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OIG Reports More Than $2.4 Billion in Expected Recoveries From Fighting Fraud, Waste and Abuse for First Half of FY 2009

In its "Semiannual Report to Congress," the Department of Health and Human Services (HHS) Office of Inspector General (OIG) announced expected recoveries of more than $2.4 billion for the first half of fiscal year (FY) 2009.

Specifically, OIG's expected recoveries for the period of October 2008 through March 2009 include $274.8 million in audit-related receivables and $2.2 billion in investigative-related receivables, which includes nearly $552 million in non-HHS receivables resulting from OIG work (e.g., the States' share of Medicaid restitution). Additional savings from implemented recommendations are calculated annually and will be reported in the final FY 2009 "Semiannual Report."

"These recoveries reflect our dedicated efforts to reduce fraud, waste, and abuse in HHS programs," said Inspector General Daniel R. Levinson. "We will continue to employ all of our audit, evaluation, investigation, and legal tools and also to collaborate with OIG's government partners to accomplish this vital and expanding mission."

In the first half of FY 2009, OIG reported exclusions of 1,415 individuals and organizations for fraud or abuse involving Federal health care programs and/or their beneficiaries; 293 criminal actions against individuals or organizations that engaged in crimes against HHS programs; and 243 civil actions, which include False Claims Act and unjust enrichment suits, Civil Monetary Penalties Law settlements, and administrative recoveries related to provider self-disclosure matters.

Significant OIG accomplishments during this period include the following:

■ **Eli Lilly and Company** (Lilly), a drug manufacturer, agreed to plead guilty and pay approximately $1.4 billion to the Federal Government and participating States for promoting its antipsychotic drug Zyprexa for uses not approved by the Food and Drug Administration and not covered by Medicaid or other Federal programs. Lilly entered into a 5-year Corporate Integrity Agreement with OIG that includes provisions to increase the accountability of its Board of Directors and management.

■ **Miami physician Ana Alvarez-Jacinto** was sentenced to 30 years in prison and ordered, along with her codefendant, to pay more than $8.2 million in restitution in connection with an HIV infusion fraud scheme. At the Saint Jude Rehab Center, Inc., HIV-positive Medicare patients were paid cash kickbacks in exchange for allowing Alvarez-Jacinto to prescribe unnecessary infusion treatments. The case was brought by the Medicare Fraud Strike Force, a multiagency team of prosecutors and investigators that uses real-time analysis of Medicare billing data to assist in the identification, investigation, and prosecution of individuals and companies that have committed Medicare fraud.

■ **Prevalence of Adverse Events and the Efforts To Reduce Them**

OIG issued four reports related to "adverse events" (harm to patients as a result of medical care) and "never events" (serious events, such as surgery on the wrong patient, that the National Quality Forum has deemed "should never occur in a health care setting").

Among other key findings, the reports show that as of December 2008, there was no national adverse event reporting system or any Federal standards regarding State adverse event reporting systems. Variations among the 26 States' having adverse event reporting systems made their data unsuitable for use in the aggregate to identify national incidence and trends.

■ **Handling of Conflicts of Interest and Ethics Issues at the Food and Drug Administration and the National Institutes of Health**

- **FDA –** In a review of disclosure of financial interests to FDA, OIG found that the agency did not have complete information about the financial interests of clinical investigators associated with the 118 marketing applications approved by the agency in FY 2007.

- **NIH –** Of the allegations related to conflicts of interest and ethics violations received by NIH between January 1, 2006, and June 30, 2007, OIG found that the most common allegations involved employees' failure to complete ethics training or ethics forms.

■ **Improper Temporary Assistance for Needy Families Payments**

In its reviews of Temporary Assistance for Needy Families basic assistance payments for the year that ended March 31, 2007, OIG found that four States—Idaho, Minnesota, Pennsylvania, and Vermont—collectively claimed an estimated $30.5 million in improper payments.

To read the full Semiannual Report:
http://oig.hhs.gov/publications/docs/semiannual/2009/semiannual_spring2009.pdf