



## PRESS RELEASE

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### **AG Gansler: Sanofi US Pays \$617,000 to Resolve Medicaid Kickback Allegations**

*New Jersey-based company also falsified sales information to get higher reimbursement for osteoarthritis drug*

**Baltimore, MD ( August 22, 2013)** -Attorney General Douglas F. Gansler announced today that Maryland, joining with other states, has settled allegations that Sanofi-Aventis U.S. Inc., (now Sanofi US Services, Inc. and Sanofi Aventis U.S. LLC - collectively "Sanofi US") paid physicians to purchase and prescribe the medication Hyalgan in violation of the federal Anti-Kickback Statue and various state anti-kickback laws. Sanofi US, a New Jersey-based company, will pay the participating state Medicaid programs a total of approximately \$617,000, with \$5,026.35 going to the Maryland Medicaid program. That amount will be shared with the federal government, which partially funds the state Medicaid program.

"Drug companies that use bribes to boost their bottom lines show total disregard for the health and welfare of consumers," said Attorney General Gansler. "This settlement demonstrates that businesses attempting to cheat the system will be held accountable."

Hyalgan is used to treat osteoarthritis pain in the knee. The settlement resolves allegations that Sanofi US offered and provided free Hyalgan units with knowledge that physicians could obtain reimbursement from Maryland's Medicaid Program as if they had paid for the drugs and/or knew that the units were not free because they were offered only in exchange for purchasing additional quantities of Hyalgan. Additionally, the settlement resolves allegations that Sanofi US submitted inflated "Average Sales Price" (ASP) information to the government, resulting in inflated Medicaid reimbursement for Hyalgan in states that used ASP to calculate reimbursement rates for the product.

In announcing the settlement, Attorney General Gansler thanked Assistant Attorney General Jeremy Dykes and Medicaid Fraud Control Unit Investigative Auditor Carol Kelly for their work on this case.