



CONTACT:

Jim Gottstein

907 274-7686

[jim.gottstein@psychrights.org](mailto:jim.gottstein@psychrights.org)

## Seventh Circuit Rules Psychiatrists Commit Medicaid Fraud By Prescribing Psychiatric Drugs Off-Label to Children

*FOR IMMEDIATE RELEASE*

August 29, 2013

In a [Decision](#) issued yesterday, sending the case back to the trial court, the United States Court of Appeals for the Seventh Circuit (7th Circuit) held that psychiatrists commit Medicaid fraud when they write off-label prescriptions for psychiatric drugs to children for uses that are not "supported" by any of three drug references, known as "compendia."

At page 4 of its [Decision](#) the 7th Circuit first stated:

Under the applicable interlocking provisions of the False Claims Act and laws governing Medicaid, the federal government generally will not pay for medications prescribed for purposes not approved by the FDA or "supported" by any of several pharmaceutical reference books (called "compendia").

at page 12:

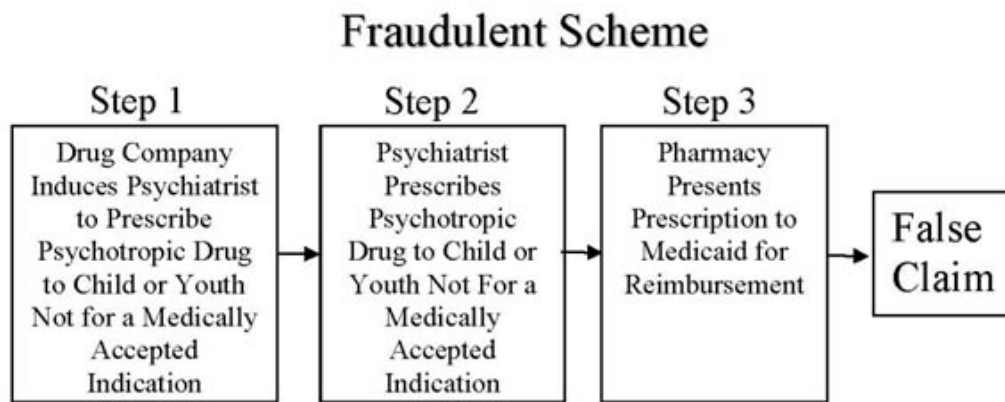
A reasonable jury could plausibly interpret the evidence Watson assembled to show that King-Vassel recklessly disregarded the fact that N.B. received Medicaid assistance, and that claims for payment for his prescriptions would be submitted to Medicaid.

and then at p. 15:

In short, we do not think a jury needs expert testimony to understand that writing a prescription to a person insured by Medicaid will likely cause a claim to be filed with Medicaid.

The lawsuit, *ex rel Watson v. King-Vassel*, was brought under [PsychRights' Medicaid Fraud Initiative Against Psychiatric Drugging of Children & Youth](#), by [Dr. Toby Watson](#), a Wisconsin psychologist, to support the Law Project for Psychiatric Rights' (PsychRights®) effort to try and stop the tremendous harm caused by off-label psychiatric drug prescriptions to poor children on Medicaid for uses that have no recognized scientific support. Dr. Watson, said, "I am pleased the 7th Circuit ruled in our favor even though I inadvertently used the authorization for release of information form developed for my clinical practice."

[Jim Gottstein](#), president of the Law Project for Psychiatric Rights and the attorney who handled the appeal, explained that "Congress limited Medicaid coverage to uses approved by the FDA or supported by one of the compendia, which is defined in the statute as a 'medically accepted indication.' This is one of the things the 7th Circuit confirmed. Another is that psychiatrists commit Medicaid Fraud when they write prescriptions for psychiatric drugs to children that are not for a medically accepted indication." Mr. Gottstein went on to say, "the government has gone after and recovered billions of dollars from the drug companies for illegally pushing these drugs for use on children who are upset and acting out, but the psychiatrists are still prescribing these extremely harmful drugs to children." The Drug Companies' Fraudulent Scheme can be depicted as follows:



[PsychRights' Medicaid Fraud Initiative Against Psychiatric Drugging of Children & Youth](#) is designed to discourage doctors from continuing to prescribe psychiatric drugs to children that are not for a medically accepted indication. Each off-label prescription that is not for a medically accepted indication carries a minimum penalty of \$5,500.

Rebecca Gietman, Dr. Watson's trial counsel said, "With this remand, we are one step closer to addressing issues involved with the psychotropic drugging of children. Kudos to the 7th Circuit."

The Law Project for Psychiatric Rights is a public interest law firm devoted to the defense of people facing the horrors of forced psychiatric drugging and electroshock. Additionally, given the massive, growing prevalence of psychiatric drugging of children and youth, and the fact that minors have little to no influence on these adult-instituted decisions, PsychRights has made attacking this unfolding national tragedy a priority. PsychRights is further dedicated to exposing the truth about psychiatric interventions and the courts being misled into ordering people to be subjected to these brain and body damaging drugs against their will Extensive information about these dangers, and about the tragic damage caused by electroshock, is available on the PsychRights web site: <http://psychrights.org/>.