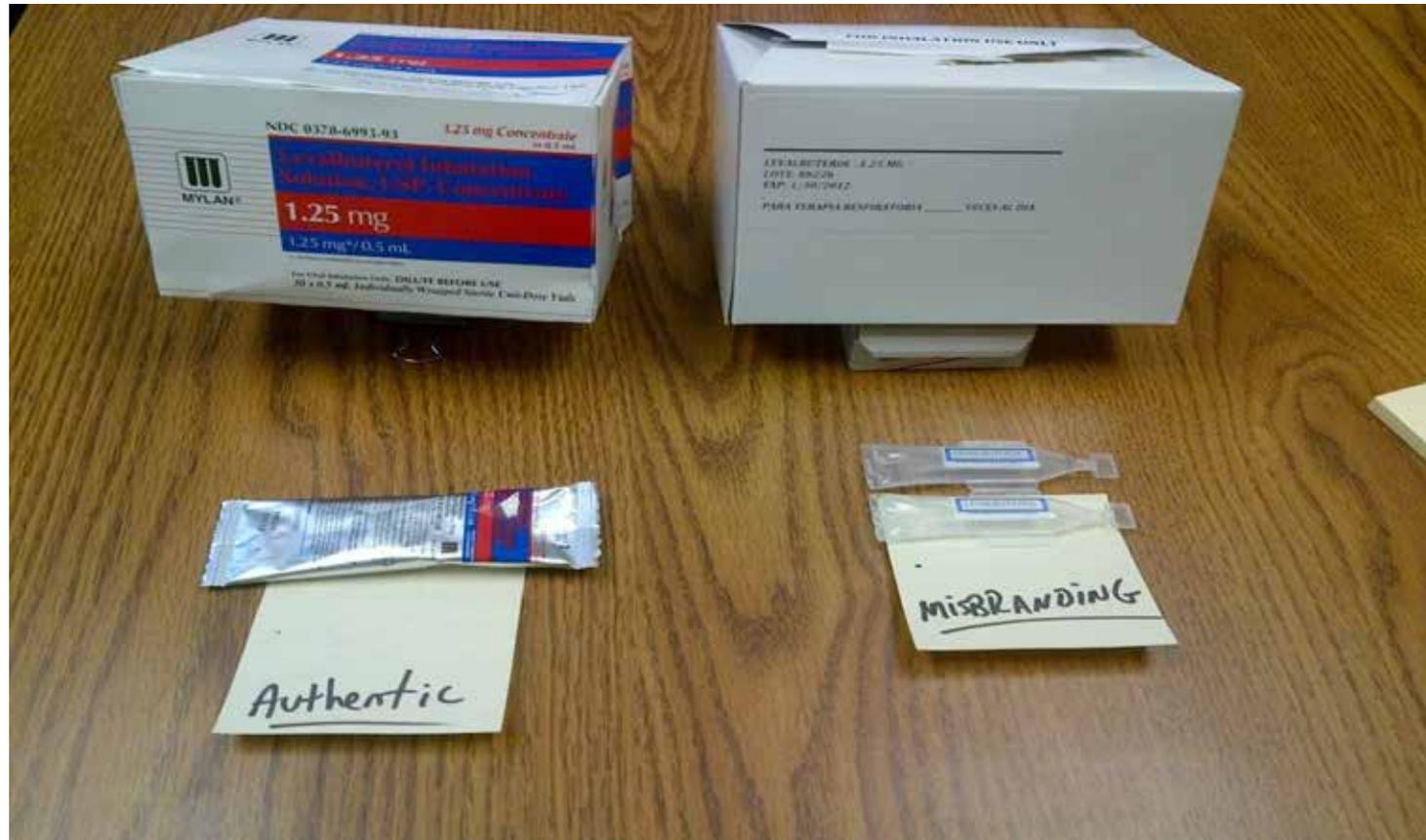


# Unlicensed Wholesale Distribution/Misbranding





# Dispensing Illegally Compounded Meds /Billing for Branded Drug





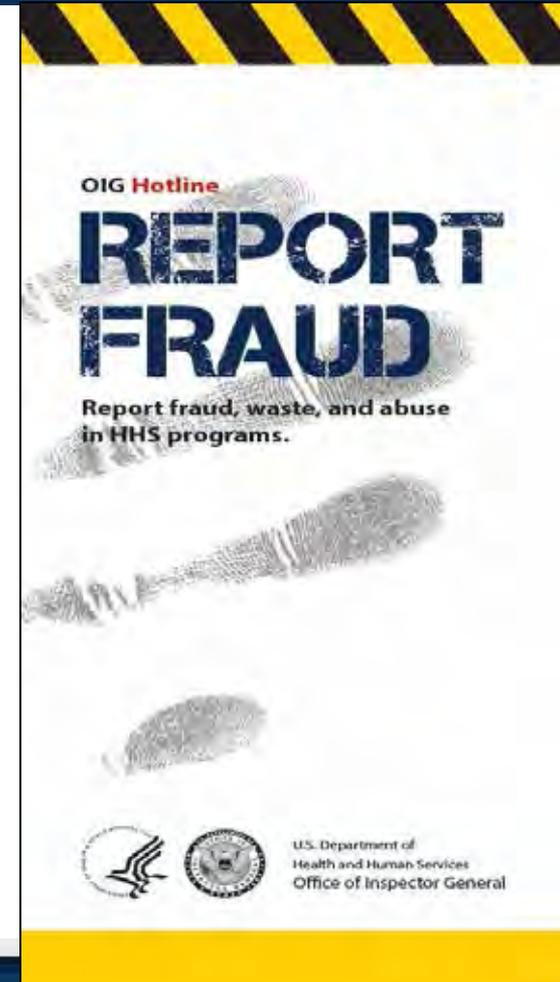
# Illegal Production





# What To Do if you Suspect Fraud or Diversion Activity?

- Use available databases to scrutinize scripts; including your state PDMP database
- If receive a clearly fraudulent script, forged script, ID theft; engage law enforcement immediately
- If you suspect a Medicare provider or beneficiary is diverting, contact
  - 800-HHS-TIPS or at
  - [oig.hhs.gov/report-fraud](http://oig.hhs.gov/report-fraud)





# Contact Information

U.S. Department of Health & Human Services  
Office of Inspector General  
Office of Investigations  
Puerto Rico Field Office  
350 Chardon Avenue, Suite 235  
San Juan, PR 00918  
Office (787) 774-4131

SA Fernando Vazquez, Mobile **(787) 697-7517**  
ASAC Jose Soto, Mobile **(787) 612-4472)**





**Thank You**

