



Pharmaceutical Diversion in Medicare



Office of Inspector General
Office of Investigations
U.S. Department of Health and
Human Services






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 over 100 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 Institutes of Health (NIH)
- Substance Abuse & Mental Health Services Admin (SAMHSA)
- Agency for Healthcare Research and Quality (AHRQ)
- Food and Drug Administration (FDA)


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 **HHS/OIG: Components**


- **Office of Evaluations & Inspections:**
 - Conducts and publishes studies on various vulnerabilities in Medicare/Medicaid. Reports on OIG website with recommendations. Several drug related reports.
- **Office of Audit:**
 - Conducts independent audits of HHS programs/grantees. Also create reports and make recommendations.
- **Office of Council to IG:**
 - Provides legal counsel to IG and other components. Performs civil monetary penalties, provider self disclosures, collaborates with DOJ on national cases, provide advisory opinions to industry.
- **Office of Management and Policy:**
 - Provides mission and administrative support to the OIG. Data analytic unit.
- **Office of Investigations:**
 - Law enforcement arm of OIG. Traditional law enforcement techniques with contemporary data analytic tools to identify trends and targets for investigations and prosecution




 **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





 **HHS/OIG: Results**

- Over the last 5 years:
 - 4,478 Criminal Actions
 - 2,762 Civil Actions
 - 18,109 Exclusions
 - \$21.9 Billion in Monetary results
- Since 1997 - **\$31 Billion** returned to the Medicare Trust Fund
- Over last 3 years: **\$5 to \$1** return on Investment





Exclusion Authorities


- **Social Security Act (Sections 1128 and 1156)**
- **Approximately 3000 actions per year**
- **Duration from 3 years to Permanent**
- **47% Based on License Revocation/Suspension/Surrender**
- **48% Based on Convictions**
 - Health Care Fraud or other Program Related Offense,
 - Patient Abuse/Neglect,
 - Controlled Substance
- **Covers Medicare, Medicaid, Tricare, federal w/c, SCHIP, VA, and IHS (home mortgages, student loans)**



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.

2015 OEI Report



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

HHS OIG Data Brief • June 2015 • OEI-02-15-00190

Questionable Billing and Geographic Hotspots Point to Potential Fraud and Abuse in Medicare Part D


Key Takeaways:

- ✓ Since 2006, Medicare spending for commonly abused opioids

Prescription drug abuse is a growing problem in this country. In 2011, the Centers for Disease Control and Prevention (CDC) declared prescription drug abuse an epidemic.¹ That year alone, over 1.4 million emergency department visits were caused

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Newest OEI Report



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

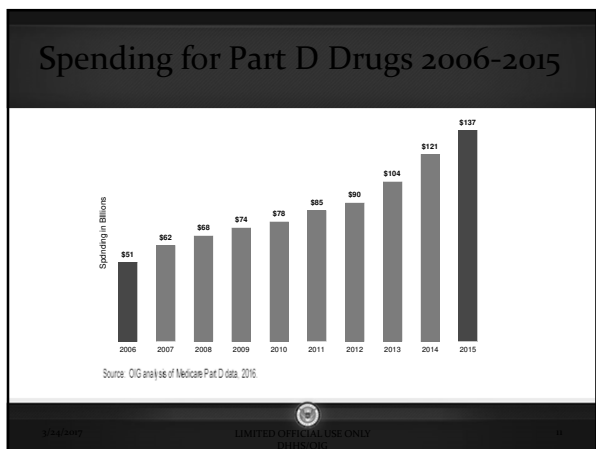
HHS OIG Data Brief • June 2016 • OEI-02-16-00290

High Part D Spending on Opioids and Substantial Growth in Compounded Drugs Raise Concerns

The Office of Inspector General (OIG) has uncovered striking trends in Part D spending for opioids and compounded drugs that warrant further scrutiny. This data brief describes these trends. It also provides information that can assist efforts to ensure the appropriate use of these drugs, protect the integrity of the Part D program, and promote the safety of beneficiaries and others.

Key Takeaways: Prescription drug abuse, especially opioid abuse, remains a problem in this country. More people in the U.S. have used at least one opioid in 2014.

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Commonly Abused Opioids

NEARLY 1 IN 3 beneficiaries received a commonly abused opioid



These opioids accounted for OVER \$4 BILLION in Part D spending




The commonly abused opioids with the HIGHEST PART D SPENDING were:




- OxyContin
- Hydrocodone-Acetaminophin
- Oxycodone-Acetaminophin
- Fentanyl

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 **Part D Breakdown**

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

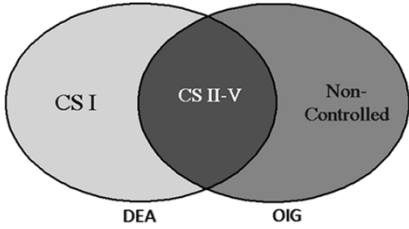
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 **Different Drug Jurisdictions**


- **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

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DEA & HHS/OIG Authority




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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. Not “government” money
 2. Some diverted to other countries
 3. Others mixed into street cocktails with controlled substances; are “POTENTIATORS”




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Potentiators

- Drug recipes that aggregate drugs that in combination enhance the euphoria
- May be another controlled drug but often are non-controlled drugs (OIG purview)
- Pushes patients over edge to respiratory arrest/death
- Hundreds of potentiators in thousands of combinations
- Large financial exposure to Medicare program




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New Paradigms for Death

- Extraction methods for pure product
- Heavy use with potentiators (Mixed Drug Ingestions)
- New portals of entry (anywhere there is a good vascular bed) to avoid first-pass effect



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Drug Blogs

- Erowid.org
- Bluelight.org
- Drugs-Forum.com
- Opiophile.org

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Erowid Recipe Blog

Help Erowid win a 2013 Health Award

Knocked Out!!!
Percocet, Fentanyl, Etoricoxib & Lyrica

"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...."

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How to Prepare IV Opana

Extra Supplies for Injection (IVIM) or Rectal (R):

- 1) Spoon
- 2) Lighter (preferably butane torch)
- 3) Tweezers
- 4) Syringe (1cc or 2cc with 29 gauge needle if injecting)
- 5) Needle (27 G, Cotton Ball, Capillary Filter, Gauze)

Optional Supplies for Injection (IVIM) or Rectal (R):

- 1) Second Spoon
- 2) Mirror (R)
- 3) Citric Acid/Vinegar/Lemon Juice/Vitamin C

Process:

Optional: Crush Opana ER in table clamp.
 Step One: Using Pedigree and TV designed 'skin catcher', grate the Opana ER TWP into small chunks. Tweezers will allow you to handle the pill once most of it has been grated. Grate the pill over a piece of aluminum foil (folded in half to create a single piece two layers thick) to catch any chunks the Pedigree's 'skin catcher' misses.
 Step Two: Preheat oven to 400 degrees Fahrenheit while grating the Opana ER with the Pedigree.
 Step Three: Once the entire Opana ER has been grated as small as possible, dump the Pedigree's 'skin catcher' onto the layered aluminum foil. Use your credit card/Driver's license/plastic card to scrape pill chunks into a quarter (3/4 cent piece) sized pile. The pile should not have much height to it, but there should be a few spots of aluminum foil visible through it as possible.
 Step Four: Place the aluminum foil with the grated Opana ER on an oven preheated oven.
 Step Five: Watch the pile of Opana ER as it heats in the oven. The pill chunks should turn brown in color and appear to melt/become 'gooey'. Do not let any of the pill turn black, but as soon as all but the burned outer shade of brown, remove the aluminum foil from the oven and place it directly in the freezer. Due to variations in oven heating patterns, altitude, etc. the amount of time the pill will take to cook varies. DO NOT LET IT TURN BLACK. Better to remove the pill with one or two white spots than burn it. Make sure to place the aluminum foil and cooked pill directly into the freezer.
 Step Six: Let the pill sit in the freezer for 3-7 minutes. Any 'gooey' spots should be hardened when the pill is removed from the freezer.
 Step Seven: Remove aluminum foil and now 'freeze' pill from freezer. Using credit card/Driver's license/plastic card, scrape pill off of aluminum foil. Be careful not to tear aluminum foil while scraping pill off of it. The pill should come off the aluminum foil easily, but if it is 'gooey', then it needs more time in the freezer.

Based on the planned RDA, proceed to the specific instructions...

Insufflation (IN) Specific Process:

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Zohydro Abuse

24-02-2015 07:14

From: [redacted]
To: [redacted]
Subject: [redacted]

First, get on your knees and thank whichever god you happen to believe in.
Second, you may want to crush up the beads inside the capsule in order to get a better indication of effects (i.e. rush).
Third, you might want to take to most recent capsules you are **RECEIVING**.

3. don't snort them, but it all depends on your tolerance, are you fairly experienced with opiates? If you are opiate naive I would recommend taking the beads out of one capsule and crushing about half of them, and taking that to start with. Should peak around 15mg of hydrocodone, which is a perfect starting dose.

24-02-2015 07:17

Hi Original Poster to Thanks!!
You don't need to snort hydrocodone, NO. I was able to crush an 80 beads and suspended the water to be left with a white powder. Got very much of it, and I was quite high all...
I started looking to snort the cap, not the whole part of the thing, so I crushed half again. Strong high but in one hit and I didn't get much... maybe something, hard to say.
But when I do the other half the effects were much more noticeable...

I RECALCIBRE HYPERCALCAEMIA ABOUT 1980!!! I have done a little research on this and found the same answers.
Increase fluid. I came across a pretty good method of fluid rehydration...
1. You mix up some sweet fruit-aid (not orange drink).
2. Then take out 1/2 cup powder and then sprinkle into each individual cube and
3. Plug into some carbonated fruit water... just off.

If that all collapsed the forehead of anyone doing an overdose in opiate, when absorption is prolonged. I think it'd be pretty cool to get design hammered while not expecting it due to the meaning of the fruit-aid and carbonated fruit water. I think I'm going to do this next time I get some "ZOH".
Be sure this is probably no new idea but has anyone ever tried this?

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Polypharmacy Cocktails Potentiators

- Abilify + Seroquel Snort (“jailhouse heroin”)
- Soma + Codeine (“Soma Coma”)
- Seroquel + Zyprexa + Ativan + ETOH + Cocaine
- HIV Protease Inhibitors + Percocet
- Caffeine + ETOH + Eyeball


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Polypharmacy Cocktails Potentiators

- Promethazine/Codeine + Tampon
- ETOH + Albuterol Inhaler
- Adderall + Albuterol + Sleep deprivation
- Adderall + Lexapro + Cannabis



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DJAGS



Prescription Drug Fraud

- A physician wrote illegal prescriptions for co-conspirator patients – more than 700,000 pills passed along to 6 different drug trafficking organizations.
- Norman Werther along with 61 associates received a combined 253 years in prison. Dr. Werther received 20 years and ordered to forfeit \$10 million.




Inside Pharmacy





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Prescription Drug Fraud

- January 2016, Jaime Guerrero admitted to distributing and dispensing Schedule II and III controlled substances to patients without a legitimate medical purpose beyond the bounds of professional medical practice – resulting in patient death.



Slide 25


TJA(5) Double check this photo. This, as well as several other slides, came from presentations I have created in the past and I believe there was a problem with the Werther photo. Unfortunately the link is archived so I can't double check it.

Trussell, Jennifer A (OIG/OI), 1/18/2017

Slide 27

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Trussell, Jennifer A (OIG/OI), 1/18/2017



Case Example

- Jaime Guerrero, a medical physician with offices in Louisville, Kentucky, and Jeffersonville, Indiana.
- Charged in a 32 count indictment with unlawfully dispensing pain medications to 30 patients, without a legitimate medical purpose and beyond the bounds of professional medical practice.
- Allegedly prescribed pain medications that resulted in the deaths of five patients.


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Case Example

- He saw more than 100 patients on each of the dates, by himself, and spent approximately 3 minutes or less with each patient, and fraudulently billed various health care benefit programs, for office visits at a higher code than the service provided.
- He travelled outside of the United States and directed staff personnel to provide group counseling sessions for patients in his absence. The group sessions were then billed as individual counseling sessions, and as if Guerrero personally provided the service.

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Case Example

Department of Justice
U.S. Attorney's Office
Western District of Kentucky

FOR IMMEDIATE RELEASE
Thursday, May 12, 2016

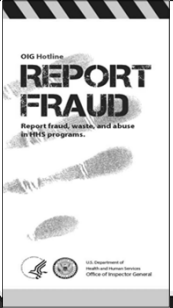
Kentuckiana Anesthesiologist Sentenced To 100 Months For Unlawful Distribution Of Controlled Substances, Health Care Fraud, Conspiracy, And Money Laundering

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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



REPORT FRAUD
Report fraud, waste, and abuse in HHS programs.

OIG Hotline
800-HHS-TIPS

U.S. Department of Health and Human Services
Office of Inspector General



Thank You

