

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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<http://oversight.house.gov>

August 31, 2015

Mr. David Sutton
Chief Financial Officer
Warner West Pharmacy & Supplies
22030 Sherman Way, Number 100
Canoga Park, CA 91303

Dear Mr. Sutton:

I am investigating reports that Warner West Pharmacy & Supplies recently submitted an insurance claim for a staggering \$44,000 on behalf of one of its customers for a widely available nutritional supplement known as Resveratrol—an antioxidant derived from grapes that your company reportedly sells over the counter for approximately \$600. If these reports are accurate, they raise a host of troubling questions about how this could have occurred—and whether it is still occurring on a much wider scale.

On June 11, 2015, *CBS Evening News* reported that Warner West submitted an insurance claim for a 30-day supply of Resveratrol to its pharmacy benefit manager, CVS/caremark, for a cost of \$44,707. At the same time, according to this report, Warner West was offering a 30-day supply of Resveratrol over the counter at a fraction of this amount.¹

My office has now obtained a printout from Warner West's pharmacy management program that appears to confirm that your company submitted this Resveratrol prescription (Rx#641735) to CVS/caremark and then filled it on May 1, 2015.

This printout also states that the customer "refused" the prescription for Resveratrol. The printout states that Warner West "reversed" the prescription on May 19, 2015. According to this document, Warner West appears to have contacted CVS/caremark at approximately 8 p.m. that evening to "make sure that there was *[sic]* no charges to the patient insurance for this claim or any other claims."

My office has also obtained a pre-printed prescription form prepared by Warner West that appears to encourage doctors to prescribe nutritional supplements sold by Warner West.

¹ *The Curious Incident of the \$44,000 Prescription*, CBS Evening News (June 11, 2015) (online at www.cbsnews.com/news/prescription-Resveratrol-supplement-expensive-investigation/).

The form includes five options with boxes next to each option that doctors can check to indicate their prescriptions:

Metabolic Support.	Option 1
CoEnzyme Q10.	Option 2
Lipoic Acid.	Option 3
Resveratrol Powder (63gm.).	Option 4
Resveratrol Powder (21gm.).	Option 5

If a supplement prescribed by a doctor is not ultimately covered by insurance, this pre-printed form appears to authorize Warner West to substitute the prescribed supplement with any of the four other supplements listed on the form, even if the doctor never prescribed it. The fine print that appears at the bottom of the form states:

In the event that Option 1 is not covered, substitution to Option 2, 3, 4 or 5 with different prescribed medication or formulation is applicable. By signing this prescription, prescriber is authorizing pharmacy to substitute as necessary.

An attorney for Warner West informed my staff that Warner West would be willing to provide documentation related to Resveratrol claims. Accordingly, please provide responses to the following questions and copies of the documents requested below:

1. Did Warner West submit to CVS/caremark a claim for a 30-day supply of Resveratrol for approximately \$44,000? If so, please provide a copy of that claim. If not, please explain the facts surrounding this submission.
2. Was the Resveratrol formulation for which this claim was submitted actually prescribed by the patient's doctor? Did Warner West attempt to submit claims for any of the other options listed above that were not covered by insurance prior to submitting the claim for this option?
3. Please provide documents indicating all claims submitted by Warner West and all responses it received from CVS/caremark. Please also explain why Warner West submitted claims for any nutritional supplements that were not prescribed by the patient's doctor.
4. Did CVS/caremark, at any point, approve the claim for Resveratrol submitted by Warner West? If so, please provide documents indicating that the claim was approved. If not, please provide documents indicating that the claim was rejected.
5. Please provide all documents relating to the assertion that the patient "refused" the prescription and the assertion that Warner West "reversed" the prescription.
6. Was the Resveratrol actually provided to the patient in this case? If so, on what date? If not, why not? Please provide documents indicating whether the patient received the Resveratrol.

7. Was any payment made by the patient, the doctor, Warner West, or CVS/caremark to cover the costs of the Resveratrol? Please provide documents indicating all payment sources.
8. Please identify all National Drug Codes (NDC) or other codes used in the course of submitting these claims to CVS/caremark, as well as the names of the nutritional supplements associated with those NDCs or other codes. Please identify which codes were associated with the nutritional supplement "options" appearing on the pre-printed prescription form described above. Please explain how Warner West employees determined which NDCs or other codes to submit with this claim.
9. Does Warner West distribute pre-printed prescription forms to doctors and other providers? When did Warner West begin this practice? To how many providers has Warner West distributed pre-printed prescription forms since January 1, 2013? Is the pre-printed prescription form described above the only form Warner West has distributed? If not, please provide copies of all pre-printed prescription forms Warner West has distributed in this time period.
10. Please provide copies of all communications, including emails to or from any Warner West employees, relating to: the submission of these claims to CVS/caremark, their responses from CVS/caremark, and any press inquiries or news reports regarding this matter.
11. Please provide documents indicating the total number of claims over \$5,000 Warner West has submitted to CVS/caremark for 30-day supplies of Resveratrol from January 1, 2013, to the present; the number of those claims that have been approved; and the total dollar amount of those approved claims.

Please provide your responses and the documents requested by September 18, 2015. In addition, in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, please redact any personally identifiable information from the documents you are producing. Please contact Ali Golden or Christy Gamble of my staff at (202) 225-5051 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Elijah E. Cummings
Ranking Member

cc: The Honorable Jason Chaffetz
Chairman, Committee on Oversight and Government Reform

Enclosures



WARNER WEST PHARMACY

Patient Name: _____ Phone# _____ Last 4 Digits of SS# _____
DOB: _____ Allergies: _____ NKDA: _____ ICD-9: _____
Address: _____ City: _____ State: _____ Zip: _____
Rx Insurance Co: _____ BIN: _____ PCN: _____
Member ID# _____ Group: _____ Pharmacy Help Desk# _____

PLEASE FAX COPIES OF BOTH MEDICAL AND PRESCRIPTION CARDS ALONG WITH PATIENT DEMOGRAPHICS

☐ **METABOLIC SUPPORT. OPTION 1.**

- ☐ Hyaluronic Acid 4 mg
- ☐ Lipoic Acid 25 mg
- ☐ CoEnzyme Q10 50 mg
- ☐ Pyridoxal 5 Phosphate 7 mg
- ☐ Methylcobalamin 1 mg
- ☐ Vitamin D3 1 mg
- ☐ Folic acid 0.05 mg

Quantity: 180 capsules

Directions: Take 2 capsules by mouth 3 to 4 times daily before meals

☐ **CoEnzyme Q10. OPTION 2.**

☐ 100 mg/cap. ☐ 1/16 of tsp

Quantity: 120 capsules/ 12 gm

Directions: Take 2 capsules by mouth 2 times daily before meals. Take 1/16 of tsp twice daily.

☐ **Lipoic acid. OPTION 3.**

☐ 600 mg/cap. ☐ 1/4 of tsp

Quantity: 30 capsules/ 18 gm

Directions: Take 1 capsule by mouth daily. Take 1/4 of tsp by mouth once daily.

☐ **RESVERATROL POWDER. OPTION 4.**

Directions: Mix 1/2 tsp (=700 mg) of powder in 8 oz of water three times daily. Mix completely and drink all 8 oz.

Quantity.= 63 gm.(30 day supply)

☐ **RESVERATROL POWDER. OPTION 5.**

Directions Mix 1/4 tsp (=350 mg) of powder in 8 oz of water twice daily. Mix completely and drink all 8 oz

Quantity.= 21 gm.(30 day supply)

In the event that Option 1 is not covered, substitution to Option 2, 3, 4 or 5 with different prescribed medication or formulation is applicable. By signing this prescription, prescriber is authorizing pharmacy to substitute as necessary.

Refills: 0 1 2 3 4 5

Physician Name: _____ Signature: _____ Date: _____
NPI#: _____ DEA#: _____ Phone#: _____
Address: _____ Fax# _____
City: _____ State: _____ Zip code: _____

Ph: (855) 927-9378 E-Fax : (855) 254-8007

Rx # 641735

Exit
Undo
History
Tools
Image

Patient
06/18/75 M ZIP: 90064
F2
RX No. 641735
Date Filled 05/01/2015

Patient

DeMographic
Rx Plan
Clinical
Notes & Flags
HIPAA

Flags:
Notes

☐ A/R account
☐ WC / Green Lien
☐ Delivery
☐ No Safety Cap. Requested
☐ Automatic Refilling Requested
☐ Refill Reminder
☐ Pickup/Delivery Notification
☐ Auto bill Copay to 2nd Ins.
☐ Deceased
☒ Pharmacy First Refill Reminder

PATIENT REFUSED RX#641735
ON 5/19/2015 RX WAS REVERSED
THAT SAME DAY AT 7:51.40PM
WITH REF# 151215266067146.
PHARMACY CALLED CAREMARK
AND SPOKE WITH VICTORIA Z.
TO MAKE SURE THAT THERE
WAS NO CHARGES TO THE
PATIENT INSURANCE FOR THIS
CLAIM OR ANY OTHER CLAIMS.

Sig Lang. English
Comm. Via Home Phone

Done
Edit