

BEFORE THE NEVADA STATE BOARD OF PHARMACY

NEVADA STATE BOARD OF PHARMACY,	)	CASE NO. 15-017-RPH-S
	)	CASE NO. 15-017-PT-S
Petitioner,	)	CASE NO. 15-017-PH-S
v.	)	
	)	
ADAM KATSCHKE, RPH	)	NOTICE OF INTENDED ACTION
Certificate of Registration No. 15601,	)	AND ACCUSATION
	)	
ANGELA WALKER, PT	)	
Certificate of Registration No. PT06113, and	)	
	)	
MEADOW VALLEY PHARMACY	)	
Certificate of Registration No. PHN01728,	)	
	)	
Respondents.	/	

Larry L. Pinson, in his official capacity as Executive Secretary of the Nevada State Board of Pharmacy, makes the following that will serve as both a notice of intended action under Nevada Revised Statutes (NRS) 233B.127(3), and as an accusation under NRS 639.241.

I.

The Nevada State Board of Pharmacy (Board) has jurisdiction over this matter and these respondents because at all times relevant to the allegations and events alleged herein, Respondent ADAM PAUL KATSCHKE, R.Ph. (Mr. Katschke), Certificate of Registration No. 15601, was a pharmacist registered with the Board; Respondent ANGELA WALKER, PT (Ms. Walker), Certificate of Registration No. PT06113, was a registered pharmaceutical technician with the Board; and Respondent MEADOW VALLEY PHARMACY (Meadow Valley Pharmacy), Certificate of Registration No. PHN01728, held a pharmacy license issued by the Board,

II.

In March 2015, Board Staff received a complaint that Mr. Katschke, Angela Walker and Meadow Valley Pharmacy (collectively referred to herein as the "Pharmacy") were unlawfully

dispensing cream based pain medications to patients in Caliente, Nevada, and the surrounding areas, and fraudulently billing those patients' insurers.

III.

The products at issue here are compounded creams containing *Ketamine*, a Schedule III controlled substance used at times to treat pain, and/or *Ketoprofen*, a nonsteroidal anti-inflammatory dangerous drug. The products are referred to collectively herein as "Pain Cream".

IV.

During the course of a joint investigation involving investigators from the Board and from the Nevada State Board of Medical Examiners (BME), Angela Walker admitted verbally and in writing to various activities that violate Nevada statutes and/or regulations.

V.

Ms. Walker is a pharmaceutical technician. She is not a licensed pharmacist, although she has claimed to be the pharmacy manager.

VI.

Ms. Walker marketed Pain Cream to residents of Caliente, Nevada, and the surrounding areas, by offering those patients samples of the Pain Cream and soliciting orders for tubes of the medication.

VII.

When a patient showed interest in obtaining additional Pain Cream, Ms. Walker's practice was to represent to them that their insurance would pay for the medication and that the Pharmacy would waive the patient's co-pay.

VIII.

Ms. Walker would then contact, or claim to contact, one of four prescribers—Dr. Katschke (Mr. Katschke's brother), Dr. Luedeman, Dr. Rogers or Mr. Anderson, PA—to request approval to process a "prescription" and provide the patient with additional Pain Cream.

IX.

It eventually became the Pharmacy's practice to attribute prescriptions for Pain Cream to one of those four prescribers without the prescriber's knowledge or consent, thereby falsely representing that a prescriber had issued a valid prescription.

X.

The Pharmacy used those prescriber's DEA numbers without their knowledge or consent.

XI.

The Pharmacy initially used Ketamine powder to compound the Pain Cream. Once a provider(s) ceased to pay for Ketamine powder, the Pharmacy switched to billing the insurance companies for Ketamine *tablets*, but continued to compound using the *powder*.

XII.

The *tablet* form of Ketamine is more expensive, and thus merits a higher reimbursement, than Ketamine *powder*.

XIII.

According to Ms. Walker, most patients liked and wanted the Pain Cream until they saw the amount the Pharmacy billed their insurers for the compounded medication.

XIV.

Many times the Pharmacy billed multiple patients' insurers for Pain Cream, but did not make or dispense Pain Cream to the patients.

XV.

The Pharmacy often billed patients' insurers for the Pain Cream without the patients' knowledge.

XVI.

At times, the Pharmacy billed insurers for Pain Cream prescriptions for each member of entire families, including children, and including Ms. Walker's family, for Pain Cream without the patients' knowledge, without a prescription and at times without dispensing any medication.

XVII.

Most of the employees for the Pharmacy allowed the Pharmacy to bill their insurance carriers for Pain Cream that the Pharmacy did not dispense.

XVIII.

The Pharmacy's practice was to refill patients' Pain Cream "prescriptions" until the patient asked the Pharmacy to stop.

XIX.

Per Ms. Walker's verbal and written statements, Mr. Katschke knew and consented to the Pharmacy's activities. He knew that the Pharmacy billed insurers for products the Pharmacy never compounded or dispensed.

XX.

According to Ms. Walker, the Pharmacy paid her commissions of approximately \$100,000 in 2014, resulting from her Pain Cream sales.

XXI.

Ms. Walker maintains that the Pharmacy did not compensate any of the above named prescribers for the prescriptions the Pharmacy attributed to them.

XXII.

During the Board and the BME's joint investigation, Ms. Katschke corroborated many of Ms. Walker's statements and likewise admitted to activities that violate Nevada statutes and/or regulations.

XXIII.

Mr. Katschke is a licensed pharmacist, the sole owner of the Pharmacy and the pharmacy manager of Meadow Valley Pharmacy.