Utah receives $8.5 million from medicaid fraud settlement

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SALT LAKE CITY – The Utah Attorney General’s Office will collect $8.5 million from GlaxoSmithKline, also called GSK, for defrauding the state’s Medicaid program through allegedly false and misleading marketing of Avandia. GSK introduced Avandia in 1999 as a new diabetic medication to treat Type II diabetes by helping sensitize cells to insulin and thereby assisting in blood-sugar control.

The Medicaid Fraud Control Unit of the Utah Attorney General’s Office filed the lawsuit in 2010 and alleged GSK marketed Avandia nationwide as a “wonder drug” and as a “significant advance” in diabetes treatment. The lawsuit also alleged Avandia has been proven to increase the risk of cardiovascular events, including heart attacks, among certain users of Avandia.

“This settlement is a great outcome in a complex case,” said Robert Steed, Director of the Medicaid Fraud Control Unit. “I am grateful for the hard work of our legal team and Chief Auditor Sam Battaglia at the Medicaid Fraud Control Unit.”

Assistant Attorney General Robert Morton represented the state in the negotiations, along with Jeffrey Gooch with the Gooch Firm in Salt Lake City and Bill Robins with the law firm of Heard, Robins, Cloud & Black LLP out of New Mexico. GSK denied liability in connection with the settlement.

Submitted by the office of the attorney general.

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