

NEWS from the North Dakota Department of Human Services
600 E Boulevard Ave, Bismarck ND 58505-0250

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Contacts: Brendan Joyce, Administrator of Pharmacy Services - Medical Services Division, N.D. Dept. of Human Services, 701-328-4023, or Heather Steffl, Public Information Officer, N.D. Dept. of Human Services, 701-328-4933

ND receives \$67K in Medicaid fraud settlement

BISMARCK, N.D. - The North Dakota Department of Human Services received \$67,723 for its share of a \$425 million settlement reached between the National Association of Medicaid Fraud Control Units, the federal government, and pharmaceutical manufacturer Cephalon, Inc. The pharmaceutical manufacturer is paying \$375 million in damages and penalties for Medicaid and other federal health care programs, and \$50 million as part of a plea agreement related to an alleged misdemeanor violation of the Food, Drug, and Cosmetic Act.

The nationwide federal and state settlement resolves allegations that the drug manufacturer promoted the drugs Provigil, Gabitril, and Actiq for uses other than what the Food and Drug Administration (FDA) approved. Cephalon also funded continuing medical education programs, through millions of dollars in grants, to promote off-label uses of these drugs.

The FDA approved Provigil to treat narcolepsy and sleep disorders and approved Gabitril as a partial treatment for seizures. Actiq is FDA-approved to treat cancer patients for whom morphine-based painkillers are no longer effective. Cephalon inappropriately marketed these medications for other conditions and purposes.

The settlement reimburses the federal government and participating states for excessive amounts paid by the Medicaid program as a result of the company's improper marketing campaign. In addition, Cephalon entered into a Corporate Integrity Agreement with the federal Department of Health and Human Services, Office of Inspector General, requiring strict scrutiny of its future marketing and sales practices.

A team from the National Association of Medicaid Fraud Control Units represented the interests of states during negotiations with the company.

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