



OIG ENFORCEMENT TRENDS

St. Louis Regional Healthcare Compliance Conference
March 1, 2019

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Investigations
U.S. Department of Health and Human Services
St. Louis, Missouri 63103



OIG ENFORCEMENT TRENDS





OIG OVERVIEW

- **1976 – 1st Statutory Office of Inspector General Created**
 - Department of Health and Human Services (HHS)
 - Office of Investigations (OI) principal investigative arm for HHS
- **OIG Components**
 - Office of Investigations (OI)
 - Office of Audit Services (OAS)
 - Office of Evaluations and Inspections (OEI)
 - Office of Counsel to the Inspector General (OCIG)
 - Office of Management and Policy (OMP)
- **OIG/OI Personnel**
 - Criminal Investigators (a/k/a Special Agents)
 - Investigations Analysts
 - Investigations Assistants
 - General Investigators
 - Investigative Resource Specialist

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INVESTIGATIVE AUTHORITY

- **Healthcare Fraud**
 - Medicare (Part A, B, C, & D)
 - Medicaid (Fraud Control Units)
- **HHS Employee Misconduct**
 - Travel Voucher Fraud
 - Theft of Government Funds/Equipment
 - Misuse of Government Owned Equipment (G-Cars, Computers, etc.)
- **Child Support**
 - Interstate, Intent, and Payment Status

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INVESTIGATIVE AUTHORITY

- **Grant Fraud Investigations**
 - HHS is the largest grant making organization in the Federal Government.
 - Child Care Development Fund
 - Office of Refugee Resettlement matters
 - Foster Care Programs
 - IHS programs.
 - **Exclusions**
 - Responsible for insuring providers determined to be abusing the programs are prohibited from participating in HHS programs.
- **Protection**
 - Provide protection for the Secretary/Surgeon General when traveling.

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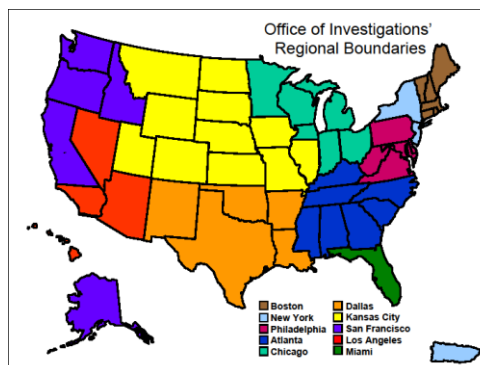
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OI Regions

OI is divided into 10 separate Regions

- Boston
- New York
- Philadelphia
- Atlanta
- Florida (Miami)
- Dallas
- Chicago
- Kansas City
- Los Angeles
- San Francisco



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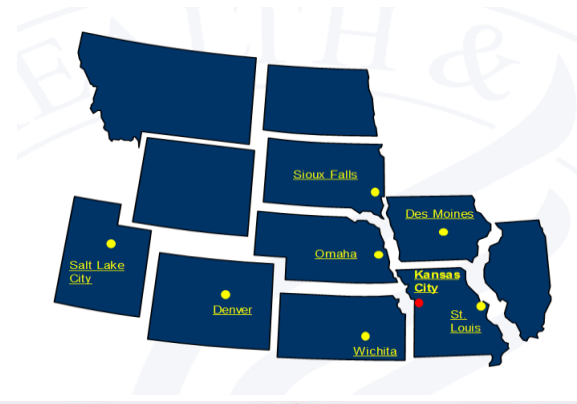
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OIG Investigations

Kansas City Region



Kansas City Regional Office Priorities



- **Pill Mills/Opioids.**
- PCS – continues to be a problem.
- DME scams.
- State Block Grants – CCDF Program.
- Human Trafficking/foster care program.



Pill Mills/ Opioids

Pill Mill Cases in Eastern Missouri

1/3 of all Medicare beneficiaries received a prescription for an opioid in 2016.

Part D spent \$4.1 billion dollars on opioids in 2016.



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Pill Mills/Opioid

Challenges to Prosecuting Doctors

We approach the allegation with an understanding that a doctor can only distribute controlled substances in the ***usual course of a medical practice*** and for a ***legitimate medical purpose***

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Usual Course of Practice and Legitimate Medical Purpose

Indicators the prescription may be illegitimate

1. Prescriptions are issued without any prior physical examination of the patient;
2. Physician writes a prescription in a fictitious name or in a name other than that of the patient who was present at the time;
3. Physician writes an inordinate number of prescriptions for controlled substances overall or to individual patients or both;
4. Physician writes prescriptions too frequently; that is, the medication as prescribed should not have run out at the time the second prescription is written;
5. The prescription written shows a failure to individualized treatment or are not appropriate for the claimed illness;
6. Physician failed to maintain patient records for prescriptions prescribed or kept false records

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United States v. Phillip Dean



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United States v. Phillip Dean

- Dr. Dean ran a “pain clinic” in Warren County, Missouri.
- In the course of his practice he maintained a series of relationships with women in which he prescribed controlled substances to the women at the same time he was engaging in a personal relationship with them.
- His medical records suggested he was treating the women with drugs for pain management, but his texts and Facebook messages suggested he was trading controlled substances for sex, nude photos and underwear.
- Dean plead guilty to drug distribution and health care fraud charges in August, 2018.
- Sentenced in November, 2018 to 40 months in prison.

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United States v. Phillip Dean

SUBSYS

Sublingual fentanyl spray

50X more potent than heroin

Approved for the treatment of breakthrough cancer pain, but no other approved medical use.

Dean had no cancer patients, but was the #1 Medicaid prescriber in MO for Subsys.

Peer utilization was helpful in this case.



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United States v. Phillip Dean

Opioid Prescription Intervention Records

Profile report sent to Dean in December 2014 about Patient R.W.

Opioid Prescription Intervention™ Patient Profile Report

Patient Name: [REDACTED] Patient ID: 62121895
 Patient DOB: [REDACTED] Patient Age: 42.6
 Prescriber Name: Phillip D Dean MD Prescriber ID: 1619029691

THREE MONTH PERIOD ENDING: November 2014

QUALITY INDICATOR™ SUMMARY - This patient has been flagged for the Quality Indicators listed below. Attached to this document are the Clinical Considerations™ for the relevant Quality Indicators which may be helpful in your treatment of this patient.

890 Use of Opioids for 60 or More Days in Absence of a Diagnosis Supporting Chronic Use

RELEVANT DIAGNOSES - no relevant data

OPIOID, MUSCLE RELAXANT AND BENZODIAZEPINE MEDICATIONS DISPENSED OVER THE LAST 3 MONTHS:

RX NUMBER	PRESCRIPTION	LABORATORY	DATE	DAYS	QUANTITY	PHARMACY INFORMATION	ASSOCIATED QUALITY INDICATORS
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	11/24/2014	30	60	WELLSRICH #7811 634-442-3903	
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	11/23/2014	30	120	WELLSRICH #7811 634-442-3903	
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	11/13/2014	30	30	WELLSRICH #7811 634-442-3903	
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	11/03/2014	30	120	WELLSRICH #7811 634-442-3903	
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	10/23/2014	30	120	WELLSRICH #7811 634-442-3903	
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	10/13/2014	30	40	WELLSRICH #7811 634-442-3903	890
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	10/03/2014	30	40	WELLSRICH #7811 634-442-3903	890
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	09/23/2014	30	30	WELLSRICH #7811 634-442-3903	
0943334	CHLORAZEPATE XR 30 MG TABLETS	LAB0781700000	09/13/2014	30	30	WELLSRICH #7811 634-442-3903	



United States v. Phillip Dean

- 11/24/2015 Dean is treating another patient –E.W.—at the same time he is treating R.W., although according to Dean’s records “he (E.W.) doesn’t take pain pills.

8. Effects of pain: (Note decreased function, decreased quality of life.)

Accompanying symptoms (eg, nausea) _____

Sleep _____ *the pain leaves as good as a step dressing him*

Appetite _____ *he doesn't have any of these things*

Physical activity _____ *things that he doesn't take pain pills*

Relationship with others (eg, irritability) _____

Emotions (eg, anger, suicidal, crying) _____

Concentration _____

Other _____



United States v. Phillip Dean

R.W. prescribed Vicodin on 1/11/16

PHILIP D. DEAN, M.D.
 BOARD CERTIFIED AND ACADEMY OF PAIN MEDICINE
 P.O. BOX 708
 651 EAST MAIN STREET
 WASHINGTON, MO 63090
 (573) 456-8378

NAME: [REDACTED] DOB: [REDACTED]
 ADDRESS: [REDACTED]
 TAMPON OR SEATTLE STATE BOARD OF MEDICINE LICENSE NO. OF BOARD: [REDACTED] DATE: 1/11/16

Rx Vicodin 10/225
 Sig: 1 tab QID po -
 failed back syndrome
 (120)
 (120)

Label: []
 Patient: []
 Pharmacist: []
 Signature: Phillip D. Dean
 SUBMITTAL PERMITTED: []
 LICENSE AS WRITTEN: SUNE0002770



United States v. Phillip Dean

E.W. Prescription for hydrocodone written 2 days later on 1/13/16

PHILIP D. DEAN, M.D.
 BOARD CERTIFIED AND ACADEMY OF PAIN MEDICINE
 P.O. BOX 708
 651 EAST MAIN STREET
 WASHINGTON, MO 63090
 (573) 456-8378

DEAN: [REDACTED] BDO908900
 NAME: [REDACTED] DOB: [REDACTED]
 ADDRESS: [REDACTED]
 TAMPON OR SEATTLE STATE BOARD OF MEDICINE LICENSE NO. OF BOARD: [REDACTED] DATE: 1/13/16

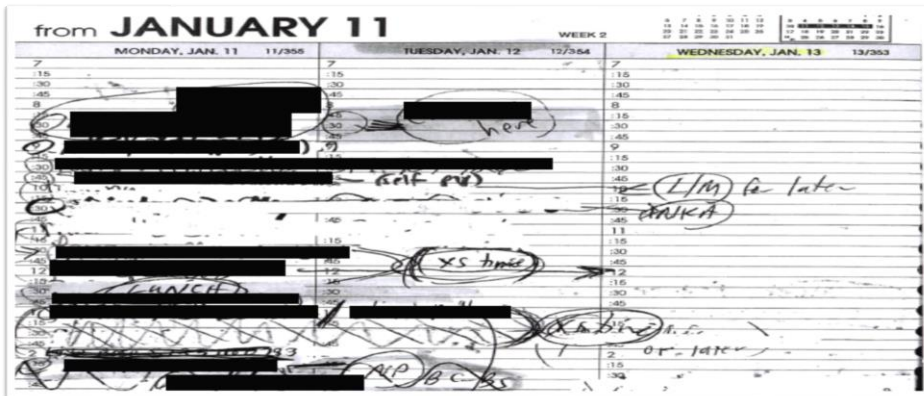
Rx hydrocodone 10/225
 Sig: 1 tab QID po -
 pain (120)

Label: []
 Patient: []
 Pharmacist: []
 Signature: Phillip D. Dean
 SUBMITTAL PERMITTED: []
 LICENSE AS WRITTEN: SUNE0002770



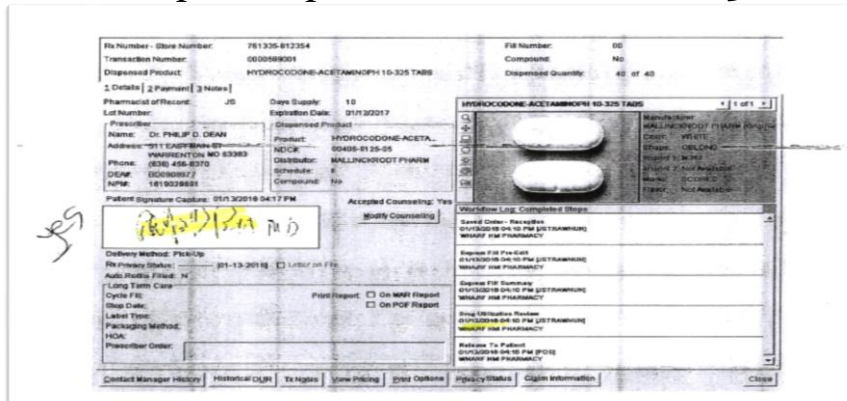
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Dr. Dean's Calendar - No office visit for E.W. on 1/13/16



United States v. Phillip Dean

Dean picks up the medication on 1/13/16





United States v. Phillip Dean

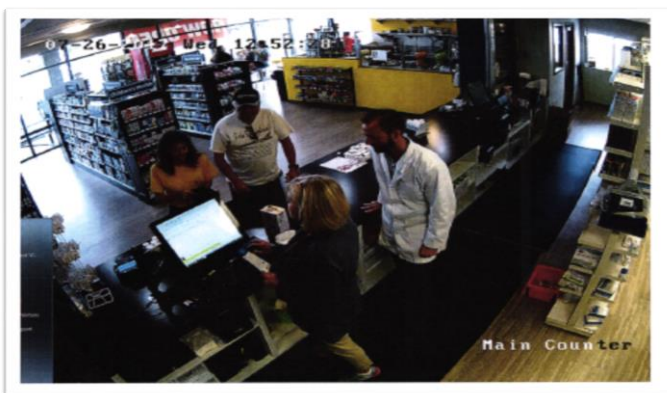
Dean's text messages exchanged with patient LR prior to issuing RX on 3/31/17—"no pixs came thru...honor your promises!!"

from:	to:	date:	time:	direction:	status:	type:	content:
+18387955015	3/31/2017	3/31/2017 14:01 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 I never call any Walgreens, take buscto ks
+18387955015	3/31/2017	3/31/2017 14:00 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Nope, sent to ks as per prev request
+18387955015	3/31/2017	3/31/2017 13:59 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Sent rx now. Send monies. Honor your promise!!!
+18387955015	3/31/2017	3/31/2017 13:55 (UTC-5)	Outgoing	Sent	Sent	Phone	Walgreen's 2501 e. Linwood Blvd phone 816 861 4423. Emergency.
+18387955015	3/31/2017	3/31/2017 13:50 (UTC-5)	Outgoing	Sent	Sent	Phone	God bless it will send you me doing it w a horse but I need out of pain. Prospect and Linwood. I can get there. Can barely walk.
+18387955015	3/31/2017	3/31/2017 13:33 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Hrrpht...
+18387955015	3/31/2017	3/31/2017 13:02 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 No pixs came thru
+18387955015	3/31/2017	3/31/2017 12:58 (UTC-5)	Outgoing	Sent	Sent	Phone	☐
+18387955015	3/31/2017	3/31/2017 12:40 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Waiting on clarification. Naked yet?? Lol
+18387955015	3/31/2017	3/31/2017 12:05 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Yup, you are such an expert on love life???? Lol. lol. lol
+18387955015	3/31/2017	3/31/2017 12:04 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Family to walmart??? You mean monies sent???.. mail me or fax me list if symptoms..
+18387955015	3/31/2017	3/31/2017 11:43 (UTC-5)	Outgoing	Sent	Sent	Phone	Need two pages, single spaced. Fax 636 456 8370,or mail po. Box 709, Warenton, mo. 63383
+18387955015	3/31/2017	3/31/2017 11:37 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 OK. How about this...you do have rx today..I get a hold of family to Waart for 80 to hundred..I could come paint for yo U manage your love life...and live in a sjack?
+18387955015	3/31/2017	3/31/2017 11:26 (UTC-5)	Outgoing	Sent	Sent	Phone	That is not medical treatment, to be clear, that is rx beer and smokes, repayments, ok, maybe even 185...medical payments are be by Medicaid... Lawyers notes by lawyer paid. Three separate tranches... New rx today is really a fourth request!!! Sheeshhh.
+18387955015	3/31/2017	3/31/2017 11:25 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Soo just to be clear 300.00 is what I need to be treated by you?
+18387955015	3/31/2017	3/31/2017 11:25 (UTC-5)	Incoming	Inbox	Read	Phone	+19103789930 Kiccu fanaid. on th. I huuuilll thuuuallll and dnanuuuuu too!!



United States v. Phillip Dean

Dean picks up the drugs with L.R.





Pill Mills/Opioids

The Evolution of the Pill Mill in EDMO



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Pill Mills/Opioids

Pill Mill 1.0

- high volume practices seeing large amounts of drug seeking patients every 30 days.
- revenue comes from billing frequent office visits, other in-house physician services, and requiring patients to pay cash for prescriptions or appointment fees.

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Pill Mills/Opioids

United States v. Adeluola G. Lipede

Lipede was a physician practicing in St. Louis County.

Indicted in December 2018 on three counts of distribution of drugs without legitimate medical purposes.

Lipede was notified several times that he was among the top prescribers of opioids in the area.

He often saw 75 patients in a day with many of them complaining of pain.

He continued to prescribe opioids to patients who had overdosed or who tested positive for street drugs and negative for the prescribed drugs.

Fled to Nigeria prior to the filing of the indictment.

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Pill Mills/Opioids

Pill Mill 2.0

-- high volume practices seeing large amounts of drug seeking patients every 30 days.

--Revenue comes not just from billing frequent office visits and charging Rx fees, but also from kickbacks for referring patients to associates for UA tests, pain creams, and hospital admissions.

--like Pill Mill 1.0 the doctor exploits a “captive” group of patients, but this model gets other providers involved to maximize program payments, directly and indirectly.

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Pill Mill/Opioids

Pill Mill 3.0

- high volume practice seeing large amounts of drug seeking patients every 30 days.
- all cash for visits and the Rx for drugs, in part because of program utilization pressure.
- unusual or no office signage and unusual office hours.

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Pill Mills/Opioids



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Fraud Schemes

Unlicensed Providers



Fraud Schemes

Non-Licensed Providers

Samantha Rivera





Fake Nurse Case

- Rivera stole the identify of a licensed nurse in New Mexico and utilized her nursing credentials to secure nursing jobs in New Mexico, Missouri and Illinois.
- She taught nursing classes in New Mexico.
- Secured a job at St. Alexius Hospital in its intensive care unit and psych unit.
- While at St. Alexius she performed procedures and administered controlled substances.
- Plead guilty to health care fraud and identity theft.
- Sentenced to 8 months home confinement and 5 years probation.

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DME SCAMS



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DME CASE EXAMPLE

- Beneficiary in Washington state sees an advertisement for “free brace” on television or gets an unsolicited call.
- The person asks the beneficiary a series of questions from a pre-scripted questionnaire in an effort to illicit responses justifying the product.
- Completed questionnaire sent to a physician in Colorado who signs the order.
- Physician never sees or speaks with the beneficiary.
- Product shipped to beneficiary.
- Beneficiary or family member calls and states do not want the product. Medicare billed.

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Fraud Schemes

Personal Care Services



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Personal Care Services

- Medicaid operates a waiver program that allows qualified recipients to receive certain services in their home.
- The program is designed to allow the recipient to remain in his or her home rather than having to be admitted to a facility.
- Services could include assistance with cleaning, preparing meals, laundry, grocery shopping etc.
- Significant problems with policing the conduct.

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Personal Care Services

- Recently indicted 17 individuals from a local immigrant community for defrauding the Missouri Medicaid program.
- Recipients routinely traveled outside of the country for weeks or months at a time yet continued to sign time sheets as if receiving personal care services in their homes in St. Louis.
- In many case caregivers split payments with the recipient.
- Medicaid paid in excess of one million dollars related to 17 indicated individuals.
- Social Security, HUD and Department of Agriculture were additional programs allegedly defrauded by the indicted defendants.

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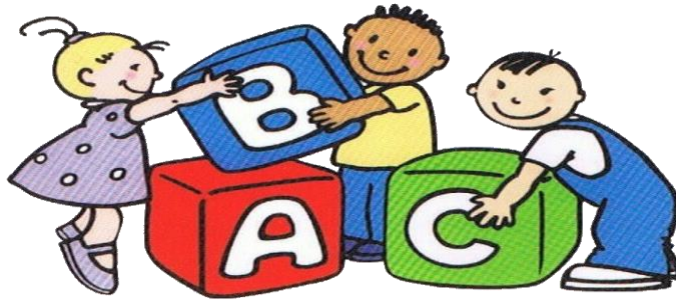
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Fraud Schemes

Child Care Development Fund



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Fraud Schemes

HHS, through its CCDF program, provides grants to States for eligible recipients to obtain financial assistance for child care allowing the parent to attend school or a job.

Individuals open day care centers and misrepresent the actual number of children attending the day care, thus receiving inflated payments.

Jury in Kansas City just convicted a day care owner for defrauding the CCDF program. (USA. Karie et.al.)

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Fraud Schemes

Human Trafficking/Foster Care issues



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QUESTIONS

