

Healthcare fraud news briefing

August 2010

1- English Doctors apply separately for judicial review - UK

31/07/2010

Two English doctors have applied separately for judicial review, after being found guilty of professional misconduct, of the committee's decisions on their fitness to practice. The doctors argued that at the time of the hearing, the deputy registrar had prepared draft determinations before retiring with the committees for discussion. The doctors contend that the role of the deputy registrar was that of a prosecutor and therefore his presence would not be permitted during the consideration of allegations by the committee members. They continued to claim that this breach was sufficient to raise a real possibility of bias by the committee. The applications were refused however, as the role of deputy register was deemed to be different from that of a prosecutor. It was held that the committee had not been influenced and that the deputy registrar played no part in the deliberations, having been present as a secretary. The committee was made up of independent practitioners and the committee's legal assessor was there to ensure integrity of proceedings and inform the panel of any irregularities.

2-Acquisition could have negative effects on competition – Netherlands

03/08/2010

In February the NMa, Netherlands Competition Authority, found that the acquisition of the hospital Vleitland Ziekenhuis could have a negative effect on competition and therefore requires further review. They felt that problems may arise given the involvement of an insurance company who they felt could be tempted to engage in an exclusivity clause with the hospital. Although it may be legal to contract one insurer, it is not done in practice as it limits customer choice. The case remains under review.

3- Consumers Turn to Internet for Healthcare - USA

05/08/2010

The number of people turning to their computers for healthcare advice is steadily increasing, according to Harris Interactive, a US marketing firm. Their recent studies showed that 32% of all adults sought medical advice on the internet. Figures show an increase from 54 million in 1998 to 175 million in 2010. Although the information is based on a US market only, it is an interesting indication of current healthcare trends.

4- Social worker indicted for 12 counts of felony health fraud - USA

07/08/2010

A social worker has been indicted for 12 counts of felony health fraud. From 2002 – 2008 Olga Ortiz-Button, 57, billed insurance companies for over \$275,000 in counselling was in access of counselling actually provided. She also billed for the counselling of patients' family members which had never actually taken place. Each count of health fraud is punishable by up to ten years of imprisonment, a \$250,000 fine and forfeiture of proceeds.

5- Is Medical Tourism an Incorrect Term? - UK

09/08/2010

Keith Pollard from Treatment Abroad, a company dealing with huge numbers of people opting to avail of healthcare in another state, has stated that he does not agree with the term 'medical tourism'. He finds the term confusing and argues that it does not explain what the industry is about. In most cases, it does not relate to people combining treatment with a vacation; however he fears that this is the opinion that attaches to the above phrase. Perhaps a term such as 'global healthcare' would be more appropriate?

6- Border Free Trade Agreement to impact Pharmaceuticals – EU and Canada

09/08/2010

The EU and Canada are in negotiations to implement an intellectual property (IP) agreement as part of a border-free trade agreement which may have an impact on the pharmaceutical industry. Areas of data protection and patent term extension that are not covered by legislation may be reached by treaty.

7- French Pharmaceutical Group Accused of giving False Information- France

09/08/2010

The European Union believes that the evidence given by Servier, a French pharmaceutical group, in the pharmaceutical sector competition inquiry in 2008 was both misleading and incorrect. The Commission has sent a Statement of Objections to the group outlining its concerns. The companies concerned will be given a chance to respond to the allegations before a final decision is made. The companies may receive a fine if the allegations are confirmed.

8- David Cameron Aims to Crack down on Benefit Fraud- UK

10/08/2010

Cameron has pledged that the coalition government will launch an “uncompromised crackdown on benefit fraud. The Prime Minister intends to reduce the cost of fraud and error in the first part of a series of public spending cuts. The proposed plan involves the use of rating agencies for identification and an increased number of prosecutions, combined with measures to encourage others to stop cheats and greater efforts to recover lost funds that cost the tax payer £5.2bn a year.

9- Largest Ever Healthcare Fraud Takedown - USA

12/08/2010

Authorities in five American cities charged 94 people in connection with a \$251 million to defraud the federal agency managing healthcare plans for the poor and elderly. The centres for Medicare and Medicaid services lose \$60 billion dollars a year, according to the non-profit Coalition Against Insurance Fraud. In most cases, a care provider will bill Medicare for non-existent or unnecessary services.

10- No Safety Checks Needed for EU Nurses in Britain- UK

12/08/2010

The Nursing and Midwifery Council is removing safety checks for fear of being sued by the European Commission for breach of the EU laws on freedom of movement for workers. This will result in foreign nurses no longer being required to show that they have looked after patients in the last three years. Previously, they were required to show that they have performed at least 450 hours of nursing work within the three years, or else partake in a three month intensive course, in order to show that they have the required skills. The test will now only apply to those nurses coming from areas outside of the EU.

11- German Pharmacies Suspected of trading in Counterfeit Drugs- German

16/08/2010

Falsified medicinal products have been found in the legal supply chain of the German pharmaceutical industry. Pharmacies in northern Germany have been charged with acquiring cheap and illegal active ingredients which they have used to produce in-house cancer treatments preparation and then sold to the public. The Technician’s Health Insurance Fund (TKK) had been tipped off about a Danish wholesaler who was believed to have been supplying German pharmacies with an unauthorised active ingredient. 100 of the 400 pharmacies authorized to manufacture the preparation of the treatment are suspected of purchasing the counterfeit ingredients. This is a worrying new trend as counterfeit drugs usually appear on the internet, not in pharmacies which are generally more trusted by patients.

12- Doctor Pleads Guilty to Healthcare Fraud -USA

19/08/2010

Dr. Khoury, Oklahoma, admitted that, between 1999 and 2006, he defrauded Medicare, the Federal Employee Health Benefit Plan (FEHBP) and its associated health care benefit providers Blue Cross and Blue Shield (BCBS), Tricare, CIGNA, Travellers Insurance Company and Medigap Insurance carriers by submitting fraudulent claims for patients who were not present at the office at the time. He faces a maximum sentence of three years in prison, a fine of \$250,000 and up to three years supervised release. Sentencing is set for January 5th 2011.

13- Scottish Government's plans to improve Patient Care - UK

20/08/2010

The Scottish Government have revealed a five year action plan to Improve the quality of care afforded to patients in relation to GPs, dentists and other primary care services. Delivering Quality in Primary Care sets targets to ensure that patients are treated with respect, compassion and efficiency. It is backed by the British Medical Association as well as the British Dental Association, who hope to make improvements by creating partnerships between the various primary care bodies. The plan concentrates on primary care as this makes up 90% of all patient contact within the NHS.

14- Fayetteville Surgeon charged with Health Fraud - USA

20/08/2010

Robert J Tomlinson, an orthopaedic surgeon, has been sentenced to 5 months in prison and 5 months in home detention having been charged with healthcare fraud. The doctor was billing federal insurance programmes for services which were not being carried out. In addition to his detention, he was also ordered to pay restitution of \$6,497 and on completing his detention he will be subjected to three years supervised release.

15- Medical Tourism poses a threat to Global Healthcare- UK

21/08/2010

Medical tourism is being blamed for the spread of infection as bacteria picked up in hospitals abroad is being transported back to the home country. 'Medical Tourism' has been named and shamed by Lancet, one of the UK's leading medical journals as being a cause of the problem after bacteria that make an enzyme NDM-1 has entered the UK. Many of the patients acquiring the infection had travelled for cosmetic surgery in India. Other reasons for the travel abroad included bone marrow transplant, dialysis, heart disease, pregnancy, traffic accidents and burns. the new 'superbug' has been found in over 50 UK patients to date, and experts at Cardiff University, the Health Protection agency fear that it might pose a global threat. The main worry is that this enzyme could make all common bacterial infections resistant to antibiotics. In 2009; the UK's Health Protection Agency put out a national alert about NDM-1, describing it as a "notable public health risk".

16- Babies die from Contaminated Hospital Drip - German

23/08/2010

A contaminated drip in a German hospital has killed two babies and left five seriously ill. The babies were fed the bacteria infested solution at University Medical Centre in Mainz, Western Germany. German Prosecutors are considering charges such as "involuntary manslaughter" and "bodily injury". It is not yet known whether the solution became contaminated at the hospital or beforehand.

17- Man sentenced to fifteen years in prison for defrauding taxpayers - USA

30/08/2010

A man from Sioux City, Iowa, has pleaded guilty to defrauding taxpayers through a company that provides transportation for the disabled, We Care Wheelchairs. Vincent Stroman, 44, was sentenced to fifteen years in prison and ordered to pay \$155,338 in restitution to the Iowa Department of Human Services. He had been the treasurer of the company which had at one point employed thirteen people.