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Attorney General Recovers \$25.2 Million from Drug Companies Charged with Fraud

Louisiana Attorney General Buddy Caldwell announced today that his office has recovered \$25.2 million from five pharmaceutical companies that he sued alleging unlawful inflation of drug costs paid by Louisiana taxpayers through the Medicaid program.

The companies—Actavis, Boehringer Ingelheim, Dey, GlaxoSmithKline, and Schering-Plough—have agreed to pay Louisiana a combined total of \$25.2 million for misreporting drug price information in order to improperly increase reimbursements paid by Louisiana’s Medicaid program. The Medicaid reimbursements are based on what is called Average Wholesale Prices or AWP’s.

Attorney General Caldwell said, “Fraudulent over-pricing and marketing of prescription drugs caused Louisiana taxpayers and the Medicaid program to grossly over-pay for those prescriptions. Pharmaceutical companies who do this will be held accountable.”

Attorney General Buddy Caldwell has made it a priority of his administration to aggressively pursue the recovery of taxpayer funded Medicaid program dollars. Over the last four years, the Louisiana Attorney General’s office has recovered a total of \$138 million for the Medicaid Program.

These five most recent recoveries come as a result of Caldwell’s 2010 lawsuit against 109 drug manufacturers in the case of State of Louisiana v. Abbott Laboratories, and the related State of Louisiana v. McKesson Corporation case filed last year. The suit accuses the defendants of committing fraud and violating the Louisiana Unfair Trade Practices and Consumer Protection Act and Louisiana’s Medical Assistance Programs Integrity Law. Several of the more than one hundred remaining defendants will likely go to trial in the 19th Judicial District Court later this year.

“These settlement funds are just the tip of the iceberg,” stated Caldwell. “We will continue to fight to recover our taxpayer dollars until every cent is accounted for.”



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