

Healthcare fraud news briefing

(3) November 2009

1. 1.11.09 – BOGUS HEALTH CARE PLANS ARE PROLIFERATING

The Pittsburgh Tribune-Review reported that a retired couple discovered that the new 'health plan' that they had signed up for in January 2009, for \$499 per month, wouldn't pay for any of their medical care. Mary Lloyd's husband was lying in the intensive care unit of an Arizona hospital when she got a good look at their new health insurance card for the first time. The card read: 'This is NOT an insurance card.' Consumer advocates say companies are selling 'health coverage' that evaporates when customers try to use it, or provides less than was promised.

2. 2.11.09 – PHARMA COMPANIES SETTLE ALLEGATIONS IN COLORADO

The Colorado Springs Business Journal reported that four pharmaceutical manufacturers have paid the state \$3 million to settle claims that they improperly marketed drugs and paid kickbacks to healthcare professionals in return for prescribing their products. The largest settlement results from a federal settlement with Pfizer Inc. Three other companies alleged to have engaged in similar misconduct surrounding the marketing strategies of drugs are AstraZeneca, Ortho McNeil Pharmaceutical Inc, and Mylan Pharmaceuticals Inc..

3. 4.11.09 – DETROIT AREA PHYSICAL THERAPIST PLEADS GUILT IN MEDICARE FRAUD SCHEME

Biotech Week reported that Solomon Nathaniel, 51, has pleaded guilty to participating in a conspiracy to defraud the Medicare program. Nathaniel admitted that he and others created fictitious therapy files appearing to document physical and occupational therapy services provided to Medicare beneficiaries, when, in fact, no such services had been provided. He also admitted that between December 2003 and July 2006, he supported false claims to the Medicare program totalling approximately \$6,250,000.

4. 9.11.09 – LATVIAN PRESIDENT ORDERS CHILDRENS' HOSPITAL BOARD TO BE DISMISSED

The Latvian News Agency reported that Prime Minister Valdis Dombrovskis has signed a decree ordering Health minister Baiba Rozentale to immediately organise a shareholders meeting of the Childrens Clinical University Hospital to consider dismissing the hospital's board. Dombrovskis issued the decree, taking into account investigations by the Corruption Prevention Bureau. Two Childrens Hospital officials, the hospital's administration manager, Alvars Lisenko and board member Arnis Kramzaks, have been arrested on suspicion of misuse of power, taking and giving bribes, document forgery and fraud.

5. 13.11.09 – NURSING HOME AIDE CHARGED WITH STEALING 90 YEAR-OLD'S CREDIT CARD

The Targeted News Service reported that Attorney General Andrew M. Cuomo has announced that his office has filed charges against a nursing home aide who allegedly stole a patient's credit card to purchase personal items, pay bills and make multiple ATM withdrawals. Latoya Harding, 28, allegedly took a credit card from a 90 year-old patient suffering from dementia to pay her cable, cell phone and utility bills. It is alleged that Harding stole a total of \$2,434.57 between June and August 2009.

6. 17.11.09 – \$47 BILLION IN QUESTIONABLE CLAIMS TO MEDICARE

The American health Line reported that a new federal report has found that the government paid \$47 billion in questionable Medicare claims in fiscal year 2009. According to the report, the figure represents about 12.4% of spending in Medicare's fee-for-service program. The report also found that 9.6% of Medicaid claims, or about \$18.1 billion, are improperly paid.

7. 18.11.09 – U.S. EX-OFFICIAL HELD IN \$2.5 MILLION THEFT

The Worcester Telegram and Gazette reported that a former official at UMass Memorial Health Care Inc has been charged with stealing more than \$2.5 million from the institution through bogus construction contracts. Prosecutors allege that John E. Lawler, 52, set up fake bank accounts in the name of a construction company while overseeing contracts and accounts for hospital construction projects. Mr Lawler allegedly stole the hospital's payment checks to the company and deposited the funds in fraudulent accounts for his own use.

8. 19.11.09 – FLORIDA ANTI-FRAUD TEAM COMMENDED

The U.S. Fed News stated that a team of Southern District of Florida Assistant U.S. Attorneys and agents from the FBI and HHS-OIG have received the 2009 Excellence in Public Awareness Award presented by the National Health Care Anti-Fraud Association (NHCAA). The prosecutors and agents receiving the award will be recognised for their outstanding efforts in the investigation and prosecution of healthcare fraud. Since 2005, 880 defendants have been charged with submitting more than \$2.5 billion in false claims to the Medicare program.

9. 24.11.09 – ONE THIRD MORE CASES PENDING AT THE JUSTICE DEPARTMENT THAN IN JANUARY 2008

The American Health Line reported that the Department of Justice has 985 pending healthcare fraud cases, up from 630 cases in January 2008, according to Assistant Attorney General Tony West. In the last fiscal year the DOJ recovered \$1.6 billion in fraud settlements and judgements.

10. 29.11.09 – PATIENT ID THEFT RISES

The Wall Street Journal reported that medical identity theft is on the rise and expected to worsen. Most of the fraud is committed by people who pay medical workers for patients' information. In one case a front-desk clerk at a medical clinic in Weston, Florida, downloaded the personal information of more than 1,100 Medicare patients and gave it to a cousin, who made \$2.8 million in false Medicare claims

11. 29.11.09 – MEDICAL WASTE COMPANY INVESTIGATED FOR CORRUPTION

The South African Press Association reported that a medical waste company which was found to be illegally dumping highly infectious raw waste is being investigated for corruption and fraud. Wasteman, the country's biggest waste management company which boasts multimillion-rand contracts with more than 150 hospitals and clinics has been raided by the police. An Environmental Affairs Department spokesman, Albi Modise, said that the company had been sending truckloads of the medical waste to be buried at different sites instead of being treated and disposed of according to the law.