

Center for Program Integrity

Date: April 7, 2011

To: Compliance Officers
Medicare Advantage Organizations and Medicare Part D Sponsors

From: John Spiegel, Director
Medicare Program Integrity Group

Subject: Part D Fraud Scheme in Southern California
AKA: West Hollywood Area Project (WHAP)

This fraud alert serves as notification to compliance officers of a Part D scheme that is being perpetrated in Southern California. Compliance officers should share this information with their appropriate fraud investigation departments. Any information that your organization may have related to this scheme should be promptly reported to the National Benefit Integrity Medicare Drug Integrity Contractor (NBI MEDIC-Health Integrity LLC), 1-877-772-3379 (1-877-7SAFERX).

Summary

Medical clinics in the West Hollywood area of Southern California have been submitting fraudulent prescriptions for high-cost medications under the Part D program. A partial list of these medications include: Abilify, Advair, Aricept, Celebrex, OxyContin, Effexor, Lipitor, Nexium, Prevacid, Protonix, Tricor, Zetia, and Zyprexa.

Compromised/stolen beneficiary identification numbers (Health Insurance Claim Number [HICN]) have been used in conjunction with compromised/stolen physician identification numbers (National Provider [NPI] and Drug Enforcement Administration [DEA]) numbers to submit the fraudulent prescriptions.

Beneficiaries have become a primary reporting source of physicians whose identities have been compromised. Calls taken from Medicare beneficiaries reporting this activity should be recognized as having a high fraud potential.

How the Scheme is Perpetrated

- An individual representing a medical clinic will visit a pharmacy to set up a drop-off and pick-up arrangement for the prescriptions identified above, indicating they will deliver the filled prescriptions to the beneficiaries.
- Address and telephone numbers on the prescription forms will often not match the address and telephone number of record for the physician in the NPI registry or DEA registration records.

- An unusually high number of patients are prescribed high-cost drugs and/or the anti-psychotic medications, Zyprexa and Abilify.
- Although prescriptions will be submitted outside of the Los Angeles area, often the beneficiaries have addresses in the Los Angeles area. In some cases the prescriptions are being submitted at locations over 100 miles from the medical clinic location.

Health Integrity LLC may be able to assist you with identification of compromised physicians. The Health Integrity contact, Martina Gilly, can be reached at (678) 402-8514. If you have information related to this scheme, please include copies of a sample subset of the prescriptions for each compromised physician. In most cases the actual prescription forms are indicators of the medical clinic that is producing the fraudulent prescriptions.

If you have any questions regarding this fraud alert, please contact CMS representatives Connie Herbstman at (617) 565-1284 or Bobbie Knickman at (410) 786-4161.