

\$2B in False Claims Triggers Historic Fraud Enforcement Action by DOJ

The summer is still young, yet it's already seen record-setting heat here at home and at points around the country. Moving from weather to healthcare, the summer of 2018 has broken another record: that of the largest healthcare fraud enforcement action in U.S. Department of Justice (DOJ) history.

“...the most fraud, the most defendants, and the most doctors...”

“Today the Department of Justice is announcing the largest health care fraud enforcement action in American history,” Attorney General Jeff Sessions said late last month when informing the public about the takedown. “This is the most fraud, the most defendants, and the most doctors ever charged in a single operation—and we have evidence that our ongoing work has stopped and prevented billions of dollars’ worth of fraud.”

Along with Sessions, Department of Health and Human Services (HHS) Secretary Alex M. Azar III announced the huge fraud enforcement action. Charging more than 600 defendants in 58 federal U.S. districts, and involving over \$2 billion in allegedly fraudulent healthcare billing claims, the action can certainly be called “sweeping” without the risk of hyperbole.

Among the defendants, 162 individuals (76 of them doctors) are charged with improperly prescribing and distributing opioids, thereby contributing to the opioid epidemic plaguing the nation. According to the Centers for Disease Control and Prevention (CDC), there are 115 fatalities related to opioid abuse each day in this country.

At the same time it publicized the enforcement action and the related charges and arrests, HHS also announced that during a 11-month period ending in June, it had revoked the right to participate in federal healthcare programs (including Medicare and Medicaid) of 2,700 healthcare practitioners due to allegedly fraudulent activity. This figure includes nearly 600 providers who have been accused of improperly prescribing or dispensing opioids.

“Health care fraud is a betrayal of vulnerable patients...”

The charges central to this action accuse defendants of participating in fraudulent healthcare schemes that bilk the government of money via false prescription claims. In addition to allegedly false Medicare, Medicaid, and private insurance drug claims, this record enforcement action also focuses on TRICARE prescription abuses by providers (TRICARE is a program that covers military employees and their families). Some of the prescriptions or compounded medications dispensed were allegedly medically unnecessary; some existed only on paper and were not even procured or given to patients.

“Health care fraud is a betrayal of vulnerable patients, and often it is theft from the taxpayer,” Sessions said. “In many cases, doctors, nurses, and pharmacists take advantage of people suffering from drug addiction in order to line their pockets. These are despicable crimes. That’s why this Department of Justice has taken historic new steps to go after fraudsters, including hiring more prosecutors and leveraging the power of data analytics.”

Historic “Takedown Day” major win for the government

In addition to prescription violations, court documents reveal that at times patient recruiters acted as co-conspirators and were paid illegal kickbacks when they passed beneficiary information to providers, who in turn allegedly sent false claims to government healthcare programs. At times those fraudulently billed services were not medically necessary; at times they were not even performed. Defendants charged include physicians, nurses, other licensed medical professionals, and healthcare company owners.

The enforcement action states that collectively, they are responsible for more than \$2 billion in fraudulent claims.

Collective efforts of many agencies dismantle fraudulent schemes

"I want to thank our fabulous partners with the FBI, DEA, our Health Care Fraud task forces, HHS, the Defense Criminal Investigative Service, IRS Criminal Investigation, Medicare, and especially the more than 1,000 federal, state, local, and tribal enforcement officers from across America who made this possible," Sessions said. "By every measure we are more effective finding and prosecuting medical fraud than ever."

And Azar added: "Every dollar recovered in this year's operation represents not just a taxpayer's hard-earned money—it's a dollar that can go toward providing healthcare for Americans in need. This year's Takedown Day is a significant accomplishment for American people, and every public servant involved should be proud of their work."

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