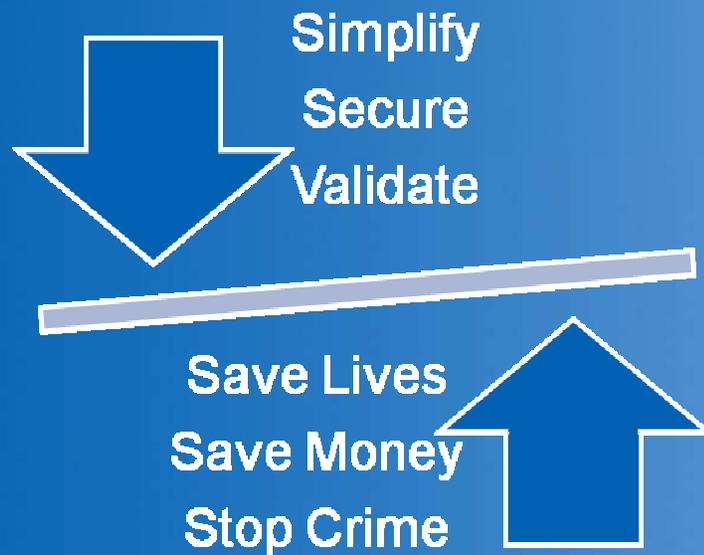


A Prescription For Fraud

Outdated laws leave the door open for prescription drug fraud, diversion, & abuse.



Thank You
For allowing me to be
part of the solution
in Utah

John Harden

My name is John Harden

North Carolina



My Home



John Harden





Go Heels!

John Harden



DSA

DOCUMENT SECURITY ALLIANCE



ENADDI

National Association of Drug Diversion Investigators

John Harden



Standard Register

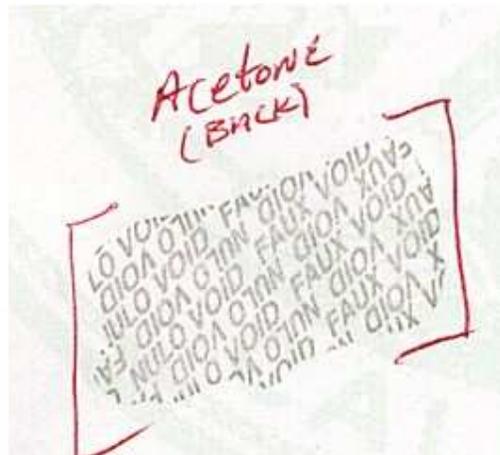
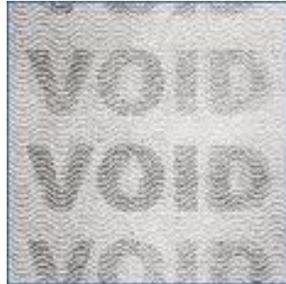


Founded 1912

Standard Register

Many Security Inventions

Original Copy



In The News

**Suspect charged after IDs stolen to buy drugs:
Officials to contact more than 500 in
prescription fraud.**

Texans identities may have been stolen, their names used to obtain prescription drugs at chain drug stores for sale to "customers" in more than 20 states. *Oct 2006*

In The News

Mooreville nurse charged in fake prescription case

A Mooreville nurse has been charged with **hacking into an electronic prescription system** and fraudulently obtaining about 3,400 hydrocodone tablets,
May 2010

In The News

Official probes drugs linked to Corey Haim

In the San Diego probe, Brown said organized crime rings **order prescription drug pads from vendors using doctors' stolen identities**. The pads are then sold to addicts or to people who fill the prescriptions then sell the drugs on city streets. So far, authorities have uncovered up to 5,000 fraudulent prescriptions linked to the fraud ring. *March 2010*



In The News

Overdose Deaths Involving Prescription Opioids Among Medicaid Enrollees — Washington, 2004–2007

Washington's **Medicaid population** had an age-adjusted risk of death by prescription opioid overdose that was **5.7 times higher** than the risk among the population as a whole.

October 2009

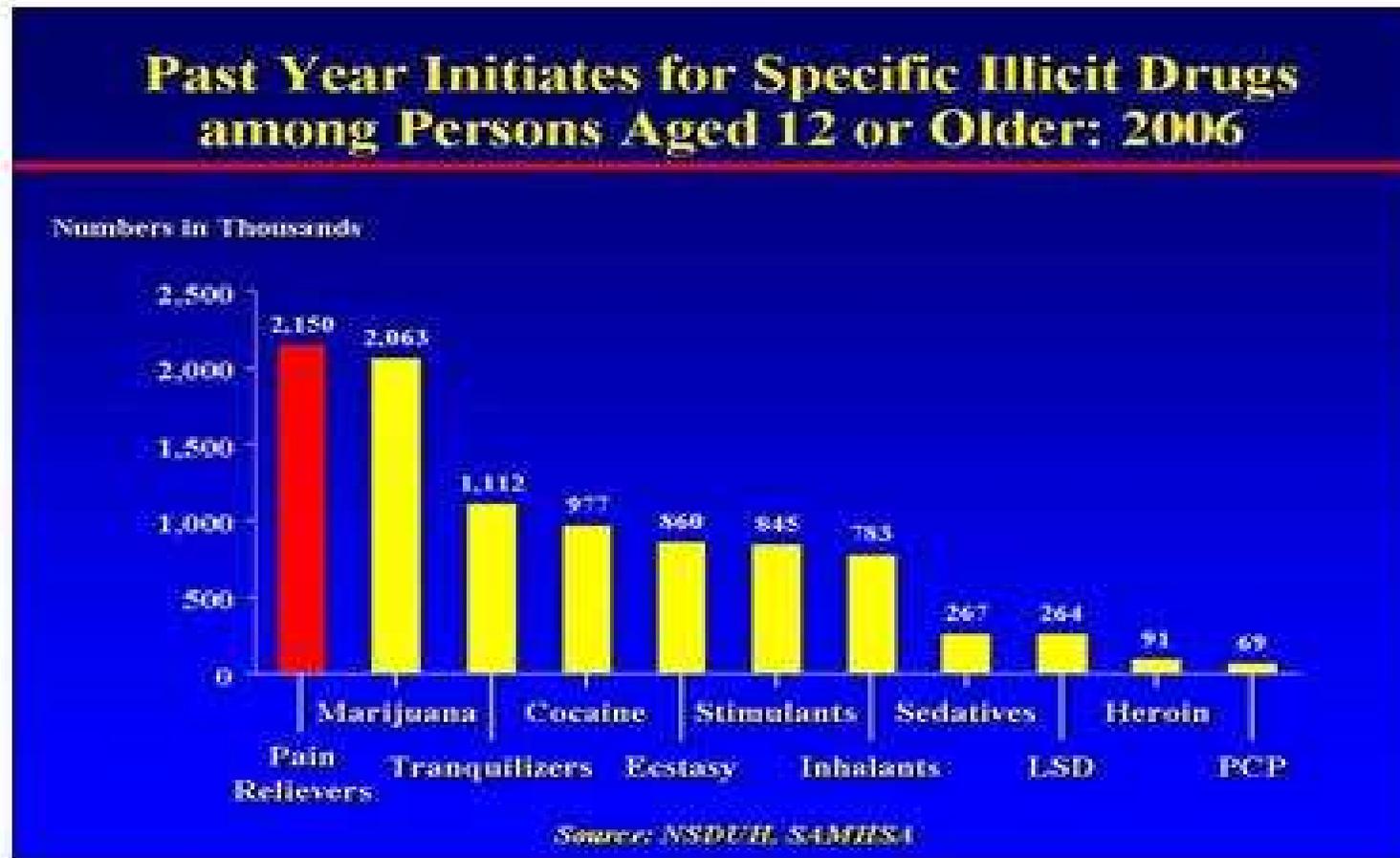
The Problem

Prescription drug overdoses soared
500 percent
between 1999 and 2007

The Problem

Seven million Americans will
abuse prescription drugs this year

The Problem



In 2006, 2.2 million persons aged 12 and over initiated abuse of pain relievers in the past year.

The Problem

980,000 people in the U.S. are
addicted to some type of opiates

The Problem

- Emergency department visits involving the non-medical use of pharmaceuticals.
- 2008 – 1,000,000
- 2006- 750,000
- 2004- 500,000

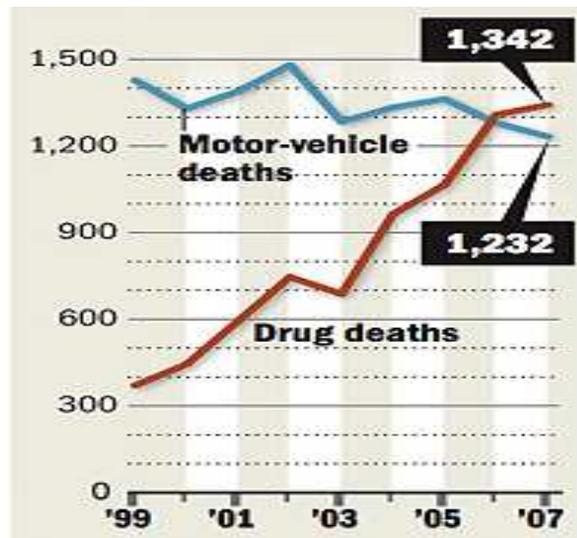


The Problem

Utahns are being poisoned at
twice the national rate.

The Problem

More Utahns died of drug overdoses than from car crashes



Who are Prescription drug abusers?

Teens



&

Troops



Who are Prescription drug abusers?

Young & Old



Who are Prescription drug abusers?

Rich & Poor



The Problem

How long does it take teens to get Prescription drugs?

1 Hour- 4.7 Million

1 Day- 8.7 Million

National Survey of American Attitudes on Substance Abuse XIV:
Teens and Parents August 2009

The Price

Lost Lives

Prescription Drug overdose due to non-medical use is now the **second leading cause of accidental death** in the U.S. behind only car crashes.



The Price

Lost Resources

Per-patient **\$15,884/yr** vs
\$1,830 for non-abusers.

*“PRESCRIPTION FOR
PERIL 2007”*

Drug diversion costs U.S.
\$72.5 billion each year.



The Price

Lost Safety

60% to 80% of the enforcement cases involve substance abuse.

Where you find drug abuse you will find crime!



Thinking Like A Criminal: Reward

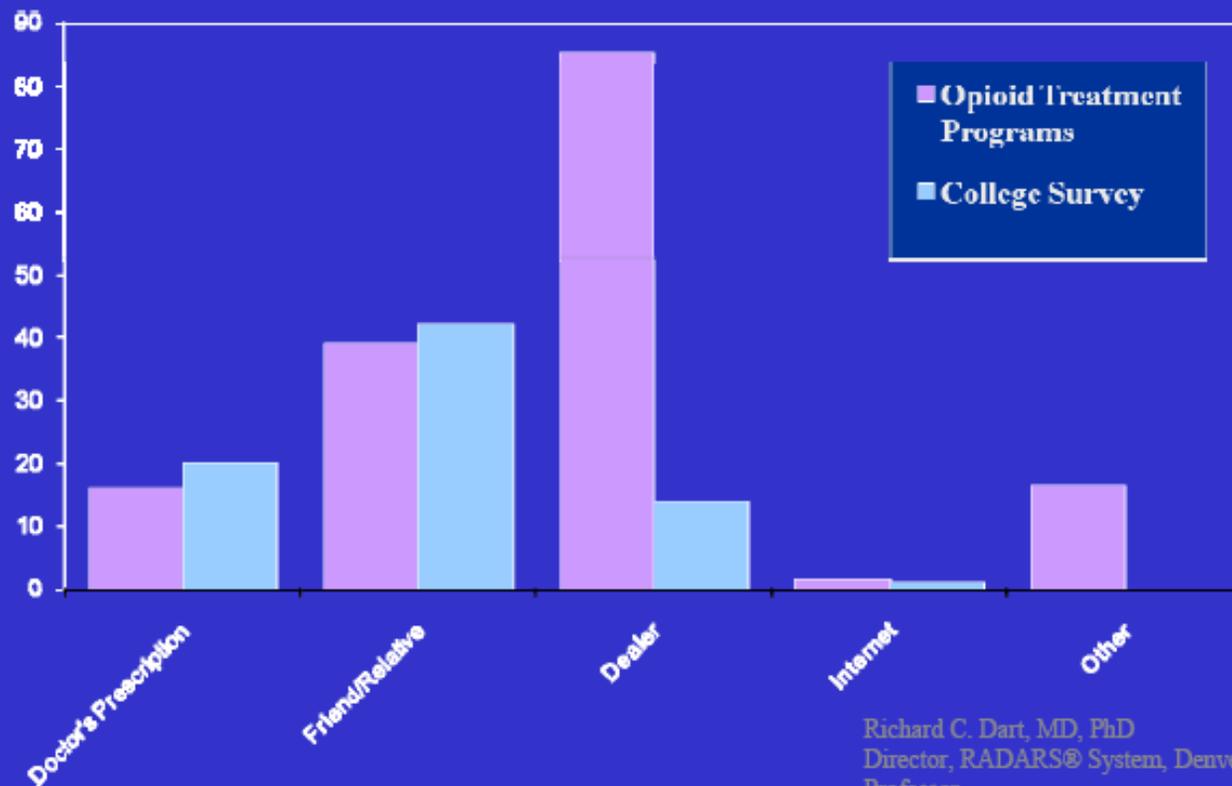
A kilo of heroin goes for \$20,000, a kilo of Oxycontin goes for \$72,000 dollars



Prescription drugs confiscated by the Los Vegas coroner's office in the past six weeks are displayed at the coroner's offices

The Sources

Primary Source of Prescription Opioids



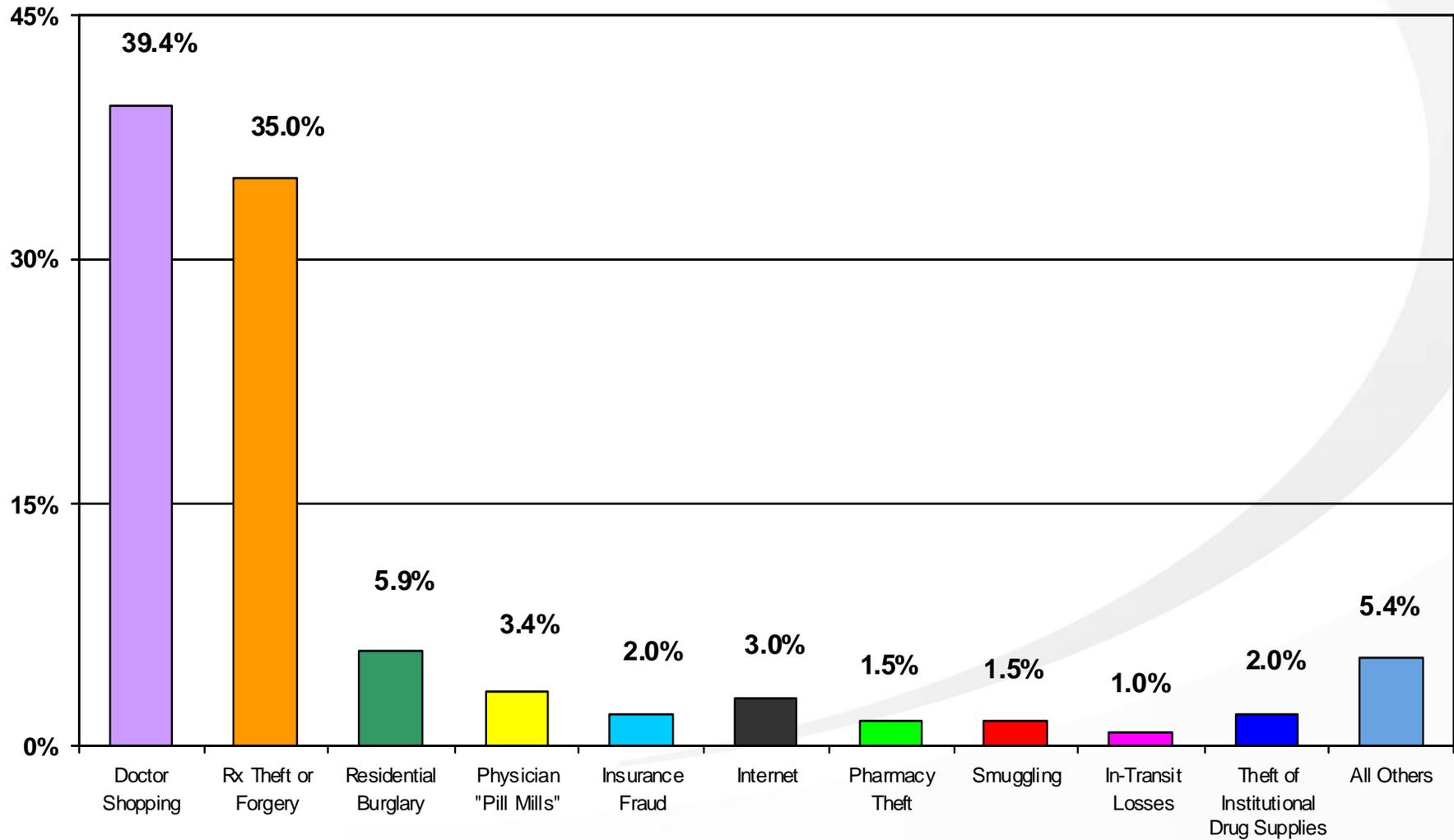
Richard C. Dart, MD, PhD
Director, RADARS® System, Denver Health
Professor,

The Sources

- **Forged and Altered Prescriptions**
- **“Doctor Shoppers”**
- **Prescribers/Dispensers of Rx Drugs**
- **Theft (Health Facility and Other)**
- **Internet**
- **Counterfeiting**
- **Pharmacy Robbery & Burglary**
- **International Smuggling**

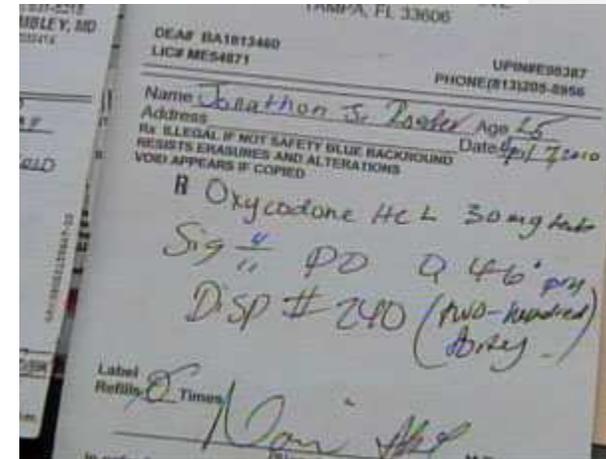
Ohio Prescription Drug Abuse Task Force-
Commander John Burke NADDI
June 23 2010

The Sources



Public Diversion

- **Phone Fraud:** Fake prescriptions are phoned into pharmacies.
- **Forgeries:** Prescriptions are photo copied or altered.
- **Counterfeit:** Identity theft of physicians and patients to create fake prescriptions including the practice of using dead doctor's names to pass fake prescriptions.
- **Theft:** Prescription forms are stolen and used to divert drugs for profit and recreational use.



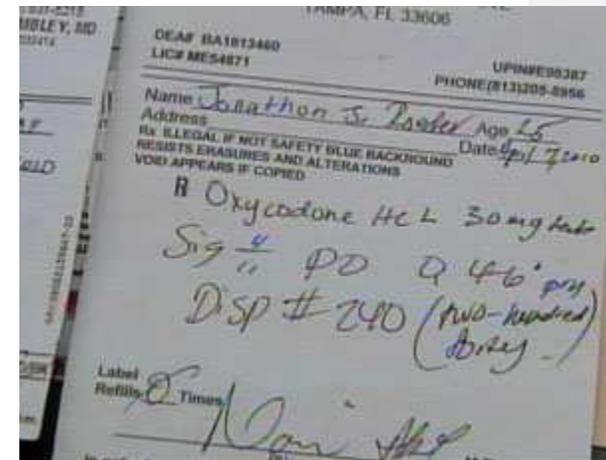
Healthcare Diversion

- **Prescriber Pretense**

- **Pill Mill Doctors:** Doctors write prescriptions for non-medical reasons for profit.

- **Dispenser Pretense**

- **Fraudulent Billing:** Pharmacies bill for prescriptions that do not exist or are known to be fraudulent for profit.



Prevention that works

Official Prescription Program

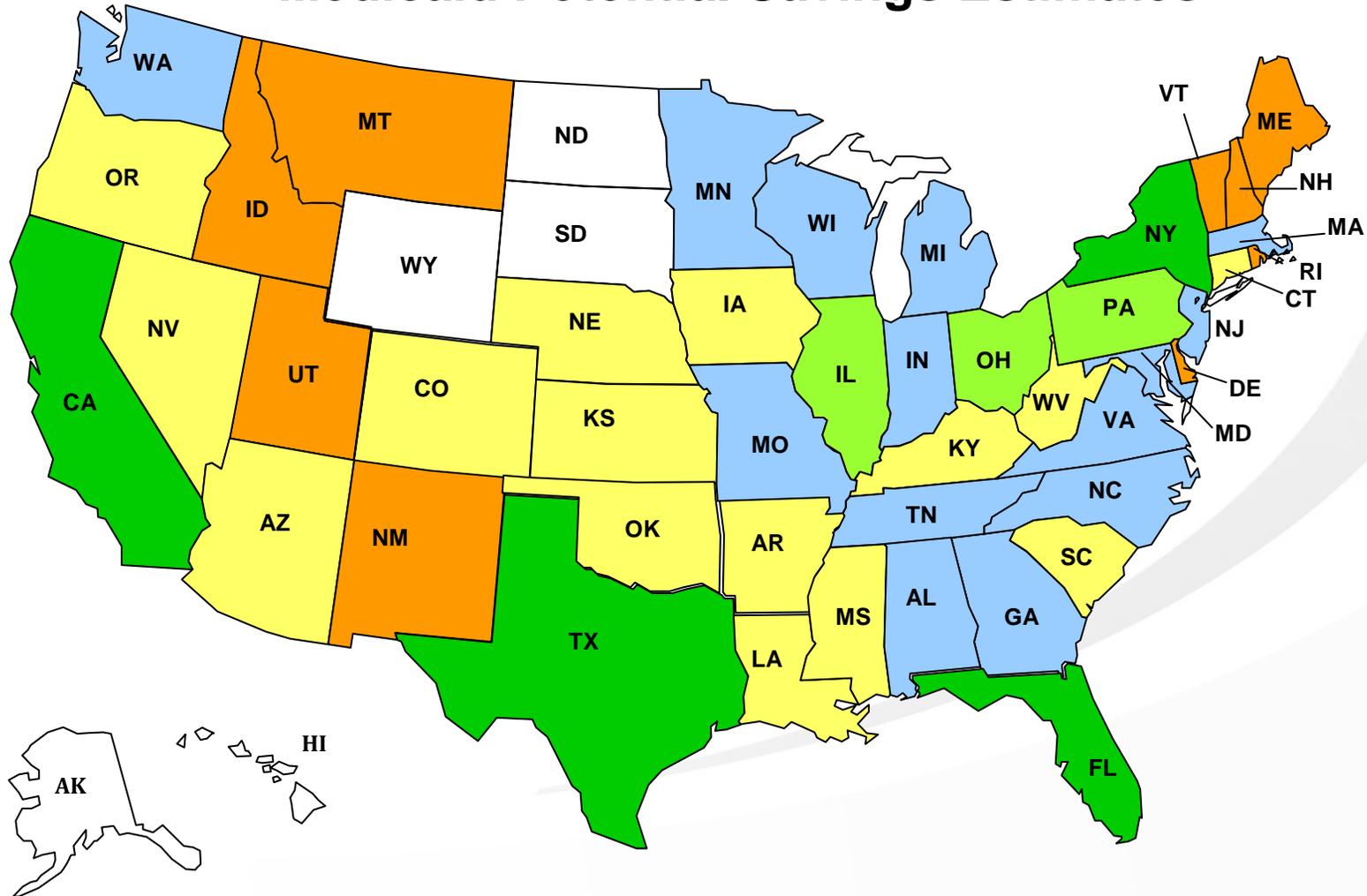
- New York implemented an official Rx program in 2007.
- New York Medicaid reported savings for January through May of 2007: \$68MM. (*\$18MM in January alone*)

<http://www.nampi.org/members/2007%20presentations/sandiegopresentations.html>
(see presentation #4)



Possible Savings

Medicaid Potential Savings Estimates

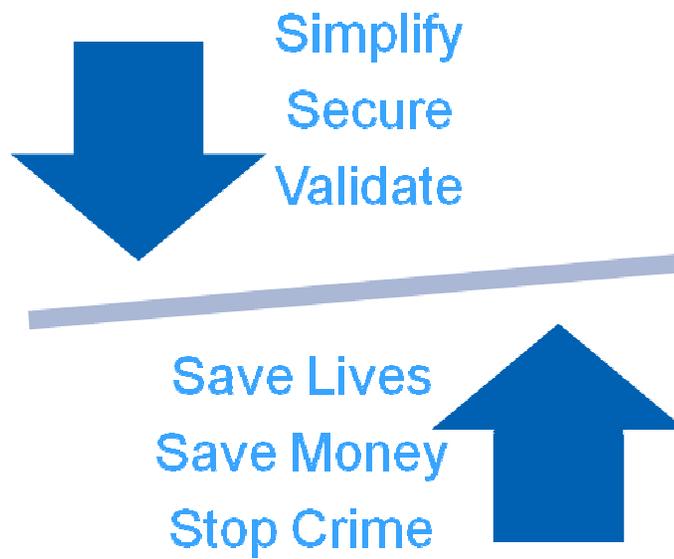


Less Than 4 Million	4 - 9 Million	10-29 Million	30- 59 Million	60 -99 Million	+ 100 Million
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UTAH Possible Savings

State	Population	Scripts Per Year	Medicaid Disbursements	Lost & Stolen Potential Savings	ROI	Payback
New York	19,227,088	196,116,298	\$40,570,000,000	\$ 137,281,408	7.78	6.7 wks
Utah	2,389,039	21,262,447	\$1,111,000,000	\$ 14,883,713	7.78	6.7 wks

Recap



Questions



Thank You

- **John Harden**

Standard Register

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877-287-1585

Federal Tamper Resistant Requirements

Revised Section 1903(i) of the Social Security Act (42 U.S.C. section 1936b(i)) states that payments shall not be made for

“...amounts expended for medical assistance for covered outpatient drugs for which the prescription was executed in written (and non-electronic) form unless the prescription was executed on a tamper-resistant pad”

To be considered tamper resistant a prescription must contain at least one of the following three characteristics:

- 1- One or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form.
- 2- One or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription.
- 3- One or more industry-recognized features designed to prevent the use of counterfeit prescription forms.

Current State Laws

No Formal Program (+/- 37)

No Tamper Resistant regulations

Physicians decide what security feature to include on Rx pad

Unlimited variations of paper and security features

Certified Vendors (+/- 10)

Required Tamper Resistant Features

Required Vendor Certification

Physicians Choose From List of approved vendors to purchase pads

Some similarity in pad designs

Secure Issuance (1 with 2 pending)

State issued Rx pads

Physicians order pads from State

Pads are free to physicians

All pads are the same and easy to validate in the pharmacy