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MADIGAN ANNOUNCES SECOND MULTI-MILLION DOLLAR SETTLEMENT THIS MONTH***Settlement Stems from Attorney General's Suit Alleging Baxter Fraudulently Published Inflated Prices for Prescription Medications - Funds Will Go to Pay Medicaid Bills***

Chicago - Attorney General Lisa Madigan today announced that her office has recovered \$6.8 million for the State through a settlement agreement with Baxter Healthcare Corporation, resolving allegations that the drug company inflated the wholesale prices used in setting the rates for Medicaid reimbursements. The State's recovery of \$6.8 million from Madigan's settlement has been deposited into the State of Illinois' General Revenue Fund for use in paying Medicaid bills for Illinois' neediest patients.

Madigan filed a 2005 lawsuit against the Deerfield-based Baxter and other drug makers for deceptive practices related to the Average Wholesale Price (AWP) of numerous prescription drugs. Madigan's suit specifically alleges that the drug makers fraudulently published inflated Average Wholesale Prices, which Medicaid programs used to determine the reimbursement amounts for drugs prescribed to Medicaid patients. The lawsuit alleges that the inflated prices have resulted in the overpayment of drug costs by the State of Illinois. The terms of the settlement cover more than two dozen Baxter drugs.

"This is the second settlement this month with a drug company that has engaged in unfair conduct," said Attorney General Madigan. "I am pleased that these two settlements alone have recovered \$14 million in revenue for the State of Illinois. As a result of this 2005 lawsuit, my office has now settled with eight drug companies and recovered more than \$26 million in settlement funds for Illinois."

The suit continues against more than three dozen companies.

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