

REMARKS OF ASSISTANT ATTORNEY GENERAL TONY WEST
HHS PRESS CONFERENCE
OCTOBER 15, 2009

Thank you, Secretary Sebelius, and thank you for your leadership on this issue.

My name is Tony West, and I'm the Assistant Attorney General for the Civil Division of the Department of Justice. The Civil Division, along with the Criminal Division and the U.S. Attorneys, is responsible for enforcing the laws against all forms of health care fraud, including Medicaid and Medicare fraud by health care providers and those who abuse our seniors by neglect or fraud.

We know fraud on Medicare and Medicaid puts the public health at risk, corrupts medical decisions by health care providers, and costs the government billions of dollars. But it's not just the government who pays more. When health care fraud occurs, it drives the cost of health care up for all of us. Consumers pay higher premiums. Companies pay more to cover their employees.

And when money is siphoned off by health care fraud, fewer children see doctors for preventable childhood diseases; more seniors are forced to choose between food or medicine at month's end; and fewer people get the care to which they're entitled that can dramatically improve the quality of their lives.

That's why efforts like those highlighted by the Secretary—efforts to deter, detect, and defend against Medical Identity Theft; to prevent health care fraud; to protect Medicare and Medicaid—that's why those efforts are so important.

And that's also why the Department of Justice and the Department of Health and Human Services have been engaged in a successful new partnership targeting health care fraud. Only a few months ago, Secretary Sebelius and Attorney General Eric Holder announced the creation of HEAT, the Health Care Fraud **Prevention** and Enforcement Action Team, aimed at combating Medicare and Medicaid fraud. Not only has the HEAT initiative lifted the priority and profile of health care fraud in both HHS and DOJ, it has brought together a team of senior officials from these two Departments who have built upon and strengthened existing programs to fight illegal conduct while also investing new resources and technology to prevent health care fraud, waste, and abuse before it happens.

Six weeks ago, we announced the largest health care fraud settlement in history – a 2.3 billion dollar settlement with Pfizer and its subsidiary, Pharmacia & Upjohn Company. This settlement included a record 1.3 billion dollars in criminal fines and forfeiture; 1 billion dollars to resolve serious civil fraud allegations, including over 300 million dollars to struggling state Medicaid programs; and a corporate integrity agreement negotiated by the HHS Inspector General designed to deter future conduct that does harm to taxpayers and public health.

And while it was the biggest, the Pfizer settlement was not the only example of great results from our interagency partnership this year. To name just a few, Eli Lilly paid more than 1.4 billion dollars and entered into a corporate integrity agreement to resolve claims of off-label marketing. Quest Diagnostics paid over 300 million dollars, pled guilty to a violation of the Food, Drug and Cosmetic Act, and entered into a corporate integrity agreement to resolve claims that it misbranded diagnostic test kits sold to laboratories. And Aventis Pharmaceuticals paid over 95 million dollars and entered into a corporate integrity agreement to resolve claims that it knowingly failed to pay proper rebates to Medicaid.

Now, in addition to health care and pharmaceutical fraud, DOJ and HHS are working together on specific initiatives to protect the elderly. Each year Medicare and Medicaid spend over 70 billion dollars on long-term care services, including nursing homes. At the same time, research shows that 11 percent of our seniors report experiencing at least one form of abuse, neglect, or exploitation—abuse such as being left alone in a nursing home facility for extended periods of time without being cleaned or bathed. And when such facilities bill our public health care programs for senior services that aren't provided, or bill for services that fail to measure up to basic medical standards, that is not only exploitation, it's fraud.

That's why the Elder Justice and Nursing Home Initiative was created: to focus on preventing this abuse and protecting our seniors. Over the years, the Initiative has invested millions of dollars to study elder abuse risk factors so that we can develop systems to prevent abuse before it occurs. And now, through this renewed partnership, the Elder Justice Initiative will continue to work closely with HHS and the states to identify long-term care providers, including nursing homes, that fail to provide the quality of care to which our Medicare and Medicaid beneficiaries are entitled.

As we've seen time and again, the only way we can truly be effective in protecting the integrity of our public health programs is by combining the full panoply of our federal resources, our expertise, and our information across agency and jurisdictional lines. So I want to thank our partners at HHS, the Civil Division attorneys with whom I am honored to work everyday, our Criminal Division and US Attorney's Offices around the country, as well as our other state and federal law enforcement partners for their continued commitment to protecting Medicare and Medicaid for the American people.

Secretary Sebelius, thank you.