



PRESS RELEASE

Attorney General Frosh Announces \$209 Million Settlement with Walgreens to Resolve Allegations of Fraudulent Over-Dispensing of Insulin Pens

BALTIMORE, MD (January 25, 2019) – Maryland Attorney General Brian E. Frosh announced today that Maryland, together with the federal government and other states, has reached a \$209.2 million nationwide settlement with Walgreens Boots Alliance over allegations of engaging in a fraudulent scheme to over-dispense insulin pens to Medicare and Medicaid recipients. Maryland will receive \$266,951, which will be shared with the federal government.

Specifically, the settlement resolves allegations that rather than dispensing the quantity of insulin called for by patients' insulin pen prescriptions, Walgreens exceeded the prescription amount and falsified information on claims submitted for Medicaid reimbursement, including the quantity of insulin and/or days' supply dispensed.

“Walgreens was engaged in straight up fraud. It cheated the state and the Marylanders who depend upon Medicaid for health care,” said Attorney General Frosh.

According to the settlement, Walgreens admitted to multiple factual statements including programming its computer system to define a full box of five insulin pens as the minimum dispensing package size. This definition prevented Walgreens pharmacists from being able to dispense fewer than five pens even though a patient's prescription called for less pens than a box of five. Thus, Walgreens repeatedly reported information to state Medicaid programs different from, and lower than, the correctly calculated supply according to standard pharmacy practice, and as required by state pharmacy laws. This resulted in state Medicaid programs paying for a substantial number of claims that the programs would not have approved if Walgreens had reported the correct supply of medication based on the prescription.

This settlement arises from a whistleblower action originally filed in 2015 in the United States District Court for the Southern District of New York under the federal False Claims Act and the named plaintiff states' respective false claims statutes. The National Association of Medicaid Fraud Control Units team conducted the investigation and participated in settlement negotiations with Walgreens on behalf of the states. Attorney General Frosh thanked the state Medicaid Fraud Control Unit for its work in this case, specifically Assistant Attorney General Raja Mishra and Chief Auditor Ruth Jarrell.