

OIG 2019 Report Fraud Actions and Recoveries

By Richard Kusserow | September 10, 2020

Key Points:

- **\$3.6 billion recovered**
- **528 DOJ criminal convictions**
- **747 OIG criminal actions**
- **2,640 new exclusions**

In June 2020, the Department of Health and Human Services (HHS) Office of Inspector General (OIG) and the Department of Justice (DOJ) issued an [Annual Report \(Report\)](#) for Fiscal Year (FY) 2019 regarding the Health Care Fraud and Abuse Control Program. In the Report, the OIG reported that \$3.6 billion was returned to the Federal Government or paid to private persons. The DOJ reported opening 1,060 new criminal health care fraud investigations. There were criminal charges filed in 485 cases involving 814 defendants, with 528 defendants being convicted of health care fraud-related crimes. In addition, the DOJ opened 1,112 new civil health care fraud investigations and had 1,343 civil health care fraud matters pending at the end of the FY. The OIG conducted investigations which resulted in 747 criminal actions against individuals or entities and 684 civil actions, including civil monetary penalties (CMP) settlements and administrative recoveries.

The OIG also added 2,640 individuals and entities to the OIG List of Excluded Individuals and Entities (LEIE). Among these were exclusions based on criminal convictions for crimes related to Medicare and Medicaid (1,194) or to other health care programs (335), for patient abuse or neglect (238), and as a result of state health care licensure revocations (576).

Some notable enforcement actions highlighted in the Report include the following:

- Charges relating to [fraudulent genetic testing](#) were brought against 35 individuals, including nine doctors, responsible for more than \$2.1 billion in alleged losses in one of the largest health care fraud schemes ever charged.
- 24 individuals, including Chief Executive Officers and Chief Operating Officers from five telemedicine companies, owners of dozens of Durable Medical Equipment (DME) companies, and three medical professionals, were charged in a telemedicine and DME scheme with \$1.2 billion in alleged losses.

- Three regional coordinated enforcement actions resulted in charges against more than 345 individuals for billing more than \$1 billion and prescribing or dispensing 50 million controlled substance pills across several states. More than 100 defendants were charged with opioid-related offenses.
- High-value prosecutions were obtained against “[pill mills](#)” and pain clinics. Reckitt Benckiser Group plc (RB Group) agreed to pay \$1.4 billion to resolve allegations related to the marketing of the opioid addiction treatment medication Suboxone. RB Group is a British multinational firm with operations in the U.S. RB Group agreed to forfeit \$647 million in proceeds and pay \$500 million to the U.S to resolve civil False Claims Act (FCA) allegations. In addition, RB Group agreed to pay up to \$200 million to resolve state Medicaid liability and \$50 million to resolve claims that it engaged in unfair competition in violation of the Federal Trade Commission Act.
- Insys Therapeutics (Insys) agreed to pay \$225 million to resolve liability relating to its marketing of the opioid drug Subsys. In addition, Insys agreed to pay \$195 million to settle civil FCA allegations regarding kickbacks it paid to physicians and nurse practitioners to induce them to prescribe Subsys for their patients.
- The owner and a medical director of a Kentucky-based pain clinic were sentenced to 25 years and 21 years in prison, respectively, for operating the pain clinic as a pill mill and money laundering the proceeds. The two men, as well as another co-owner, were responsible for illicit distribution of more than 1.6 million oxycodone pills and hundreds of thousands of other narcotic and sedative pills.