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Press Releases



OFFICE OF THE ATTORNEY GENERAL CONNECTICUT

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Attorney General Tong Announces \$118 Million Agreement with Practice Fusion

Agreement Settles Allegations of Improper Use of Clinical Decision Support Arrangements with Pharmaceutical Companies

Attorney General William Tong announced that Connecticut and other states have reached a \$118.6 million **civil settlement agreement** with Practice Fusion, Inc., resolving allegations that the company accepted payments from specific drug manufacturers in exchange for promoting the manufacturers' drugs to physicians using Practice Fusion's software.

An investigation conducted by the U.S. Department of Justice found that Practice Fusion Inc. accepted payments that constitute kickbacks in violation of the federal Anti-Kickback Statute and Civil Monetary Penalties Law, and related state statutes.

"Patients trust their doctors to provide quality health services and unbiased medical advice. Practice Fusion abused that trust and inserted themselves into doctor-patient relationships by promoting specific drugs or class of drugs to be prescribed. This settlement agreement holds Practice Fusion accountable for accepting kickbacks at the expense of patients' well-being," **said Attorney General Tong**.

"This case involved a particularly insidious scheme to promote certain manufacturers' drugs through a software program, and I join Attorney General Tong in condemning it. We thank the U.S. Department of Justice for its investigative actions, and the Attorney General and his staff for securing Connecticut taxpayers' share of the settlement," **said Commissioner Deidre S. Gifford of the Department of Social Services**, the administering agency for Medicaid.

Chief State's Attorney Richard J. Colangelo, Jr., expressed his appreciation to the Medicaid Fraud Unit in the Office of the Chief State's Attorney, the Office of the Attorney General and the Department of Social Services for their continued collaboration to protect the integrity of the Medicaid program. "With limited resources available to help those who are truly in need, it is critical that we get the most from each tax dollar," **Colangelo said**.

Under the agreement, Practice Fusion will pay \$118,642,000 to resolve civil fraud allegations impacting Medicaid and other government healthcare programs, with \$5,267,048 of the sum being paid toward the state Medicaid programs. The portion of the settlement attributable to Connecticut Medicaid, a joint state/federal program, is \$336,087.89, of which the state share is \$201,668.79.

From November 2013 through August 2017, Practice Fusion solicited and received improper payment from certain pharmaceutical manufacturers based on the anticipated benefit from an increase in sales of drugs from promotional alerts, known as clinical decision support (CDS) alerts, which were created by Practice Fusion using its electronic health records software. The promotions took the form of pop-up notifications to physicians, suggesting a particular drug to be considered, as they evaluated patients' medical histories.

Pharmaceutical manufacturers that paid Practice Fusion selected guidelines used to develop the alert, set criteria that would determine when a provider received an alert, and in some cases, even drafted the language used in the alert itself.

These alerts did not always reflect accepted medical standards and although they appeared to provide unbiased medical information, the alerts were designed to encourage providers to prescribe a specific drug or class of drugs.

This behavior resulted in false claims or information being submitted or presented to state Medicaid programs for reimbursement.

Practice Fusion is a web-based electronic health records company based in San Francisco, California. The company was founded in 2005 and acquired by Allscripts.

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