



THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Middle District of Florida

FOR IMMEDIATE RELEASE

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United States Announces Approximately \$10 Million Settlement With Four Physicians And Two Compounding Pharmacies

Jacksonville, FL – United States Attorney A. Lee Bentley, III announces that two compounding pharmacies - WELLHealth and Topical Specialists, as well as four physicians - Manish Bansal, Mehul Parekh, Marisol Arcila, and Syed Asad, have agreed to pay the government a total of approximately \$10 million to resolve allegations involving TRICARE, the military's healthcare program.

The United States contends that Topical Specialists was created by the pharmacist for WELLHealth and four physicians - Bansal, Parekh, Arcila, and Asad. It was meant to be a standalone pharmacy, but was unable to obtain separate contracts with the government healthcare programs. Instead, Topical Specialists simply sent all of its prescriptions to WELLHealth, which in turn submitted these prescriptions to the federal government.

The United States alleges that Bansal, Parekh, Arcila, and Asad had an incentive to refer prescriptions to their pharmacy, as steering costly prescriptions to Topical Specialists resulted in lucrative revenue streams for the doctors. The United States contends that these four physicians wrote hundreds of prescriptions for pain and scar creams. After speaking with patients, the government contends that these prescriptions were often not used by patients, despite the tremendous cost to the government. While the pharmacies billed the federal government tens of thousands of dollars for these creams, the cost to actually compound them was often 4-5% of the submitted cost. Records reviewed by the government showed that the pharmacy was making up to 90% profit for each cream submitted to the TRICARE program. This profit was then disbursed to the doctors who wrote the prescriptions. In some cases, the four physicians recruited other doctors to write prescriptions – promising to share revenue with them. The government alleges that in some cases, the doctors who wrote prescriptions to Topical Specialists and WELLHealth received up to 40% of the reimbursement.

At one point, certain defendants suggested that payments to physicians for these prescriptions were legitimate because these physicians were engaged in a "research study" to monitor the clinical effectiveness of these creams. No patient contacted by the government knew that they were enrolled in a research study, and no research findings were ever published.

Roughly 40% of the prescriptions submitted by WELLHealth and Topical Specialists were written by these four physicians. Bansal is a cardiologist at Baptist Hospital. Arcila is a pain management physician at Premier Spine & Pain Center. Asad is a neurologist at Universal Neurological Care. Parekh is a general practice physician at Baptist Hospital. All four received hundreds of thousands of dollars in reimbursements.

"The United States Attorney's Office is committed to fighting healthcare fraud wherever it may occur," said U.S. Attorney Bentley. "Those who defraud the TRICARE program are stealing funds that should be used to provide quality healthcare to military families. We will continue to use every weapon at our disposal to stamp out this fraud and recover misappropriated funds."

Today's settlement involved false claims submitted to the TRICARE program. This case was developed as part of a broader effort to identify and target unscrupulous compounding pharmacies. The United States Attorney's Office for the Middle District of Florida has been focusing efforts on pharmacies that abuse the TRICARE program and defraud the government. Since March 2015, the district has collected more than \$50 million in recoveries related to compounding pharmacies.

"The Defense Criminal Investigative Service is committed to protecting the integrity of TRICARE, the U.S. military health care program, so that it continues to provide quality medical care to America's Warfighters and their families, while ensuring that health care facilities and providers comply with Federal laws and regulations," said John F. Khin, Special Agent in Charge, Defense Criminal Investigative Service - Southeast Field Office. "Through joint investigations with our law enforcement partners, DCIS will fully pursue both civil remedies to recover taxpayer dollars and criminal prosecutions to bring violators to justice."

"I applaud the Department of Justice and the U.S. Attorney for the Middle District of Florida for holding these pharmacies and physicians accountable for their actions," said Vice Admiral Raquel Bono, director of the Defense Health Agency. "Their egregious actions targeted American service members, veterans and their families, and in many cases offered them products with little or no substantiated evidence that they would improve health outcomes. The Defense Health Agency will continue working closely with the Justice Department and other state and federal agencies to investigate all those who participated in these nefarious, fraudulent practices."

This settlement illustrates the government's emphasis on combating health care fraud and marks another achievement for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, which was announced in May 2009 by the Attorney General and the Secretary of Health and Human Services. The partnership between the two departments has focused efforts to reduce and prevent Medicare and Medicaid financial fraud through enhanced cooperation. One of the most powerful tools in this effort is the False Claims Act. Since January 2009, the Justice Department has recovered more than \$27.1 billion through False Claims Act cases, with more than \$17.1 billion of that amount recovered in cases involving fraud against federal health care programs.

Tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement, including the conduct described in this case, can be reported to the Department of Health and Human Services, at 800-HHS-TIPS (800-447-8477).

These cases were investigated by Health and Human Services Office of Inspector General (HHS/OIG), Office of Personnel Management (OPM), the Department of Veterans Affairs Office of Inspector General (VA/OIG), Defense Criminal Investigative Services (DCIS), and the Federal Bureau of Investigation (FBI) and were prosecuted by Assistant United States Attorney Jason Mehta.

The claims resolved by this settlement are allegations only, and there has been no determination of liability.

Healthcare Fraud
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