



PRESS RELEASE

Attorney General Frosh: Maryland Settles Anti-Kickback Case with Drug Manufacturer

BALTIMORE, MD (July 8, 2016) - Maryland Attorney General Brian E. Frosh announced today that Maryland joined with other states and the federal government to reach a settlement with Salix Pharmaceuticals, Inc. that resolves allegations that Salix paid illegal kickbacks to healthcare providers. Salix, a Delaware corporation headquartered in Raleigh, North Carolina, will pay the states and federal government \$54 million. Maryland will receive \$62,143.29, a portion of which is shared with the federal government, which provides joint funding for the Medicaid program.

The settlement stems from two whistle-blower lawsuits filed in the United States District Court for the Southern District of New York under the federal False Claims Act and various state false claims statutes. Specifically, the lawsuits alleged that the company paid kickbacks, including honoraria and meals, to health care professionals as an inducement to recommend, promote and prescribe Xifaxan, Apriso, Relistor, Moviprep, OsmoPrep, Solesta, and Deflux from January 2009 to December 2013. As a result of this allegedly unlawful promotion, Salix is alleged to have caused false claims to be submitted to government health care programs.

A team from the National Association of Medicaid Fraud Control Units participated in the investigation and conducted settlement negotiations. Attorney General Frosh thanked Assistant Attorney General Lisa Cameron and Medicaid Fraud Control Unit chief auditor Ruth Jarrell for their work on this matter.