



## HCCA St. Louis Regional Conference February 28, 2020

# Healthcare Fraud Enforcement Trends

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U.S. Department of Health and Human Services,  
Office of Inspector General, Office of Investigations  
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## Overview

- Overview of OIG and DOJ/USAO
- Sources of Referrals
- Health Care Fraud Trends
- Recent Cases



## HHS Office of Inspector General



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## OIG's Multidisciplinary Approach

- Office of Audit Services (OAS)
- Office of Evaluation and Inspections (OEI)
- Office of Investigations (OI)
- Office of Counsel to the Inspector General (OCIG)
- Office of Management & Policy (OMP)



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## DOJ Health Care Fraud and Abuse Control Program Annual Report for Fiscal Year 2019



- Recovered more than \$3 billion in settlements and judgments from civil cases involving fraud/false claims
- Of that \$3 billion, \$2.6 billion related to matters involving the health care industry (drug and medical device manufacturers, managed care providers, hospitals, pharmacies, hospice organizations, laboratories, and physicians)
- 10<sup>th</sup> consecutive year that the recovery from the health care industry exceeded \$2 billion
- Whistleblowers filed 633 qui tam suits
  - recovered over \$2.1 billion in these and earlier filed suits
  - paid out \$265 million to the whistleblowers
- Number of whistleblower cases fell slightly for the 4<sup>th</sup> straight year in both numbers and in percentage of total DOJ recovery

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## HHS-OIG Semiannual Report to Congress April 1, 2019 – September 30, 2019



- Excluded 1,347 individuals and entities from federal health care programs
- Issued 163 audit reports
- Implemented 142 prior audit recommendations
- Supported 809 criminal actions and 695 civil actions

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## HHS OIG - St. Louis Field Office



- 1 Asst. Special Agent in Charge (ASAC)
- 7 agents covering EDMO, SDIL and CDIL
- Part of HHS Region VII -- other offices in Kansas City, MO, Denver, CO, Sioux Falls, SD, Salt Lake City, UT
- Work closely with other law enforcement partners to include FBI, DEA, MO MFCU, IRS-CI, FDA, etc.

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## Overview of United States Attorney's Office Eastern District of Missouri



- 70 Assistant United States Attorneys (AUSAs)
- 3 AUSAs routinely handle health care cases

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## Overview of USAO EDMO



### Criminal Tools

- 18 U.S.C. § 1347 and 18 U.S.C. § 1035 -- generally require knowing and intentional conduct and false or fraudulent statements or representations, beyond a reasonable doubt burden. The Government typically proves a “scheme to defraud” defined as “a plan or course of action intended to deceive or cheat a program out of money” by employing material falsehoods or concealing material facts.
- A statement is false if untrue when made. A statement is fraudulent if it is made with the intent to deceive.

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## Overview of USAO EDMO



### Civil Tools

- 31 U.S.C. § 3729-33, False Claims Act:
  - generally requires knowing or reckless conduct or deliberate indifference
  - preponderance burden
- Controlled Substances Act, 21 U.S.C. § 811:
  - possible injunctive relief and civil penalties

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## Sources of Cases



- Insurers – Public and Private
- Current and Former Employees
- Patients and Their Families
- Competitors
- Whistleblower/Qui tam Relators
- HHS OIG Claims Data Analysis
- Cooperating Defendants
- Self Disclosure

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## Self Disclosure



- HHS OIG Provider Self Disclosure Protocol
  - Established in 1998
  - No real changes to protocol since 2013
  - Provider expected to conduct an internal investigation and report findings to OIG in the submission
  - All requirements on OIG website
  - Provide to OIG, also helpful to send to USAO
- Lower FCA multiplier – HHS OIG has stated 1.5 times single damages, but case by case consideration
- OCIG consideration of administrative remedy

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## All Types of Providers



- Medical Doctors, Nurse Practitioners, Nurses
- Mental Health Professionals
- Dentists
- Pharmacists/Pharmacies
- Physical Therapists
- Durable Medical Equipment Providers
- Dialysis Providers
- Hospitals, Clinics, Nursing Homes

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## HHS OIG Trends and Priorities



### Investigative Priorities

1. Drug Diversion/ Opioids
2. Kickbacks
3. Telemedicine/ Marketeers (DME/ DNA testing)
4. Civil Rights cases

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## DRUG DIVERSION/OPIOIDS



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## DRUG DIVERSION/OPIOIDS



### CDC data from 2017...

- From 1999 to 2017, almost 218,000 people died in the US from overdoses related to prescriptions opioids
- 130 Americans died daily (on average) from an opioid overdose
- Roughly 21 to 29 percent of patients prescribed opioids for chronic pain misuse them
- About 80 percent of people who use heroin first misused prescription opioids
- Provisional data for 2018 shows a slight decline in prescription opioids, but an increase in synthetic opiates

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## DRUG DIVERSION/OPIOIDS



### SOME COMMON THEMES IN OPIOID CASES (Basic Characteristics of a Pill Mill)

- Out of specialty practice (plastic surgeon, general practitioner)
- Lots of patients but not many doctors. Who provides the service? NP? PA? Just staff?
- Local LE – overdoses and fights in the parking lot? Medical staff with blank prescription pads? Out of state car loads?

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## DRUG DIVERSION/OPIOIDS



### EVOLUTION OF A PILL MILL

**Pill Mill 1.0** – Office practice where the physician bills for a significant number of patients on same day. Revenue generated by billing for a number of office visits.

**Pill Mill 2.0** – Office practice; however, the physician now generates revenue by receiving kickbacks from labs and pharmacies. ***Does not bill for office visit, demands cash.***

**Pill Mill 3.0** – Dr. Lipede

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## DRUG DIVERSION/OPIOIDS



### ***UNITED STATES v. ADELUOLA LIPEDE***

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## DRUG DIVERSION/OPIOIDS



### **UNITED STATES v. ADELUOLA LIPEDE**

1. Born in Nigeria on June 2, 1943
2. 1987 – Surrendered his Iowa medical license after being found guilty of professional incompetency and willful or gross negligence
3. Owned Marantha Health Care – Florissant, Missouri
4. Worked at Physicians Health Group – Fenton Missouri
5. Was not a pain management physician

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## DRUG DIVERSION/OPIOIDS

### Physicians Health Group



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## DRUG DIVERSION/OPIOIDS



Case: 4:19-cr-00045-JAR-DDN Doc. #: 2 Filed: 01/16/19 Page: 1 of 7 PageID #: 10

**FILED**

**JAN 16 2019**

**U.S. DISTRICT COURT  
EASTERN DISTRICT OF MO  
ST. LOUIS**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ADELUOLA LIPEDE,

Defendant.

No

**4:19CR00045 JAR/DDN**

### INDICTMENT

The Grand Jury charges that:

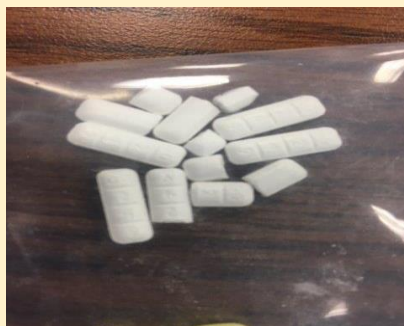
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## DRUG DIVERSION/OPIOIDS



### ***UNITED STATES v. ANGELA WILLIAMS***



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## DRUG DIVERSION/OPIOIDS



### **United States v. Angela Williams**

1. Williams is a licensed physician who practiced in St. Louis County.
2. She sought to obtain controlled substances (Oxycontin, Vicodin, Adderall and Xanax) for her own personal use.
3. She is charged with writing prescriptions in other peoples' names and filling the prescriptions at various pharmacies.
4. The names were oftentimes variations of her own name (i.e. Angie Reavis, Anastasia Reavis, Angie Smith, Angie Simpson.)
5. She also is charged with fraudulently using other doctor's names, DEA number and prescription pads to write herself prescriptions for controlled substances.

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## DRUG DIVERSION/OPIOIDS



Case: 4:19-cr-00572-RWS-SPM Doc. #: 2 Filed: 07/18/19 Page: 1 of 3 PageID #: 6

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

FILED

JUL 18 2019

U.S. DISTRICT COURT  
EASTERN DISTRICT OF MO  
ST. LOUIS

UNITED STATES OF AMERICA,

Plaintiff,

v.

ANGELA K. WILLIAMS,

Defendant.

4:19CR572 RWS/SPM

### INDICTMENT

The Grand Jury charges that:

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## DRUG DIVERSION/OPIOIDS



***UNITED STATES v. BRADLEY SEYER***

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## DRUG DIVERSION/OPIOIDS



### UNITED STATES v. BRADLEY SEYER

1. Seyer was a licensed dentist who maintained a dental office in St. Louis County.
2. He developed a personal relationship with a patient and prescribed the patient controlled substances to include Hydrocodone and Xanax.
3. In order to avoid detection, Seyer wrote prescriptions for the patient using the patient's father's name.
4. Seyer's medical chart for the patient did not document all of the medications he prescribed.

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## DRUG DIVERSION/OPIOIDS



Case: 4:19-cr-00476-RLW Doc. #: 1 Filed: 06/26/19 Page: 1 of 3 PageID #: 1

**FILED**

**JUN 26 2019**

**U. S. DISTRICT COURT  
EASTERN DISTRICT OF MO  
ST. LOUIS**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
BRADLEY A SEYER, )  
 )  
Defendant. )

**4:19CR00476 RLW**

INFORMATION

The United States Attorney charges that:

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## DRUG DIVERSION/OPIOIDS



### TELEMEDICINE SCAMS

#### OPERATION BRACE YOURSELF

- Marketing companies calling beneficiaries peddling DME.
- Ask beneficiary if he/she experiences any pain.
- Complete a questionnaire that is uploaded to a web portal.
- Contracted physicians review the questionnaire and order braces.
- Equipment shows up at beneficiary's home: not wanted, and no instructions on how to use.
- **Medicare billed \$2,500 for a back brace.**

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## DRUG DIVERSION/OPIOIDS



### DNA TELEMEDICINE SCAMS

- Marketing companies sending representatives to Senior living complexes and church fairs.
- Ask beneficiary if he/she has a history of cancer in family.
- If yes complete a questionnaire that is uploaded to a web portal.
- Contracted physicians review the questionnaire and order DNA tests.
- Many times beneficiary does not get results.
- **Medicare billed \$5,000.00 for a useless test.**

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## HEALTH CARE CIVIL RIGHTS CASE



### ***United States v. Sherry Paulo, et al.***

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## HEALTH CARE CIVIL RIGHTS CASE



### **United States v. Sherry Paulo, et al.**

1. Carl DeBrodie was a ward of the State residing at Second Chance Homes in Fulton, Missouri
2. Sherry Paulo, along with members of her family managed Second Chance Homes.
3. At some point in 2016 the Government believes Mr. DeBrodie underwent a seizure while at Paulo's home.
4. Sherry Paulo, along with her husband, Anthony Flores, Sr., ignored Mr. DeBrodie's seizure and Mr. DeBrodie died.
5. Days after his death, Sherry Paulo and others put Mr. DeBrodie in a plastic garbage can, filled it with cement and placed the can in a wooden crate. They placed the crate in a self storage unit in Fulton.

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## HEALTH CARE CIVIL RIGHTS CASE



- Four individuals have plead guilty to violating Mr. DeBrodie's civil rights.
- One nurse with the State has pled guilty to health care fraud.
- All parties are scheduled to be sentenced later this year.

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## Recent EMR Case



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## Recent EMR Case



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## Questions?



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