

Opening/Introductory Statement

U.S. Senate Homeland Security and Government Affairs Committee

Mr. Chairman, ladies and gentlemen of the committee, thank you for the invitation to speak. I am Manny Tyndall. I am currently the Inspector General for the Office of Inspector in Tennessee.

In 2004, the Office of Inspector General was created specifically to root out fraud and abuse in the TennCare program and criminally prosecute applicants and recipients who game the system.

We receive and triage more than 4,000 complaints each year.

I think you will find that Tennessee is one of a few, if not the only state, that criminally prosecutes Medicaid applicants and recipients who engage in drug seeking behavior or prescription drug diversion at the cost of the TennCare program. Our research indicates that states bordering Tennessee address recipient fraud administratively.

I believe that suggests Medicaid fraud might be under reported nationwide.

What I would like to share with you today is some examples of how the TennCare program is defrauded and how prescription drugs paid for by TennCare are diverted for illegal use.

Approximately 80% of all arrests (2,400) were prescription drug diversion or doctor shopping related. The ages ranged between 21 – 78.

- 1,678 arrests were for Drug Diversion which includes sale and forgery
 - The courts have ordered approximately \$315K in restitution to be repaid to the Bureau of TennCare for these offenses.

- 709 arrests were for Doctor Shopping
 - Our “Doctor Shopping” law became effective June 18, 2007.
 - Since that date, the courts have ordered approximately \$292K in restitution to be repaid to the Bureau of TennCare for these offenses.

Some of the schemes I have been witness to include:

1. Recipients receiving a valid prescription, having it filled and paid for by TennCare then selling a portion of the medication.
2. Recipients calling prescriptions in to pharmacies pretending to be an employee of a medical practice and having TennCare pay for the medication.
3. Recipients passing forged/alter prescriptions (written or forged by other parties) and having TennCare pay for the medication.

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4. Recipients adding medication to a prescription being hand carried between doctor's office and pharmacy and having TennCare pay for the medication. (Amoxicillin add hydrocodone).
5. Patients and medical staff stealing prescription pads, forging prescriptions and having TennCare pay for medication.
6. Parents selling their children's medication (e.g. Adderall) in conjunction with their own medication— oxycodone in this case.
7. Doctor shopping: Doctor shopping is where a recipient fails to advise a provider that within the last 30 days they have already received the same or similar narcotic medication that is being prescribed. There are usually multiple counts of this offense.
8. Nurses/medical technicians selling prescription slips already signed by the doctor

NOTE: In any one of these events the medication could be paid for by TennCare and lead to an illegal drug sale.

We work very closely with our local Drug Tasks Forces who make the buys. Normally, 1, 2, or 3 pills are purchased during a drug transaction and usually 3 buys are made before we seek an indictment.

Depending on the type of medication and the mg, prescription medication can sell for \$5.00 to \$10.00 per pill or some medications \$1.00 per mg.

With there being little or no cost/overhead to the Medicaid recipient, if they were to sell an entire prescription of 90 hydrocodone 5mg tablets for \$5.00 per pill, they would make approximately \$450.00. If they did this every month it would garner approximately \$5,400 a year conservatively. That is for one person for one year. We make approximately 140 or more drug sale arrests each year. I am confident that many instances of TennCare fraud are not identified.

The following cases demonstrate the lengths some people will go to obtain pain medication:

1. A husband and wife would take turns intentionally burning themselves on their lower legs with boiling water and go to a different emergency room to obtain pain medication and have TennCare pay for the ER visit and medication.
2. We have charged four individuals for a 4th offense of doctor shopping
3. We have charged one individual with 25 counts of prescription drug fraud where she forged and/or altered prescriptions in order to obtain hydrocodone and Oxycodone and used her TennCare benefits to pay for the medication. She admitted to selling the pills to support her lifestyle.

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4. I personally worked a case where I charged a young woman with 87 counts of obtaining a controlled substance by fraud, TCF, and identity theft—3 counts per event. She was the office manager at a doctor's office and would steal several prescription slips from a prescription pad several days each week. She would forge the doctor's signature and DEA number on prescriptions in her name, her husband's name, many of her friends, and even her grandmother's name. Some prescriptions would be paid for by TennCare and some she would give to her friends in exchange for ½ of the medication. She admitted she was using approximately 25 hydrocodone pills per day.

Mr. Chairman, ladies and gentlemen of the committee I again thank you for the opportunity to speak today and I am willing to try to answer any questions you might have about these cases or what we are doing in Tennessee to combat prescription drug diversion.