

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LA
2019 APR 16 A 11: 5
WILLIAM W. BLEVINS
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

**BILL OF INFORMATION FOR CONSPIRACY
TO DISTRIBUTE AND DISPENSE CONTROLLED SUBSTANCES,
CONSPIRACY TO COMMIT HEALTH CARE FRAUD,
AND NOTICE OF FORFEITURE**

UNITED STATES OF AMERICA

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CRIMINAL NO.

19-00071

VERSUS

*

SECTION:

SECT.H MAG.5

ANIL PRASAD, M.D.

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VIOLETIONS: 21 U.S.C. § 846

21 U.S.C. § 841(a)(1)

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21 U.S.C. § 841(b)(1)(C)

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18 U.S.C. § 1349

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18 U.S.C. § 1347

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The United States Attorney charges that:

COUNT ONE

CONSPIRACY TO DISPENSE CONTROLLED SUBSTANCES

Beginning in or around November 2016, and continuing through in or around July 2018, in the Eastern District of Louisiana, and elsewhere, the defendant, ANIL PRASAD, M.D., did knowingly and intentionally combine, conspire, confederate, and agree with other persons known and unknown to the United States Attorney to distribute and to dispense, outside the scope of professional practice and not for a legitimate purpose, quantities of hydrocodone and oxycodone,

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Schedule II controlled substances, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C), all in violation of Title 21, United States Code, Section 846.

COUNT TWO

CONSPIRACY TO COMMIT HEALTH CARE FRAUD

A. AT ALL MATERIAL TIMES HEREIN:

The Controlled Substances Act

1. The Controlled Substances Act ("CSA"), Title 21, United States Code, Section 801, *et seq.*, and its implementing regulations set forth which drugs and other substances are defined by law as "controlled substances." Those controlled substances are then assigned to one of five schedules – Schedule I, II, III, IV, or V – depending on their potential for abuse, likelihood of physical or psychological dependency, accepted medical use, and accepted safety for use under medical supervision. A substance listed on Schedule I has a higher abuse potential than a substance listed on Schedule II. The abuse potential decreases as the Schedule numbers increase.

2. Title 21, Code of Federal Regulations, Section 1306.04(a) stated that a valid prescription for a controlled substance must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of his professional practice. A prescription not issued in the usual course of professional practice was not a prescription within the meaning and intent of Section 309 of the CSA (21 U.S.C. § 829), and the person who knowingly issued it shall be subject to the penalties provided for violations of law relating to controlled substances.

Health Care Benefit Programs

3. The Medicare program ("Medicare") was a federal health care program providing benefits to persons who were over the age of sixty-five or disabled. Medicare was administered by the United States Department of Health and Human Services ("HHS") through its agency, the Centers for Medicare and Medicaid Services ("CMS"). Individuals who qualified for Medicare benefits were commonly referred to as "beneficiaries," and each beneficiary received a Medicare identification number.

4. Medicare was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

5. "Part D" of Medicare subsidized the costs of prescription drugs for Medicare beneficiaries in the United States. Part D benefits were administered by private insurance plans that were reimbursed by Medicare through CMS and its contractors.

6. Typically, a Medicare beneficiary enrolled in a Medicare Part D plan would fill their prescription at a pharmacy utilizing their Medicare Part D plan coverage to pay for the prescription. The pharmacy would then submit the prescription claim for reimbursement to the Medicare Part D's beneficiary Part D plan for payment under the beneficiary's health insurance claim number and/or Medicare plan identification number.

7. The Medicaid Program was a "health care benefit program" as defined by Title 18, United States Code, Section 24(b), in that it provided payment for health care services on behalf of eligible low-income individuals with limited income and persons with medical disabilities.

8. The Louisiana Medicaid Program was jointly funded by the United States Department of Health and Human Services and the State of Louisiana, and managed by the Louisiana Department of Health and Hospitals. Individuals who received benefits under Medicaid were referred to as “members.”

9. Each claim submitted by a provider disclosed the “member’s” identification number and the name of the member receiving the service, a description of the procedure or prescription, the date of service (or prescription), the amount billed, and the provider’s unique Medicaid number.

Medicare and Medicaid Reimbursement for Prescription Drugs

10. For prescription drugs to be appropriately reimbursed, Medicare and Medicaid required that these drugs be dispensed pursuant to valid prescriptions, be medically necessary for the treatment of covered illnesses of the covered beneficiary and member, and were in compliance with federal and state laws, rules, and regulations. In other words, Medicare and Medicaid would not reimburse prescription drugs that were not medically necessary, were dispensed without a valid prescription, or were issued outside the course of professional practice. Medicare and Medicaid considered a prescription for a controlled substance to be a statement from the medical provider, authorizing the prescription that the controlled substance was medically necessary in that medical provider’s professional opinion.

The Defendant and Relevant Individuals and Entities

11. The defendant, **ANIL PRASAD, M.D.**, of Mandeville, Louisiana was a medical doctor licensed in the State of Louisiana since 1994 who practiced in the field of neurology. **PRASAD** had a DEA Registration Number authorizing him to prescribe schedule II through V controlled substances in the State of Louisiana.

12. Medical Clinic 1 was a Louisiana corporation that conducted business in Slidell, Louisiana. Medical Clinic 1 was ostensibly a pain management clinic that employed physicians to render purported pain management health care services to patients, including the prescription of controlled substances to manage pain.

13. Co-conspirator 1 was the owner and operator of Medical Clinic 1.

14. Nurse practitioner 1 was a nurse practitioner licensed to practice in the State of Louisiana who worked at Medical Clinic 1.

15. Nurse practitioner 2 was a nurse practitioner licensed to practice in the State of Louisiana who worked at Medical Clinic 1.

B. THE CONSPIRACY TO COMMIT HEALTH CARE FRAUD

Beginning in or around November 2016, and continuing through in or around July 2018, in the Eastern District of Louisiana, and elsewhere, the defendant, **ANIL PRASAD, M.D.**, did knowingly and willfully, that is, with the intent to further the object of the conspiracy, combine, conspire, confederate, and agree with Co-conspirator 1, and other persons known and unknown, to commit offenses against the United States, that is, to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), to wit, Medicare and Medicaid, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property

owned by, and under the custody and control of, said health care benefit programs, in connection with the delivery of and payment for health care benefits, items and services, in violation of Title 18, United States Code, Section 1347.

C. PURPOSE OF THE CONSPIRACY

It was a purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by authorizing medically unnecessary prescriptions for controlled substances in exchange for cash payments and other remuneration, which caused the submission of claims for the medically unnecessary prescriptions for controlled substances to Medicare and Medicaid based upon materially false and fraudulent pretenses, representations and promises.

D. MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which the defendant and his co-conspirators sought to accomplish the scheme included, among others, the following:

1. On or about November 1, 2016, Co-conspirator 1 hired **PRASAD** to work at Medical Clinic 1 as a physician treating chronic pain patients. Co-conspirator 1 agreed to pay **PRASAD** a bi-weekly salary of \$2,050 for **PRASAD'S** services at Medical Clinic 1.

2. The patients who were treated at Medical Clinic 1 were chronic pain patients who paid cash for visits. The patients who were treated at Medical Clinic 1 were not allowed to use Medicare or Medicaid benefits to pay for the visit while **PRASAD** worked at Medical Clinic 1.

3. Beginning in or around February 2017, **PRASAD** stopped working full days at Medical Clinic 1 and largely stopped performing patient examinations. On the days that **PRASAD** was onsite at Medical Clinic 1, he was only there for a few hours each day, and he spent

his time at Medical Clinic 1 pre-signing prescriptions for controlled substances for Medical Clinic 1's patients who had visits scheduled in the future.

4. Co-conspirator 1 instructed **PRASAD** to pre-sign prescriptions for controlled substances so that Medical Clinic 1 could dispense these prescriptions to patients on days and times when **PRASAD** was not physically onsite at Medical Clinic 1. Co-conspirator 1 instructed **PRASAD** to pre-sign the prescriptions for controlled substances so that Medical Clinic 1 would continue to be profitable, without regard to actual patient care. **PRASAD** pre-signed prescriptions so that Co-conspirator 1 would continue to pay **PRASAD** his salary even though **PRASAD** was no longer performing patient examinations on a regular basis.

5. **PRASAD** would either pre-sign prescriptions with the controlled substances already predetermined, or **PRASAD** would sign blank prescriptions. **PRASAD** also pre-signed stacks of prescriptions when he was scheduled to be out of the country for weeks at a time on trips.

6. **PRASAD** would leave the pre-signed prescriptions for controlled substances with employees of Medical Clinic 1. When patients arrived for the visits at Medical Clinic 1, these patients would pay in cash anywhere from \$160 to \$240 per visit to employees who worked at the front desk at Medical Clinic 1.

7. After making a cash payment to an employee at Medical Clinic 1, the patient would then be examined by Nurse Practitioner 1 or Nurse Practitioner 2. Nurse Practitioner 1 and Nurse Practitioner 2 were not authorized to treat chronic pain patients. Nurse Practitioner 1 or Nurse Practitioner 2 would then perform a cursory examination of the patient. After visiting with Nurse Practitioner 1 or Nurse Practitioner 2, the patients would pick up a prescription for a

controlled substance from an employee at the front desk of Medical Clinic 1 that **PRASAD** had pre-signed.

8. **PRASAD** pre-signed these prescriptions for controlled substances for these patients without performing a medical examination on these patients to determine whether there was a legitimate medical need for the prescribed controlled substances. **PRASAD** did not review patient charts, perform any physical examination, nor did he check to determine whether patients to whom he was prescribing controlled substances were also obtaining controlled substances from other sources.

9. Certain Medicare beneficiaries and Medicaid members who received **PRASAD'S** pre-signed prescriptions for controlled substances would fill those prescriptions at area pharmacies using their Medicare or Medicaid benefits. On certain occasions, pharmacies notified Medical Clinic 1 and **PRASAD** that the beneficiary or member filling the pre-signed prescription used Medicare or Medicaid to pay for the prescription. These pharmacies contacted Medical Clinic 1 requesting **PRASAD'S** authorization so that the prescription could be filled.

10. In total, Medicaid paid approximately \$1,063,865.11 and Medicare paid approximately \$593,596.04 for prescriptions for controlled substances that **PRASAD** pre-signed without performing examinations on the patients to determine whether there was any medical necessity for these controlled substances.

All in violation of Title 18, United States Code, Section 1349.

NOTICE OF DRUG FORFEITURE

1. The allegations of Count 1 of this Bill of Information are re-alleged and incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States of America pursuant to the provisions of Title 21, United States Code, Section 853.

2. As a result of the offenses alleged in Count 1, the defendant **ANIL PRASAD, M.D.**, shall forfeit to the United States pursuant to Title 21, United States Code, Section 853, any and all property constituting or derived from any proceeds the defendant obtained directly or indirectly as a result of the said violations and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the violations alleged in Count 1 of this Bill of Information.

3. If any of the property subject to forfeiture pursuant to Paragraph 2 of this Notice of Forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

All in violation of Title 21, United States Code, Section 853.

NOTICE OF HEALTH CARE FRAUD FORFEITURE

1. The allegations contained in Count 2 of this Bill of Information are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, Section 982(a)(7).

2. As a result of the offenses alleged in Count 2, the defendant, **ANIL PRASAD, M.D.**, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense as a result of the violations of Title 18, United States Code, Sections 1349 and 1347. The government specifically provides notice of its intent to seek a personal money judgment against the defendant in the amount of the fraudulently-obtained proceeds.

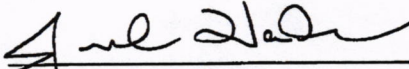
3. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

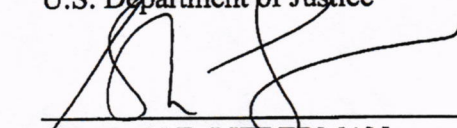
it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property;

All in violation of Title 18, United States Code, Section 982(a)(7).

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