

**Government of the District of Columbia  
OFFICE OF THE INSPECTOR GENERAL**



Inspector General  
September 2, 2014

**Nation's Largest Nursing Home Pharmacy Company to Pay Nearly \$16.5  
Million to Settle Allegations Involving False Billings to State Medicaid  
Programs**

Interim Inspector General Blanche L. Bruce announced that the District of Columbia has joined with other states and the federal government to settle allegations that Omnicare Inc., the nation's largest provider of pharmaceuticals and pharmacy services to nursing homes, offered improper financial incentives to skilled nursing facilities in return for their continued selection of Omnicare to supply drugs to Medicaid recipients. The total value of the settlement is \$16.48 million.

Omnicare is headquartered in Cincinnati, Ohio. The settlement resolves allegations that Omnicare entered into below-cost contracts to supply prescription medication and other pharmaceutical drugs to skilled nursing facilities and their resident patients to induce the facilities to select Omnicare as their pharmacy provider for nursing home residents covered by D.C.'s Medicaid program. The government alleges that this conduct violated the Federal Anti-Kickback Statute and resulted in the submission of false claims to the D.C. Medicaid program. As part of the settlement, the District will receive more than \$50,000 in restitution and other recoveries.

The Anti-Kickback Statute prohibits offering, paying, soliciting, or receiving remuneration to induce referrals of items or services covered by Medicare, Medicaid, and other federally-funded programs. The Anti-Kickback Statute is intended to ensure that the selection of health care providers and suppliers is not compromised by improper financial incentives and is instead based on the best interests of the patient.

The settlement resulted from a whistleblower lawsuit originally filed in the United States District Court for the District of New Jersey. A National Association of Medicaid Fraud Control Units team participated in the settlement negotiations with Omnicare on behalf of the states, and included representatives from the Offices of the Attorneys General for the states of California, Massachusetts, New York, Pennsylvania, South Carolina and Texas. Ms. Bruce recognized District of Columbia Medicaid Fraud Control Unit attorney Marcus A. Weeks for his work on this matter.