

Fraud squad Rx

Document-security technologies and processes you can use to curb prescription fraud

How much is a blank prescription worth? To you, the practice administrator, probably very little; you buy them by the hundreds or perhaps get them for free.

But to a forger or drug addict, a blank prescription sheet is a gold mine. Anyone with even a basic understanding of computers can transform one blank prescription into hundreds.

That's just one factor contributing to the growing problem of prescription fraud. As many as 7 million Americans will abuse prescription drugs this year — more than the number who will use heroin, cocaine, hallucinogens, Ecstasy and inhalants combined.¹ Prescription fraud and abuse cost the U.S. health care system billions each year.

To fight prescription fraud, the health care industry is adopting document-security

Anyone with even a basic understanding of computers can transform one blank prescription into hundreds.

technologies proven in other industries. But these technologies can succeed only if they are supported by human knowledge and vigilance.

The role of technology

Considering the value — and danger — that a pad of blank prescriptions poses, the Congress in 2007 passed legislation mandating that all outpatient Medicaid prescriptions be written on tamper-resistant paper.

The Centers for Medicare & Medicaid

Services (CMS) require that tamper-resistant prescription blanks integrate at least three industry-recognized security features as of Oct. 1, 2008.²

As you go about selecting secure prescription pads for your practice, understand how document fraud is perpetrated and the role

Look for prescription pads with copy-protection features such as fine irregular lines, microprinting, heat-sensitive inks and watermarks.

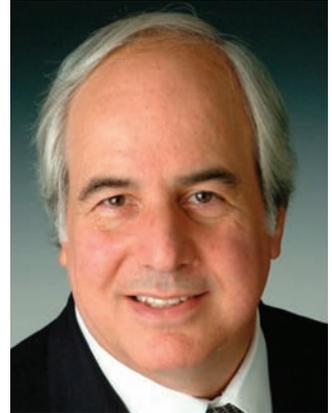
prescription pads can play in curbing it.

Alteration. Forgers can simply change a “1” into a “10” on the refill number, or use chemicals to wash out the name of one drug and replace it with another. The prescription pad you select should prevent alteration by using chemical stains or chemically reactive inks that void the document if an attempt is made to change it.

The pen used by prescribers can also thwart alteration. Security experts recommend using gel pens for prescriptions because paper absorbs that ink better than ballpoint pen ink.

Theft. To deter theft, consider prescription pads with control numbers that make it easy to identify when thefts occur and to track stolen pads. Evaluate the security of the company that prints and ships your prescription pads. Ambitious criminals may target printers or shipping companies to acquire large quantities of blank prescriptions.

see **Solutions**, page 26



By Frank Abagnale, Abagnale & Associates, Washington, D.C., frank@abagnale.com



Jason J. Frerichs, document security expert and director of prescription technology, Standard Register, Dayton, Ohio, jason.frerichs@standardregister.com

New York's security measures save millions in prescription fraud

In 2006, New York required that all prescriptions be written on the state's official tamper-resistant prescription forms. These forms exceed the requirements of the Centers for Medicare & Medicaid Services, with a long list of overt and covert security features to prevent copying and alteration. The state also implemented stringent ordering and processing controls to prevent theft and false issuance.

The benefits were immediate and impressive. The precautions generated more than \$60 million in Medicaid fraud savings in the first six

months of accounting oversight.¹ In addition, the Bureau of Narcotic Enforcement estimates the program saved \$75 million in the private sector by reducing fraudulent prescription claims to health care plans.²

notes

1. State prescription forms reducing fraud and abuse. Press release, July 31, 2007. New York State Department of Health. www.health.state.ny.us/press/releases/2007/2007-07-31_prescription_fraud_savings.htm, accessed May 27, 2008.
2. Ibid.

Mimicry. A mimic usually attempts to represent an original item with falsified information, such as counterfeit driver's licenses, passports and checks. Creating an exact copy of a prescription with no security features is as easy as using a copier. Look for prescription pads with copy-protection features such as fine irregular lines, microprinting, heat-sensitive inks and watermarks.

False issuance. False issuance involves issuing a legitimate item under false pretenses. Perpetrated by an insider, such as a medical office employee, it's usually embezzlement. Perpetrated by someone outside the system, it's usually misrepresentation. In either case, an ill-intentioned person gains access to a legitimate item. Preventing false issuance requires increased security and vigilance by those handling prescription pads, including physicians, medical staff and pharmacists.

What health care professionals can do

Physicians must, of course, watch for patients who "doctor shop" or manufacture symptoms to acquire painkillers and other drugs. Physicians must also take care to safeguard their prescription pads.

In most practices, you're the one who chooses prescription pads and implements

policies and procedures that discourage theft, such as:

- Counting stock at regular, unannounced intervals;
- Limiting access to pads by support staff;
- Ensuring pads are properly secured at all times; and
- Having well-defined procedures for notifying authorities in the event a theft occurs.

Pharmacists must ensure that prescriptions are valid. They will need to familiarize themselves with various security features to ensure compliance with CMS and state Medicaid guidelines.

To prevent prescription fraud, health care professionals must educate themselves and employ appropriate technology. 

notes

1. U.S. Drug Enforcement Administration fact sheet: Prescription drug abuse – a DEA focus. www.usdoj.gov/dea/concern/prescription_drug_fact_sheet.html, accessed May 28, 2008.
2. Centers for Medicare & Medicaid Services, www.cms.hhs.gov/center/intergovernmental.asp, accessed May 28, 2008.

e-mail us: Has your practice been the victim of prescription fraud? Tell us at connexion@mgma.com

mgma.com

From the home page, search for "tamper-resistant prescription pads"