

Practice Fusion Admits to Opioid Kickback Scheme

Practice Fusion, a San Francisco-based health information technology developer, will pay \$145 million to resolve criminal and civil investigations relating to its electronic health records (EHR) software (1). The Department of Justice announced on January 27th that the company admitted it solicited and received kickbacks from a major opioid company in exchange for utilizing its software to influence physicians prescribing opioid pain medications. The pharmaceutical company is widely speculated to be Purdue Pharma which faces U.S. Justice Department probes and sprawling litigation over allegations it played a central role in the deadly opioid crisis (2).

The DOJ said Practice Fusion extracted kickbacks from pharmaceutical companies in exchange for implementing a clinical decision support (CDS) system in its electronic health records (EHR) software designed to increase prescriptions for their drug products. In exchange for “sponsorship” payments from pharmaceutical companies, Practice Fusion allowed the companies to craft CDS alerts to increase sales of the companies’ products, resulting in alerts that did not always reflect accepted medical standards. In their criminal probe of opioid makers, federal prosecutors have indicted pharmaceutical company executives, physicians and pharmacists. This is the first criminal action against an EHR vendor and no indictments of any Practice Fusion executives were made.

Founded in 2005, Practice Fusion offers an EHR tailored for smaller, independent physician practices. It supports practices that comprise 112,000 health care workers who see 5 million patient visits per month. Practice Fusion had expected to go public at a valuation of about \$1.5 billion, but was instead acquired in 2018 by Chicago-based Allscripts for \$100 million in cash.

Our practice at Arizona Chest and Sleep Medicine uses Practice Fusion in its outpatient clinics. None of us were aware of receiving any alerts advising prescribing opioids.

References

1. Johnson T. S.F.-based Practice Fusion Inc. admits to opioid kickback scheme. San Francisco Business Times. January 28, 2020. Available at: <https://www.bizjournals.com/sanfrancisco/news/2020/01/28/s-f-based-practice-fusion-inc-admits-to-opioid.html> (accessed 2/3/20).
2. Spector M, Hals T. OxyContin maker Purdue is 'Pharma Co X' in U.S. opioid kickback probe – sources. Reuters. January 28, 2020. Available at: <https://www.reuters.com/article/us-purdue-pharma-investigation-opioids-e/exclusive-oxycontin-maker-purdue-is-pharma-co-x-in-us-opioid-kickback-probe-sources-idUSKBN1ZR2RY> (accessed 2/3/20).