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GE Healthcare Inc. Pays U.S. $30 Million to Resolve False Claims Act Allegations

GE Healthcare Inc. has paid the United States $30 million, plus interest, to settle allegations that a company it acquired in 2004, Amersham Health Inc., had violated the False Claims Act by causing Medicare to overpay for Myoview, a radiopharmaceutical used in certain cardiac diagnostic imaging procedures, the Justice Department announced.

Myoview is distributed in multi-dose vials of powder. In a process known as reconstitution, nuclear pharmacies mix the powder with a radioactive agent to prepare individual doses that are injected into patients as part of the cardiac imaging procedures. Certain Medicare payment rates for Myoview were based, in part, on the number of doses available from vials of Myoview. The government alleges that Amersham Health provided false or misleading information to Medicare regarding the number of doses available from vials, causing Medicare to pay for Myoview at artificially inflated rates.

“It's important for drug manufacturers to provide accurate pricing information to Medicare so that taxpayers aren't overcharged for medicines purchased with their dollars,” said Tony West, Assistant Attorney General for the Justice Department’s Civil Division. “As this case demonstrates, we remain committed to ensuring that Medicare funds are expended efficiently and appropriately.”

The allegations arise from a lawsuit that was brought under the qui tam, or whistleblower, provisions of the False Claims Act, which permit private citizens with knowledge of fraud against the government to bring an action on behalf of the United States and to share in any recovery. The whistleblower in this suit, James Wagel, will receive $5.1 million from the government’s recovery.

Barbara L. McQuade, U.S. Attorney for the Eastern District of Michigan, said, "Drug companies should be aware that we are scrutinizing records to detect all forms of health care fraud. We hope that vigorous civil and criminal enforcement will deter companies from defrauding taxpayers in the future."

This resolution is part of the government’s emphasis on combating health care fraud and another step for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, which was announced by Attorney General Eric Holder and Kathleen Sebelius, Secretary of the Department of Health and Human Services in May 2009. The partnership between the two departments has focused efforts to reduce and prevent Medicare and Medicaid financial fraud through enhanced cooperation. One of the most powerful tools in that effort is the False Claims Act, which the Justice Department has used to recover more than $66.6 billion since January 2009 in cases involving fraud against federal health care programs. The Justice Department’s total recoveries in False Claims Act cases since January 2009 are over $86.6 billion.