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MADIGAN: ILLINOIS TO RECEIVE \$10 MILLION FROM BRISTOL-MYERS SQUIBB

Chicago – Attorney General Lisa Madigan announced today that Illinois will receive more than \$10 million from a \$403 million multi state Medicaid fraud settlement with pharmaceutical giant Bristol-Myers Squibb (BMS), and its former wholly owned subsidiary Apothecon, Inc.

The agreement resolves claims by Madigan, attorneys general of 43 other states, the District of Columbia, and the federal government of illegal drug marketing and pricing of prescription medications paid by the participating states' Medicaid programs totaling \$389 million plus interest.

“We will continue to hold pharmaceutical companies accountable when they don’t follow the law,” said Attorney General Madigan. “When drug companies do this, they prevent our Medicaid programs from receiving needed resources and, ultimately, harm the patients who benefit from these programs.”

The settlement addresses allegations that BMS engaged in a number of improper marketing and pricing practices, including:

- Reporting inflated prices for various prescription drugs knowing that Medicaid and various federal health care programs would use these reported prices to pay for BMS and Apothecon products used by their recipients;
- Paying illegal remuneration to physicians, health care providers and pharmacies to induce them to purchase BMS and Apothecon products;
- Promoting the sale and use of Abilify, an antipsychotic drug, for pediatric use and for treatment of dementia-related psychosis, uses which the federal Food and Drug Administration has not approved; and
- Misreporting sales prices for Serzone, an antidepressant, resulting in the improper reduction of the amount of rebates paid to the state Medicaid programs.

The settlement reimburses the federal government, which settled its portion of the case last fall; and the participating states for excessive amounts paid by Medicaid programs as a result of this conduct. As part of the settlement, BMS

has also entered into a Corporate Integrity Agreement with the Office of Inspector General of the U.S. Department of Health and Human Services, under which BMS will be required to report accurately its average sales prices and average manufacturers prices in the future.

A team from the National Association of Medicaid Fraud Control Units participated in the investigation and represented the states' interests in the settlement negotiations.

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