

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Center for Program Integrity

Date: October 18, 2011

To: All Part D Sponsors

From: John Spiegel
Medicare Program Integrity Group

Re: Fraud Alert - Part D Drug Diversion Scheme in Miami-Dade County, Miami, FL

The Centers for Medicare & Medicaid Services (CMS) was notified by the Office of Investigations, Office of Inspector General of allegations that Roberts Pharmacy and Pharmalife Pharmacy are engaged in a scheme to defraud Medicare Part D. We are alerting you to this information so that you can take appropriate measures regarding these pharmacies and the Part D prescription drug benefit you offer. These measures, in particular, should be focused on the appropriate detection and identification of fraud, waste, and abuse as required under Part D.

Roberts Pharmacy is comprised of four community pharmacies and is alleged to have billed Medicare Part D for medications that were never rendered to beneficiaries or were not medically necessary. Each subject's NPI and NSC number as well as their location is listed below:

Pharmacy	Address	NPI Number	NSC Number
Roberts #1	590 West Flagler Street, Miami, Florida 33130	1851327712	4058120001
Roberts #2	3454 NW 7 th Avenue, Miami, Florida 33127	1942237870	4058120002
Roberts #3	2505 NW 54 th Street, Miami, Florida 33142	1912935925 & 1346446531	4054080001
Roberts #4	111 NW 1 st Street, Miami, Florida 33128	1649461591 & 1790722070	5684450001
DME Health Solutions (owned by Roberts)	590 West Flagler Street, Miami, Florida 33130	1669673380	No NSC Listed

Pharmalife Consultant, Inc.	801 SW 1 st Street, Miami, Florida 33130	114555467	No NSC Listed
--------------------------------	---	-----------	---------------

Scheme

Individuals in the Miami area are recruiting Medicare and Medicaid beneficiaries to utilize their Medicare and Medicaid numbers. The beneficiaries are transported by the recruiter to a clinic to see a physician who writes them prescriptions for Control Substance (CS) II drugs such as Oxycontin, Oxycodone, Hydrocodone, Opana, and Oxymorphone. The physician performs no physical exam, and accepts only cash payment for the visit. The beneficiaries are then transported to a Roberts Pharmacy or Pharmalife Pharmacy where the prescriptions are filled. The filled prescriptions are provided to the recruiter who sells the medications to a drug trafficking organization (DTO) to be sold on the streets of South Florida, Kentucky, Ohio, West Virginia, Tennessee, and New York. The pharmacy bills the beneficiary's Part D Plan, as well as accepts cash payments from the DTO to continue the process each month.

If you identify aberrant billings for prescription drugs, or have information related to this scheme, please contact Health Integrity, CMS' National Benefit Integrity Medicare Drug Integrity Contractor (NBI MEDIC) or CMS. Any questions you may have on this subject should be directed to your CMS Account Manager and Martina Gilly of the National Benefit Integrity MEDIC at gillym@healthintegrity.org. The MEDIC may also be reached at 1-877-7SAFERX.