

LARGEST INSTITUTIONAL PHARMACY TO PAY MASSHEALTH \$475,000 OVER KICKBACK ALLEGATIONS

Medicaid Fraud Settlement Part of \$28 Million Joint State-Federal Agreement

BOSTON– The largest institutional pharmacy in the nation will pay the Massachusetts Medicaid Program (Mass Health) more than \$475,000 to resolve allegations that the company participated in a kickback arrangement and caused the submission of false claims to the state, Attorney General Maura Healey announced today. The payment is part of a \$28 million joint state-federal agreement.

The agreement with Omnicare Inc. (Omnicare) settles claims that the pharmacy giant conspired with pharmaceutical drug manufacturer Abbott Laboratories (Abbott) to engage in a number of disguised kickback arrangements to increase overall use of Depakote, a prescription anticonvulsant drug used to treat epilepsy and bipolar disorder and to help prevent migraine headaches. Omnicare will pay a total of \$476,216 to Mass Health under the settlement. “Omnicare’s illegal kickbacks came at the expense of seniors and vulnerable patients,” said AG Healey. “Corporations that reap illicit profits from Mass Health members and taxpayers will continue to be held accountable by my office.”

Omnicare Inc. was acquired by CVS Health Corporation in August 2015. It provides pharmaceuticals and related pharmacy services to elder care facilities and in other specialized health care settings. The states participating in this settlement contend that between January 2001 and December 2008, Omnicare knowingly solicited and received illegal payments from Abbott through agreements that required Omnicare to engage in certain promotional programs, grants, and other financial support. This alleged conduct resulted in false claims to Medicaid and other federally-funded health care programs.

Omnicare will pay the states and the federal government a total of \$28.125 million in civil damages to compensate Medicaid, Medicare, and other federal healthcare programs for harm suffered as a result of the alleged conduct. This settlement is based on two whistleblower cases that were consolidated and are pending in the U.S. District Court for the Western District of Virginia. The cases were filed under federal and state false claims statutes. Assistant Attorney General Robert Patten of AG Healey’s Medicaid Fraud Division handled the settlement of this

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matter on behalf of the Commonwealth. The team appointed by the National Association of Medicaid Fraud Control Units to investigate this matter includes representatives from the Offices of the Attorneys General for the states of California, Illinois, Maryland, New York, Ohio, South Carolina and Virginia.