# Pharmaceutical Regulatory and Compliance Congress

Regulator Roundtable

Virginia Gibson Assistant U.S. Attorney

#### Quality Of Care Issues

- Courts recognizing FCA as cause of action for poor quality care
- Prosecutors are finding ways to address gaps in law:
  - Kickbacks
  - False Statements
  - Failure to report events to FDA

It's about Medical judgment and patient choice

### PBMs and Quality of Care

#### Incentives for Drug Switching

Manufacturer Pricing to PBM

PBM Formulary Services

**Preferred Formularies** 

**HMO** Formulary

Who is making the decision: Calls to Physicians

Calls to Pharmacists

**Prescription Cancellation** 

Prescription Decisions in Best interest of patients

# Institutional Quality of Care

Nursing Homes and Hospitals affected by nursing shortage; Hospitals and medical errors:

Medication administration

Infection control

Chemical restraints

Medically unnecessary services

Kensington Hospital: Unlicensed physicians, Kickbacks for staff privileges and for lab and cardiac services—lack of medical necessity

<u>Tenet in Redding</u> CA:Unnecessary Cardiac Procedures - \$54 million: August 03

#### Q of C in Clinical Research Protocols

#### Phase II Trials for FDA Approval

**Patient Informed Consent** 

Kickbacks for participation

Trials run by MARKETING Dept., Not Medical Liaison Dept of Manufacturer

Failure to Report Adverse Events in Trials

#### Q of C in Medical Devices

- <u>USA v. Guidant:</u> Failed to report Malfuinction of ancure device for abdominal aortic aneurisms. 12 Deaths.
- \$92.4 criminal and civil penalties June 03
- <u>USA v. Dentsply</u>: Failure to report adverse events in dental cement \$800,000 March 03

# Drug Manufacturing and Compounding

#### Manufacturer

- 1. Adverse Event Reports and
- 2. Polymorphism in drug substances Reports of Variant Forms in Mfg process

Storage

Delivery

Pharmacist Compounding: <u>Courtney</u> pharmacist who diluted chemotherapy drugs

No adverse Event Reporting

FDA 2002 Guidance on Compounding

Thojpson v. Western States Medical Center struck down Compounding section of FDAMA of 97

State/ Federal Inspections