



NATIONAL ASSOCIATION OF MEDICAID FRAUD CONTROL UNITS

BRISTOL-MYERS SQUIBB COMPANY SETTLES ALLEGATIONS OF OVERCHARGING THE STATE MEDICAID PROGRAMS FOR DRUGS BRISTOL-MYERS SQUIBB COMPANY PAYS \$75,000,000 IN NATIONWIDE CIVIL SETTLEMENT

The National Association of Medicaid Fraud Control Units (NAMFCU) announced on April 1, 2021, that 50 states and the District of Columbia have joined with federal government to settle allegations that Bristol-Myers Squibb Company overcharged the state Medicaid programs for drugs. The investigation resulted from a *qui tam* action filed in the United States District Court for the Eastern District of Pennsylvania under the federal False Claims Act and various state false claims statutes. Bristol-Myers Squibb, a New York-based pharmaceutical manufacturer, has paid the states and the federal government \$75 million to resolve allegations against the company.

Specifically, these settlements resolve allegations that Bristol-Myers Squibb underpaid drug rebates owed to the states. The whistleblower's complaint alleged that Bristol-Myers Squibb improperly treated certain fees paid to wholesalers as "discounts," and improperly failed to include certain "price appreciation" amounts it received from wholesalers in its AMP calculations, and that the effect of these accounting practices was to falsely decrease the AMP the companies reported to the federal government and improperly decrease the rebates paid to the states. The claims resolved by the settlement are allegations only; there has been no determination of liability.

A NAMFCU Team participated in the investigation and conducted the settlement negotiations with Bristol-Myers Squibb on behalf of the states and included representatives from the Offices of the Attorneys General for the states of California, Florida, New York, North Carolina, and Texas.