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Clinicians and Pharmacies Should Avoid Purchasing Reimported Medications

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Recently, purchasers working for several orthopedic clinics bought viscosupplements from a supplier at impossibly low prices. The purchasers failed to heed the signs that the supplier had sold them illegally reimported medications.

Viscosupplements, such as Synvisc, Orthovisc, and Euflexxa, are FDA-approved injections used to treat osteoarthritis knee pain. These viscosupplements are reimbursed by Medicare, Medicaid, and other federal health care programs at a set rate based on the average U.S. sales price of the products. However, according to the Department of Justice (DOJ), billing state and federal health care programs for any reimported drug, including viscosupplements, violates state and federal False Claims Acts.

Reimported medications are not reimbursable because they lack assurances that they had not expired, been tampered with, or stored properly. HHS Office of Inspector General Special Agent in Charge Steven Ryan stated in a DOJ release, “Once a product leaves the U.S., there is no accountability for whether it is the actual medication being billed, whether it has been properly stored or whether it could be too old to be useful.” The agency also stated in the release that the DOJ will vigorously pursue providers who use and bill for reimported medications. See, DOJ U.S. Attorney’s Office E.D. Ca. Release, October 3, 2016.

In the release, the DOJ disclosed that three orthopedic clinics in California and Nevada had to pay hundreds of thousands of dollars each

to settle state and federal False Claims Act allegations that they improperly billed federal health care programs for the supplements. The clinics admitted they'd knowingly purchased deeply discounted viscosupplements that were reimported from foreign countries and billed them to state and federal health care programs. Apparently, upon inspection of the medications, the instructions were written in foreign languages and covered uses that had not been approved by the Federal Drug Administration (FDA), indicating the drugs had been reimported.

Considering the sizable penalties for violating the law and the potential safety risks for patients, clinicians and pharmacies should not purchase or use reimported medications.

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