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BAUCUS, GRASSLEY OUTLINE MILLIONS OF WASTED TAXPAYER DOLLARS, EXAMINE REPORTS OF HUNDREDS OF IMPROPER CARDIAC STENT IMPLANTATIONS

<u>Finance Leaders Release Report Detailing Relationship Between Doctor, Medical Device Manufacturer,</u>

Possible Pattern of Wasteful, Medically Unnecessary Stent Implantations

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-lowa) today released a Finance Committee report detailing the case of a doctor who reportedly implanted nearly 600 potentially medically unnecessary stents from 2007 through mid-2009 at St. Joseph Medical Center in Towson, Maryland, and his relationship with the manufacturer of the stents, Abbott Labs. The Senators' report found that the questionable stent implantations cost the Medicare program \$3.8 million during that period. Baucus and Grassley initiated their inquiry as part of the Committee's oversight role of the Medicare and Medicaid programs and the Senators' efforts to protect taxpayer dollars from waste, fraud and abuse after media reports unveiled the alleged improper procedures.

"Hospital patients expect their care to be based on medical need, not profits. This report sets forth alarming evidence that patients at St. Joseph Medical Center received unnecessary and potentially harmful stent implants time and again – a pattern that is shocking, disturbing and shameful. Doctors should not be performing invasive medical procedures patients don't need, and taxpayers certainly shouldn't be paying for these wasteful and improper implantations," said Baucus. "Even more disconcerting is that this could be a sign of a larger national trend of wasteful medical device use, which is why we included aggressive new tools in the new health care law to fight fraud, waste and abuse. The health care law improves screening of medical providers and increases oversight to root out fraud, waste and abuse like this, shining a spotlight on problems like these and helping ensure cases like this don't happen again."

"The best response to these concerns is total transparency and effective peer review," Grassley said.

The health care oversight report also examined the response of St. Joseph Medical Center to the discovery of the questionable implantations. The report notes that Abbott Labs placed the Maryland doctor on its "Project Victory" list of top stent volume cardiologists and paid for at least two social events at the doctor's home, including a barbeque and crab dinner, in 2008. After St. Joseph Medical Center barred the doctor from practicing, Abbott Labs hired the doctor to promote and prepare safety reports on its stents in China and Japan, according to internal documents the company provided to the Committee.

From fiscal year 2004 to fiscal year 2009, the Medicare Part A program paid an estimated \$25.7 billion for cardiac stent procedures and approximately \$108.9 billion for 6.9 million procedures related to medical devices. Fraud, waste and abuse in the health care system cost Americans at least \$60 billion a year – three percent of total health care spending. Other similar cases of apparently improper cardiac procedures have been uncovered at medical facilities across the country. Baucus and Grassley launched their review of this case to look for patterns that might have implications for preventing waste, fraud and abuse in Medicare and Medicaid.

The full Finance Committee report can be found here:

http://finance.senate.gov/newsroom/chairman/release/?id=ce0c5525-b352-474f-9970-96f5afc140bb.