



OIG NEWS

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OIG REPORTS \$12 BILLION SAVED IN FIRST HALF OF FISCAL YEAR

The Department of Health and Human Services (HHS) Office of Inspector General (OIG) announced today reported savings to the American taxpayers of over \$12 billion for the first half of fiscal year 2003.

In addition, OIG reported exclusions of 1,241 individuals and entities for fraud or abuse of the federal health care programs and/or their beneficiaries, 320 convictions of individuals or entities that engaged in crimes against departmental programs, and 106 civil actions.

Child support enforcement continues to be a priority area for the OIG. During this period, OIG investigations of child support cases, nationwide, resulted in 120 convictions and court-ordered criminal restitution of almost \$6 million.

The Office of Inspector General remains committed to improving the efficiency of the department and to punishing those who defraud its programs. Today's report is a meaningful indicator of the progress we have made and the challenges we still face in achieving greater economy and efficiency.

Highlights from the 6-month report, covering the period October 1, 2002 through March 21, 2003 include:

- O Medicare expenditures could be reduced by more than \$1 billion annually if the program's reimbursement rules were changed to establish uniform payments for outpatient services provided in hospital outpatient departments and ambulatory surgical centers.

- O A pharmaceutical manufacturer and two of its subsidiaries agreed to pay \$49 million to the government. The settlement resolves allegations that the drug manufacturer avoided paying fully the rebates owed to the federal and state governments under the national Medicaid drug rebate program for the cholesterol-lowering drug Lipitor.

- O A New Mexico hospital and health maintenance organization, agreed to pay the government \$24.5 million in the largest settlement to date against a single hospital to resolve allegations involving solely cost reporting fraud. The hospital allegedly submitted fraudulent claims in 10 years of Medicare cost reports and reopening requests.

Details of some of the activities are contained in the U.S. Department of Health and Human Services Office of Inspector General Semiannual Report to the Congress. It is available on the Internet at: <http://oig.hhs.gov/publications/docs/semiannual/2003/03SpringSemi.pdf>

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