

Healthcare fraud news briefing

April 2010

01. **New Director General for Health and Consumers (DG SANCO)**

01.04.2010

Paola Testori Coggi has recently been promoted from 1st April to Director General, leading the health and consumer portfolio in Brussels (and Luxembourg and Grange, Ireland). She succeeds Robert Madelin, who has moved on to lead the Information Society and Media DG, after 6 years at this position.

02. **Commission launches search for new OLAF boss**

09.04.2010

The European Commission launched the search for a new director-general for OLAF, the EU's anti-fraud office even though MEPs do not agree with this decision. This is because they feel that a candidate needs the experience to do the job. This position will offer a replacement for Franz-Hermann Brüner, OLAF's previous director-general who died in January. Applicants need 15 years of professional experience as a prosecutor or judge, five of which should include managerial experience at a senior level so as to enable them to manage 500 staff and an annual budget of €50 million. A final appointment should be made in December.

03. **Miami-Dade clinic operator to plead guilty to Medicare fraud**

12.04.2010

Ihosvany Marquez, a Medicare Operator, has spent his Medicare millions on a fleet of luxury cars, authorities say, including a Lamborghini Murcielago with spaceship-like doors that cost \$455,959. He was accused of ripping off the government programme for the elderly and disabled by operating six fraudulent Miami-Dade clinics with partner Michel De Jesus Huarte. Between 2005 and 2007, he and his partners raked in \$22 million from the taxpayer-funded healthcare programme.

04. **Doctor injected MS sufferers with cow stem cells**

13.04.2010

Dr Robert Trossel from the UK claimed he could cure MS sufferers by injecting them with stem cells from cows. He has been found guilty of exploiting his vulnerable patients. Who paid up to £12,000 for a series of quick jabs in consultations lasting less than two hours. He told patients they were receiving umbilical cord stem cells but in many cases hid the fact that they were of animal origin and contained a risk of BSE. The General Medical Council panel stated that there was not sufficient scientific or medical evidence to justify proceeding with the stem cell therapy and a trial into his wrongdoings will follow.

05. **Almost 99 million Euros healthcare fraud detected by Italian Police**

13.04.2010

The commander of the School of Tax Police of the Guardia di Finanza, Saverio Capolupo presented fraud related data at a conference organised in Rome by Farindustria. He reported that 1,827 operations had been carried out by the Guardia di Finanza to detect fraud against the Italian health service in 2009. Among the phenomena most often encountered were 'false exemptions', people who have an income well above the limit set by the law to benefit from exemptions, and doctors paid by patients who for example reside abroad. 3,359 suspicious cases were reported by whistle blowers and the fraud detected amounted to 98.7 million euros. The actions of the Financial Police have increased as compared to 2008 with 1,799 complaints and 55.6 million of fraud detected.

06. **Dutch healthcare insurers to cooperate more on fraud management**

15.04.2010

Due to an effective control- and fraud policy, Dutch health insurers have detected more fraud in 2009 than the year before. In total, an amount of 184.5 million Euros has been recovered. Of the above figure, 177 million Euros consists of unintentional false statements. The remaining 7.5 million Euros consists of intentional false statements. To reduce costs even further, healthcare insurers want to cooperate more. Zorgverzekeraars Nederland has therefore started a programme called 'Samenwerken aan Controles en Fraudebeheersing' (cooperation on control and fraud management). The goal of it is to optimize processes and reduce administrative expenses.

07. **NHS hospital sold cancer drugs 'now in short supply'**

15.04.2010

The Royal Surrey County Hospital Foundation Trust was criticised in February 2010 for selling more than £4 million of drugs abroad, even though the drug was listed as in short supply in November 2009 last year. From this, it had made £300,000 profit from the trade during the previous year. Of 33 products sold by the trust, 13 were cancer drugs and four were for HIV. The Health Service Journal has reported that the trust sold 240 packs of the cancer drug Glivec between May and October 2009.

08. **Social Service Agency Workers sentenced for Fraud Scheme**

15.04.2010

Sentences were handed down today for three former employees of MultiEthnic Behavioral Health, Inc. ("MEBH"), for their roles in a fraud on the City of Philadelphia and the federal government which contributed to the death of Daniela Kelly, a 14-year old girl. Manuelita Buenafior, 66, of Philadelphia, Christiana Nimpson, 54, of Philadelphia, and Sotheary Chan, 41 of South Carolina were sentenced by United States District Court Judge Stewart Dalzell. Buenafior was sentenced to 36 months in prison, Nimpson was given 20 months whilst Chan received 15 months. The months given also included being penalised for counts of healthcare fraud. Additionally, Judge Dalzell ordered the employees to pay restitution to the federal Crime Victims Fund, which supports thousands of programmes for crime victims.

09. **60 pharmacies in the cytostatic preparation cheat and defraud funds**

15.04.2010

Around 60 German pharmacies have ordered low-cost cytotoxic drugs abroad under international, cheaper prices but then got reimbursed for this purchase according to local German prices. In practice pharmacists can buy cytostatics for their pharmacy on the international market and save around 20-35 percent from the price of the original goods. In this instance the accused claimed reimbursement using the same value as for domestic marketable drugs. Additionally, in Verden and Mannheim, there have already been such accusations. The damage estimated as by the two nationwide health insurance companies TK and AOK Lower Saxony, amounts to tens of millions of Euros as well as the loss of trust of patients.

10. **New Justice Priorities under the 'Stockholm Programme'**

20.04.2010

On the 20th of April 2010, the European Commission has highlighted its main measures for 'Stockholm Programme' which aims to harmonise and rectify current EU justice and home affairs policies. This programme is a measure that was introduced by the Swedish EU Presidency in 2009. It contains 170 initiatives that aim to develop EU policy in areas which include criminal and civil law co operation.

11. Commission launches second EU Health Prize for Journalists

26.04.2010

The European Commission launched a second EU health prize for journalists which include print and on-line articles. The prize is linked in with the 'Europe for Patients' campaign launched in September 2008. This campaign has the aim of stimulating and rewarding journalism of a superior quality that helps to demonstrate healthcare and patients' rights issues within the public arena. Journalists are invited to submit articles published in print or on-line publications between 16 June 2009 and 01 July 2010.

12. MEPs demonstrate stance on fight against counterfeit medicines

27.04.2010

Members within the European Parliament committee on the environment, public health and food safety have strongly stressed that the current draft Commission directive on counterfeit medicines is not strong enough. Instead, it is suggested in an opinion drafted by Marisa Matias, a Portuguese MEP, that this directive should be extended so that it can possess relevant internet measures and permit member states to initiate more stringent sanctions against counterfeiters especially in relation to repackaging.

13. Gynaecologist prosecuted for harming patient with liposuction

30.04.2010

A German judge has reprimanded a gynaecologist who performed two liposuction procedures on a woman. After the second procedure, the woman had to go to hospital due to serious complications. The German court has branded these procedures as inflicted violence, thus making her eligible for compensation. It turned out that the doctor was not qualified to do these procedures. He been sentenced for committing bodily harm before. The judge ruled that the doctor was only thinking about money and not the wellbeing of his patient.

14. Swedish Private Healthcare firms fake invoices

30.04.2010

A review conducted by the Swedish county council demonstrated that three private healthcare firms in Stockholm received payments for care that were carried out. Normally, private clinics are entitled to charge different amounts per patient per visit, depending on the diagnosis, the patient and what action is performed. One company, Aleris, has already been forced to pay back two million. The physicians from this company had registered more expensive surgical procedures than patients actually received. Other companies where the County Council's auditors have found similar deficiencies include Gyn Stockholm and Nacka and Närsjukhus.