



Attorney General Steve Carter has recovered \$337,050 for the state's Medicaid program and another \$44,800 in investigative costs from Walgreens for alleged false billing under Medicaid's Restricted Card Program.

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Attorney General Announces Settlement With Walgreens

InsideIndianaBusiness.com Report

Indiana Attorney General Steve Carter says Walgreen Co. has agreed to pay more than \$28,000 to the Indiana Medicaid Program to settle allegations of improper billing. The company was alleged to have switched dosage forms for three medications, causing Medicaid programs to pay more for the drugs than necessary. The payment to Indiana is part of a \$35 million settlement with the United States, 42 states and the Commonwealth of Puerto Rico.

Source: Inside Indiana Business

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Press Release



Indianapolis, Ind. -- Walgreen Co. ("Walgreens") has agreed to pay \$28,479 to the Indiana Medicaid Program to settle allegations of improper billing, Attorney General Steve Carter announced today. The payment is part of a \$35 million settlement with the United States, 42 states and the Commonwealth of Puerto Rico and resolves claims that Walgreens violated various state and federal statutes and regulations by switching dosage forms of three medications commonly prescribed for Medicaid patients causing Medicaid programs nationwide to pay substantially more for these drugs than they otherwise would have. Walgreens will repay Indiana \$9,698.54 for the state's share of the Medicaid loss. The rest of the recovery will go to the federal government for its share of the Medicaid loss.

"Switching dosages in return for a higher financial reimbursement is not only illegal, but irresponsible to the patients who could have been harmed by the switch," said Carter.

Walgreens, currently operates retail pharmacies in 48 states and Puerto Rico. Today's settlement is the result of a joint federal-state investigation arising from the filing of a false claims act lawsuit in U.S. District Court in Chicago in 2003. The whistleblower's complaint in that action alleged that Walgreens filled prescriptions for numerous Medicaid recipients by aggressively switching dosage forms of ranitidine (the generic form of Zantac, an anti-ulcer medication); fluoxetine (the generic form of Prozac, an anti-depressant); and selegiline (the generic form of Eldepryl, used in the treatment of Parkinson's disease and senile dementia).

Government investigators allege that the improper switching practices occurred between July 2001 and 2005, and that the wholesale substitution of alternate dosage forms of these drugs resulted in higher payments under the automated Medicaid reimbursement system, with no corresponding medical benefit to the individuals receiving the prescriptions. Today's settlement also resolves allegations that Walgreens made these wholesale switches without physician involvement and therefore violated numerous state regulations governing pharmaceutical dispensing.

This settlement is the third and final in a series resulting from investigations of similar conduct by pharmacy providers nationwide. Together, the three cases have brought back more than \$120 million to Medicaid programs around the country. Indiana has recovered \$1.7 million from earlier settlements with CVS/Caremark Corporation and Omnicare.

In addition to the payment of cash settlements to the state and federal governments, Walgreens has agreed to the terms of a Corporate Integrity Agreement ("CIA") with the Office of the Inspector General of the United States Department of Health and Human Services. The CIA will include provisions that will ensure that Walgreens does not switch dosage forms of medications if the result would increase the costs to third-party payers, including Medicaid, and will subject the company's billing practices to ongoing federal scrutiny.

Carter has recovered \$337,050 for the state's Medicaid program and another \$44,800 in investigative costs from Walgreens for alleged false billing under Medicaid's Restricted Card Program. The payment resolves a 2004 lawsuit alleging a Walgreens pharmacy in Muncie, Indiana submitted at least 490 false claims for prescriptions to at least 25 Medicaid recipients who were participants of its Restricted Card Program.

Source: Office of Indiana Attorney General Steve Carter

