

Healthcare fraud news briefing

June 2010

1. **UK spending data is available to the public**

07.06.2010

On 4 June, the UK government published data from the Combined Online Information System (COINS) for 2008-09 and 2009-10. COINS, the contents of which have never before been publicly available, includes information on what departments were authorised to spend, what they actually spent and what they are forecast to spend in future. It is used by the Treasury to collect financial data from across the public sector to support fiscal management, the production of Supply Estimates for Parliament and public expenditure statistics, the preparation of Whole of Government Accounts (WGA), and to meet data requirements of the Office for National Statistics. The government has promised that further COINS data for all years back to 2005-06 will be made available by 15 June.

2. **CNAV Reveals millions that have been lost to Fraud**

09.06.2010

The National Insurance Pensions Service of France (CNAV) has submitted its plan Monday to combat fraud against the pension benefits with an initial evaluation of activities conducted in 2009. In 2009, 8193 cases have been investigated, against only 2981 in 2008. These investigations have discovered 527 fraudulent cases. Some of these cases have already resulted in the payment of 3.3 million Euros in overpaid benefit. CNAV reported however that its controls have prevented the payment of more than 22 million annuities. No declaration of death to continue receiving the benefits of the deceased (53%), minimization of resources to reach the minimum age (20% of cases), using false identities or false payslips to get higher benefits are five scenarios of fraud that have been identified.

3. **No jail for £10,000 fraudulent nurse**

11.06.2010

Judges at the Justiciary Appeal Court in Edinburgh, Scotland have ordered Martin McLelland, 42, to carry out 200 hours community service instead of giving him a jail sentence. McClelland admitted to obtaining £10,482 by fraud after inducing NHS Lothian to pay him occupational and statutory sickness pay which he was not entitled to between November 2008 and March last year. He altered sickness certification notes signed by doctors by changing the dates and extending the period for which he had been certified as unfit to attend work.

4. Fraud in supply of orthopedic implants

11.06.2010

The Nucleus of Tax Police of the Guardia di Finanza, Taranto, Italy seized the supply of medical devices of seven companies who customize orthopedic equipment (arch supports, corsets, prosthetics, orthotics and other) as a precaution measure. These are individual entrepreneurs and companies which have a subsidiary in the provinces of Taranto and Brindisi.

The reasons for confiscation cited by the Guardia di Finanza included the lack of a business organization (equipment, premises and personnel) suitable for the construction of medical devices according to the standards of quality foreseen; the entry into service of medical devices that are not appropriate to the needs of patients and even endanger public health; the lack of respect of the community, national and regional norms in the sector. The seven executives of the companies were charged with fraud in the execution of public procurement and false instrument. The damage to the Regional Health Service for the period 2004 to 2007 which is currently under investigation, is estimated at around 3 million Euros.

5. Hospital Associations wants to curb corruption

13.06.2010

The regions of Saxony-Anhalt and Thuringia, Germany, want to establish so-called clearing house for combating corruption in health care. This was stated by the Managing Director of the Hospital Association of Saxony-Anhalt, Gösta Heelemann whilst on the radio station MDR Info in Halle. The head of the state hospital company Thuringia, Michael Lorenz agreed with this decision by the state medical association and the physicians' association to establish a clearing house and mentioned that they also are in the process of cooperation with similar agreement texts. Within the areas of Saxony-Anhalt and Thuringia, there are only six states that have promised to set up clearing houses. This initiative should be able to monitor the compliance of hospitals and GPs on illegal premiums for the transfer of patients.

6. National fraud bureau to tackle £30bn fraud related bill

14. 06. 2010

The new National Fraud Intelligence Bureau opens this month at the City of London Police, UK, to help police country-wide tackle an annual fraud bill estimated at more than £30bn. The data comes from Action Fraud, the national fraud reporting centre that opened in the West Midlands in October last year, and which is being rolled out regionally. The bureau will go some way to replacing the Unit. The NFIB had a purpose of building a more accurate picture of the nature of fraud at home and abroad, and educate the public and private sectors to become more resistant to fraud.

7. NHS allowed to introduce money-saving prescribing practices says ECJ

14.06.2010

The European Court of Justice (ECJ) ruled in April in Association of the British pharmaceutical industry (ABPI) v Medicines and Healthcare Products Regulatory Agency (MHRA) case c-62/09) that an incentive scheme operated by certain NHS bodies in England and Wales in a bid to reduce costs relating to prescription medicines did not breach European Union (EU) law. The MHRA claimed that the cost reducing scheme breached Article 94 of the EU Directive dealing with the Community code on medicinal products for human use as this article mentioned that there was to be no “commercial” influence over doctors’ prescribing practices. But, the ECJ concluded that a Member State’s health policy and the corresponding expenditure did not constitute a commercial venture, especially when the body who introduced this venture was a public body. These incentive schemes were part of that health policy and could not be linked to the commercial promotion of medicinal products.

8. UK electronic medical records system under review

15.06.2010

Aspects of the Summary Care Record, the NHS care records service, will be reviewed after doctors had concerns that patients were not being consulted properly and their medical notes were being uploaded without proper consent. Ministers have written to the British Medical Association saying that while the Government agreed that patients records should be available electronically, the process of uploading should be clearer for patients. Doctors warned that this meant patients were not giving proper consent and a lack of response was taken as their agreement to their records being uploaded.

9. GMC discovers drunk GP who is provides ‘inadequate’ treatment

22.06.2010

Dr Ralph Vadas, 56, a Hungarian doctor, has admitted turning up to work drunk and provided “inadequate” treatment to eight patients as highlighted by the General Medical Council. He was suspended in 2008 following a series of complaints and faces 60 charges relating to his sexual conduct and alleged inadequate treatment over 12 years. It is further alleged that his treatment of eight patients was inadequate between 1996 and 2008. On one occasion, in March 2003, Dr Vadas told a patient who had a “crushing pain” in his chest and trouble breathing to drive himself to hospital. Following his suspension by Bournemouth and Poole Primary Care Trust in 2008, the GP allegedly accessed patient records and rang up the practice manager to make threats. The hearing continues.

10. 3 Dentists Arrested in Fraud Scheme

22.06.2010

Three dentists and two assistants have been arrested on federal charges related to Medicaid fraud and an alleged kickback scheme. Federal prosecutors indicated that Dr. Gary Schwarz of McAllen billed Medicaid for services not performed and for services performed by unlicensed employees. Schwarz also allegedly paid a 15 percent kickback to Mission dentists Willis Egger, 40, and 53-year-old Reynaldo Casares for referrals of Medicaid patients. A 22-count indictment partially unsealed Tuesday also says Renee Thornton, Schwarz's office manager, and Magdalena Garza Cazares, his personal assistant, also have been arrested on fraud charges. U.S. Magistrate Dorina Ramos ordered all five released on bonds of \$100,000 each.

11. UK health system scores high for 'efficiency', says report

23.06.2010

It has been stated that UK's health care system is the most efficient in a study of seven industrialised countries. The Commonwealth Fund report looked at five areas of performance - quality, efficiency, access to care, equity and healthy lives. The report, which provides an update to three earlier editions, includes patients and doctors' ratings of their experiences in their own health care systems. More than 27,000 patients and primary care doctors were surveyed across all seven countries as part of the study, starting in 2007. The Netherlands ranked first overall, closely followed by the UK and Australia. The UK performed well when it came to quality of care and access to care. In addition, the Netherlands ranked very highly on all waiting times measurements.