

NEWS from the N.D. Department of Human Services

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N.D. Dept. of Human Services Announces Drug Company Settlements

BISMARCK, N.D. – The North Dakota Department of Human Services announced today that the state Medicaid program will receive \$730,685 for its share of two national settlements reached with different drug companies.

Negotiation teams of the National Association of Medicaid Fraud Control Units reached a \$72.5 million nationwide settlement with Novartis Pharmaceuticals Corporation and Novartis Vaccines & Diagnostics, Inc. (Novartis), and a \$520 million settlement with AstraZeneca Pharmaceuticals LP, maker of the antipsychotic drug, Seroquel.

Both settlements compensate Medicaid programs and various federal healthcare programs for harm suffered as a result of the companies' conduct.

The Novartis settlement resolves allegations that between January 2001 and July 2006 the drug company promoted a cystic fibrosis drug, marketed under the trade name TOBI®, for uses not approved by the Food and Drug Administration (FDA). Among other things, the company improperly promoted the drug for diseases other than cystic fibrosis and for use in cystic fibrosis patients younger than age six. North Dakota's state share of that settlement totals about \$422,494.

The AstraZeneca agreement settles allegations that between January 2001 and December 31, 2006, the company engaged in a marketing campaign that improperly promoted Seroquel to health care professionals for unapproved uses. Marketing efforts allegedly also included illegal payments to physicians to advise the company about marketing messages for unapproved uses, to serve as authors of articles written by AstraZeneca and its agents, and to conduct studies for unapproved uses of Seroquel.

The settlement also resolves claims that, as a result of these marketing activities, physicians prescribed Seroquel for children, adolescents, and dementia patients in long term care facilities, which are not FDA-approved uses. North Dakota will receive about \$308,191 from the AstraZeneca settlement.

The two settlements reimburse Medicaid programs for costs associated with prescriptions written as a result of the marketing practices. Medicaid is the state and federally-funded health coverage program for qualifying low-income pregnant women, children, frail elderly individuals with long-term care needs, and people with disabilities.

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