Areas of Interest and Focus in Health Care Fraud Prosecution

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U.S. Department of Justice

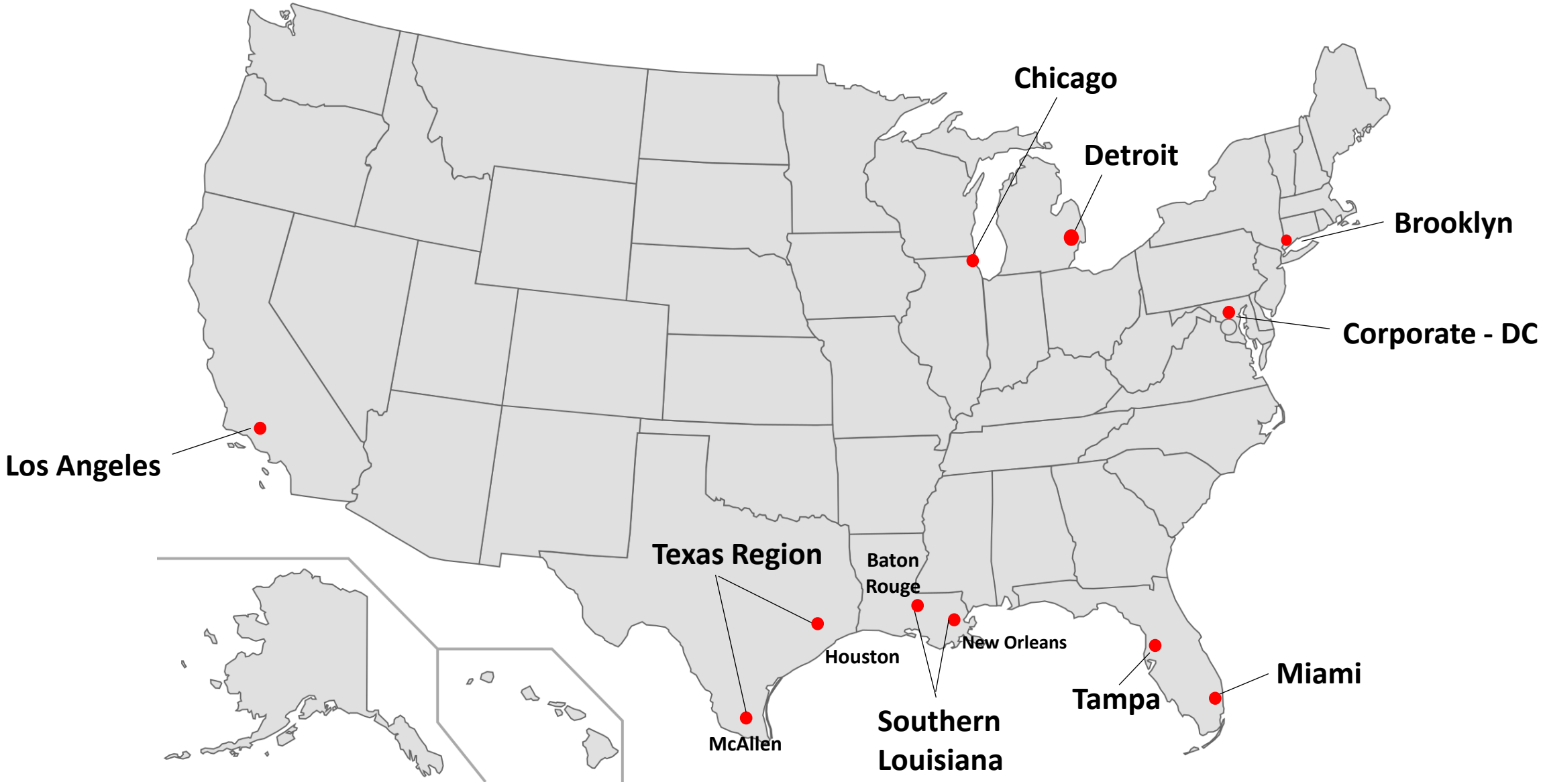
Health Care Fraud Unit: Overview

- **DOJ Criminal Division, Fraud Section**
  - Health Care Fraud Unit
  - Securities and Financial Fraud Unit
  - Foreign Corrupt Practices Act Unit
- **Fraud Section Senior Management**
  - Sandra Moser, Acting Chief
  - Robert Zink, Acting Principal Deputy Chief
  - Joseph Beemsterboer, Chief, Health Care Fraud Unit
- **9 Medicare Fraud Strike Force locations**
  - 50+ attorneys

Health Care Fraud Unit: Mission

- **Focus solely on the prosecution of health care fraud cases**
  - **Emphasis:** cases involving patient harm & large loss to public
- **Identify**, **respond to**, and **prosecute** emerging fraud trends across the U.S.
- **Train** AUSAs and agents on best practices for investigating and prosecuting HCF cases
- **Analyze** data to:
  - Identify aberrant billing levels in health care fraud hot spots; and
  - Target suspicious billing patterns and schemes that migrate from one community to another

Current Strike Force Locations



Historical Statistics (through FY 2016)

Since its initiation in 2007, the Strike Force program has been responsible for:

- Over 1,400 cases;
- Charging more than 3,000 defendants;
- For over $10 billion in loss to federal health care programs.
- Average term of imprisonment – over 48 months

FY 2017 Statistics

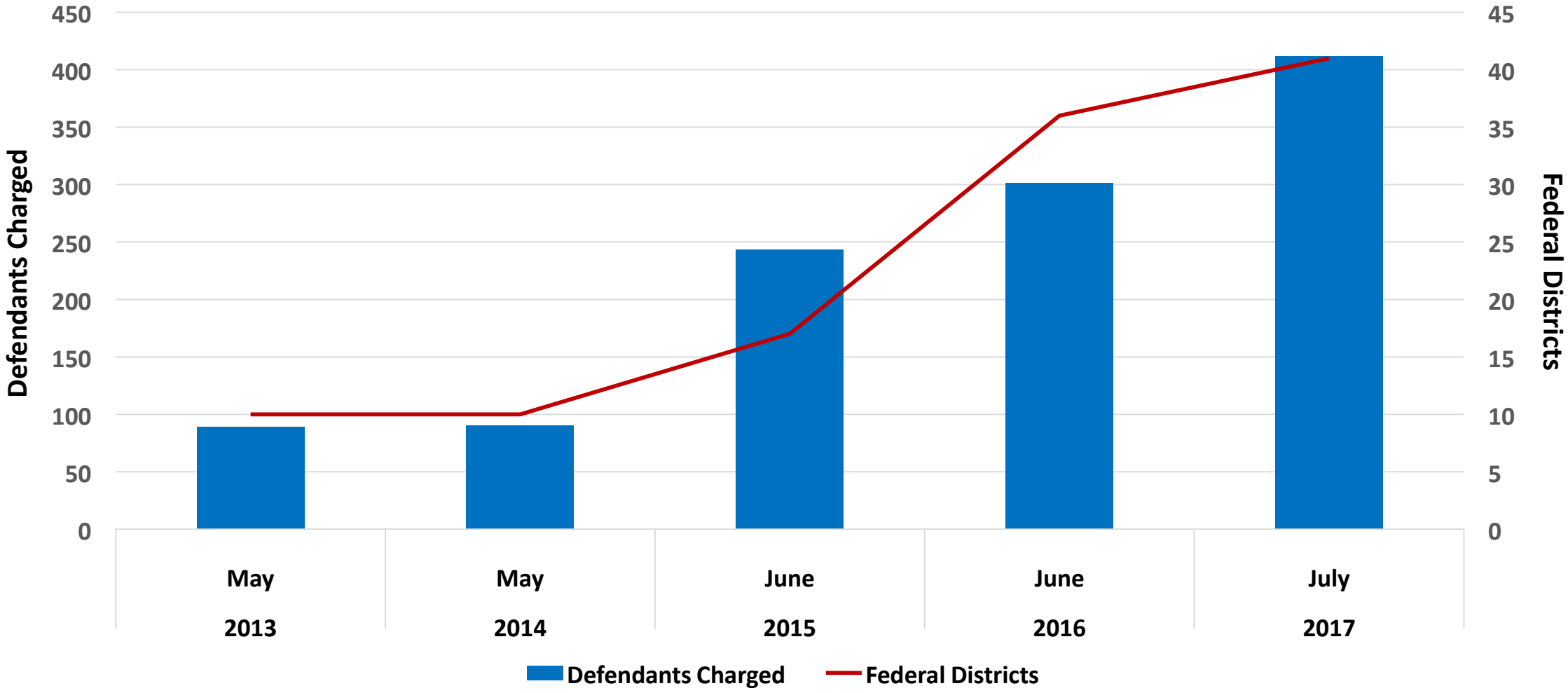
- 241 individuals charged
- 146 charging documents
- 156 individuals convicted
  - Average sentence of 53 months
- $2.1 billion loss to federal health care programs
- 1 corporate resolution ($512 million total resolution amount)

Signature Program: National HCF Takedown

- 412 Defendants Charged, including:
  - 115 Medical Professionals
- $1.3 Billion in Losses
- 41 Federal Districts
- 30 Medicaid Fraud Control Units
- 295 Exclusion Notices
- 1,000+ Law Enforcement Personnel

National Health Care Fraud Takedown Trends

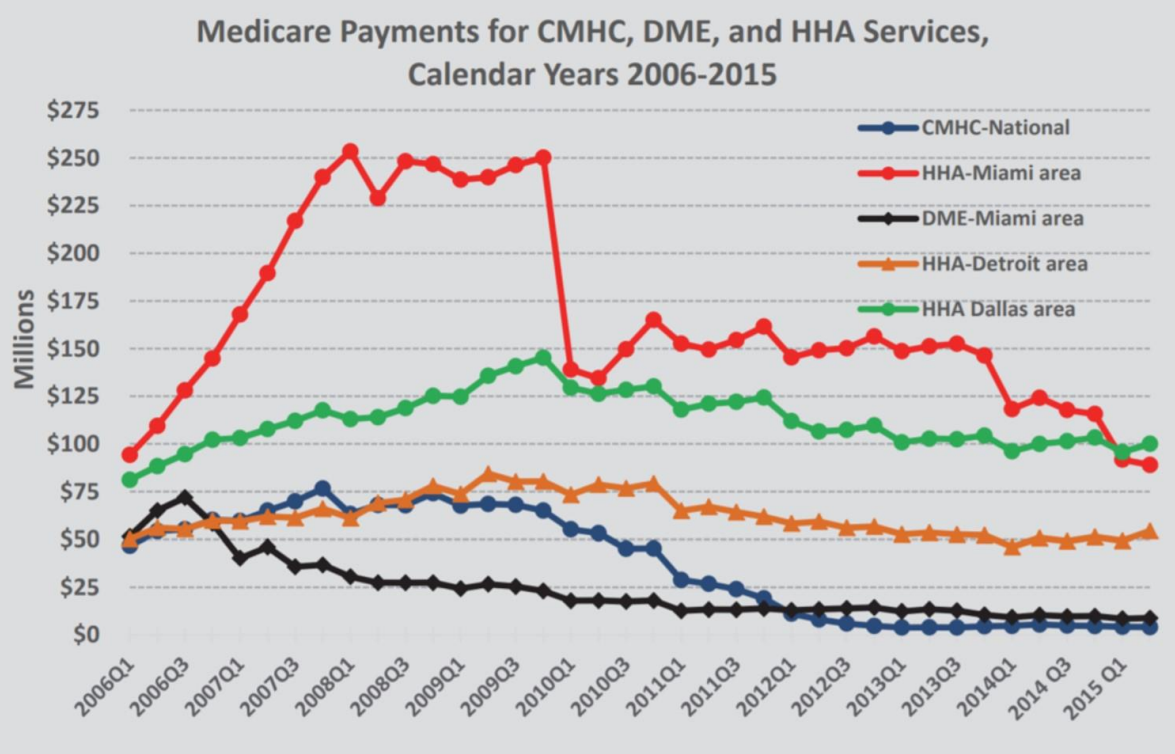
FY 2013 - FY2017

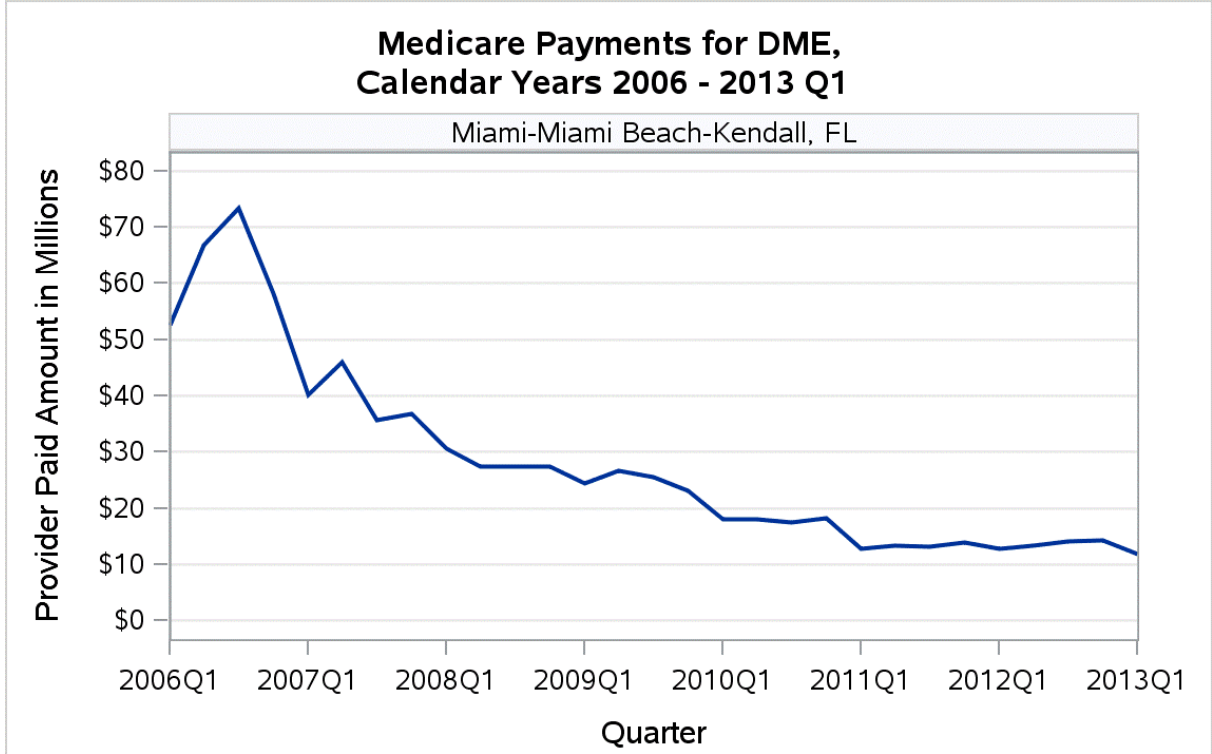


Strike Force: Team Approach

- HHS-OIG
- FBI
- DEA
- Internal Revenue Service, Criminal Investigations
- Homeland Security Investigations
- U.S. Secret Service
- Medicaid Fraud Control Units (MFCUs)

Strike Force Success Metrics





Statutes

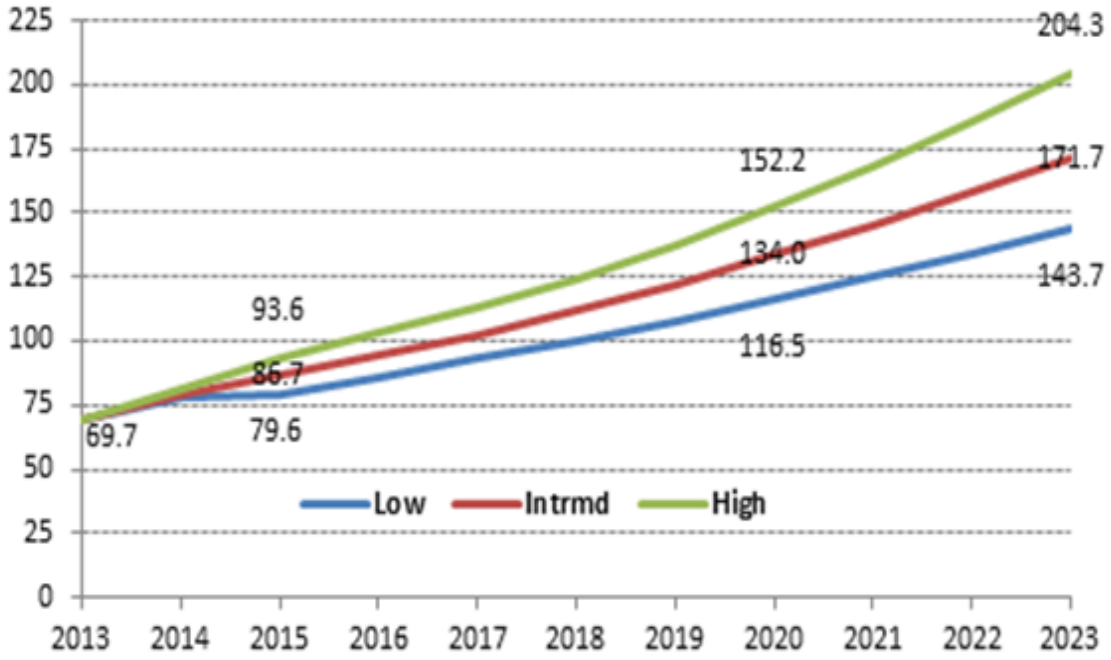
- 18 U.S.C. §§ 1347, 1349 (health care fraud, conspiracy)
- 42 U.S.C. § 1320a-7b (federal anti-kickback statute)
- 18 U.S.C. § 1035 (false statements relating to health care matters)
- 18 U.S.C. § 371 (conspiracy to defraud, commit offense against U.S.)
- 18 U.S.C. § 287 (false claims)
- 18 U.S.C. §§ 1956, 1957 (money laundering)
- 18 U.S.C. § 1343 (wire fraud)
- 26 U.S.C. § 7206 (false tax statements)
- Title 21 drug offenses

Health Care Fraud Trends

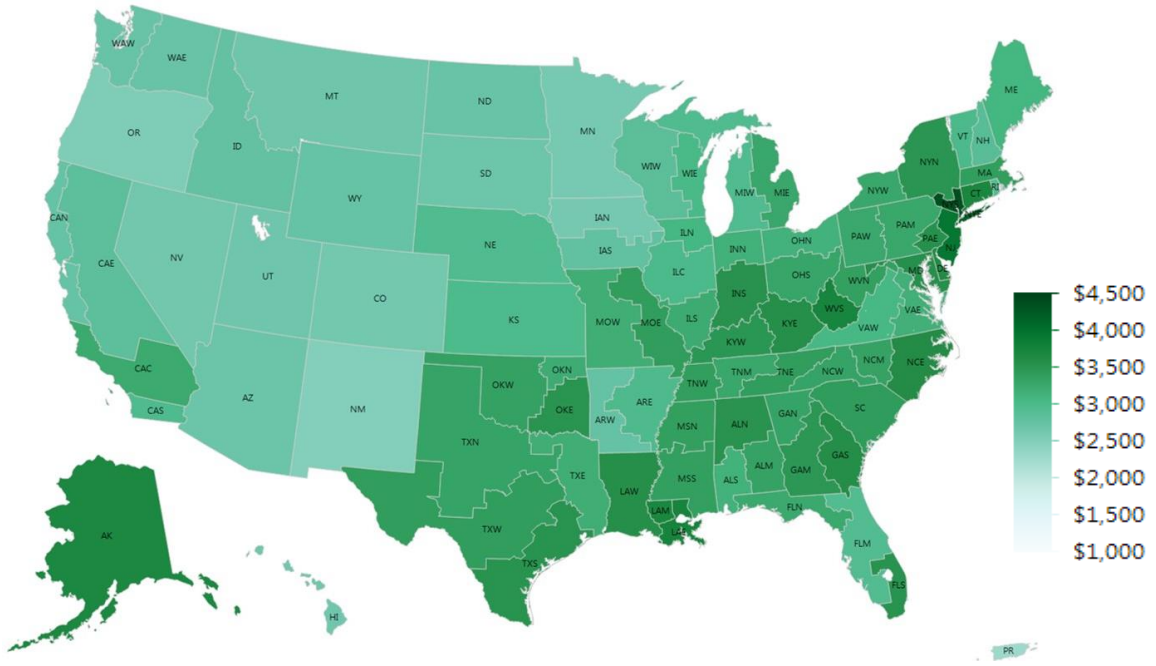
- Opioids
- Pharmacies/Drug Diversion (Non-Controlled)
- Medical Testing
- Telemedicine
- Medical Identity Theft

Prescription Fraud Trends: Part D

Projected Part D Account Expenditures, 2013-2023
Trustees Annual Report, 2014 (Table III.D5)



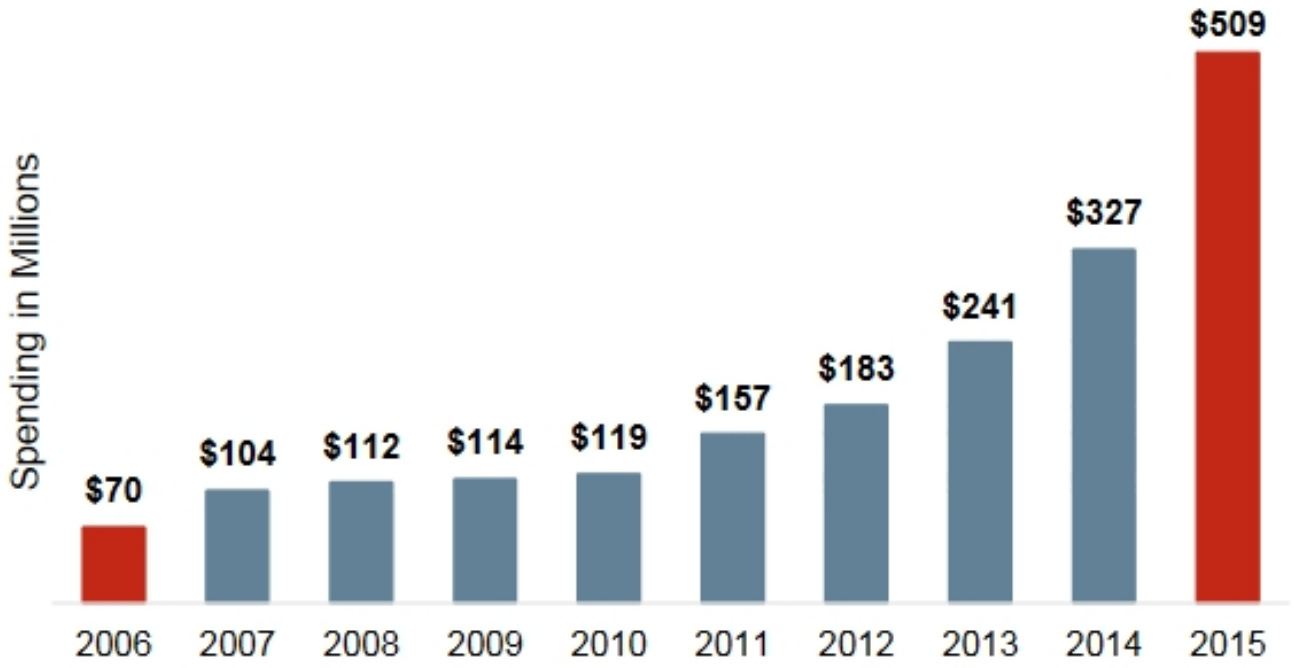
Part D Annual Average Paid per Capita, CY 2015
Based on Part D Enrolled Beneficiaries



Source: CMS

Prescription Fraud Trends: Compounded Drugs

Part D Spending for Compounded Drugs, 2006 – 2015
Source: HHS-OIG, CMS Part D data, 2016



Prescription Fraud Trends: Opioids

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE — Wednesday, August 2, 2017

Attorney General Sessions Announces Opioid Fraud and Abuse Detection Unit

Attorney General Jeff Sessions today announced the formation of the Opioid Fraud and Abuse Detection Unit, a new Department of Justice pilot program to utilize data to help combat the devastating opioid crisis that is ravaging families and communities across America.

Speaking at the Columbus Police Academy today, Attorney General Sessions said that the new Opioid Fraud and Abuse Detection Unit will focus specifically on opioid-related health care fraud using data to identify and prosecute individuals that are contributing to this prescription opioid epidemic.

Additionally, as part of the program, the Department will fund twelve experienced Assistant United States Attorneys for a three year term to focus solely on investigating and prosecuting health care fraud related to prescription opioids, including pill mill schemes and pharmacies that unlawfully divert or dispense prescription opioids for illegitimate purposes.

The following districts have been selected to participate in the program:

Data Analytics Team: Overview

- Internally, the team is a hub for training, consultation, data management, and data analysis
  - Enables “smarter” investigations and prosecutions
- Externally, the team serves as a liaison with data teams at agencies performing work relevant to the HCF Unit’s efforts
  - Strengthens collaboration between Federal, State, and local agencies, allowing them to better coordinate data analytic resources
- Addresses analytical weaknesses to improve identification of health care fraud, waste, and abuse across the U.S. health care system

Data Analytics Enables “Smarter” Investigations and Prosecutions

- Prioritization of health care fraud prevention has:
  - **Significantly improved data analytic resources** allowing for increased data mining and quicker identification and action in fraud, waste, and abuse cases
  - **Strengthened collaboration** between Federal, State, and local agencies, allowing them to better coordinate data analytic resources
  - **Addressed analytical weaknesses** to improve identification of health care fraud, waste, and abuse across the U.S. health care system
  - **Capitalized on the power of data** to improve the effectiveness of the Health Care Fraud and Abuse Control (HCFAC) program