

DRUG & PHARMACY ALERT

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Omnicare Inc. Agrees to Pay \$124 Million Settlement to Resolve Fraudulent Billing Claims

By **Christian M. Auty**

The Department of Justice announced today that Omnicare Inc. has agreed to pay \$124.24 million for offering improper incentives to skilled nursing facilities to induce the nursing facilities to select Omnicare as their pharmaceutical supplier for Medicare and Medicaid beneficiaries. The settlement resolves two qui tam actions alleging that Omnicare submitted false claims by virtue of entering into below-cost supply contracts with skilled nursing facilities, while simultaneously submitting claims for reimbursement to Medicare and Medicaid for drugs supplied by Omnicare.

The Justice Department also announced that the first qui tam whistleblower who originally brought the allegations forming the basis of the settlement would receive a portion of the settlement amounting to \$17.24 million. Since January 2009, according to the Justice Department, the government has recovered more than \$19.5 billion through False Claims Act cases, with approximately \$13.9 billion coming from fraud against federal health care programs. This most recent settlement underscores the continued government focus on healthcare fraud, waste and abuse, and the critical role of compliance counseling in ensuring adherence to applicable statutes and regulations. Roetzel counts among its ranks partners and counsel, including former Department of Justice, Federal Bureau of Investigations, and Drug Enforcement Agency attorneys, focused on compliance and litigation readiness counseling for healthcare providers throughout the country. We stand ready to advise you concerning your compliance and litigation needs in this heavily scrutinized arena. Please contact the following Roetzel attorneys for further information:

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