

The Truth  *About Health*

Bristol-Myers Squibb to Pay Out \$499 Million for Pricing and Marketing Fraud

Volume 10 Issue 117

Bristol-Myers Squibb (BMS) has entered into an “agreement in principle” with the U.S. Department of Justice for \$499 million to settle federal investigations into average wholesale drug pricing fraud related to a variety of drugs, and off-label marketing of the schizophrenia and bipolar disorder drug Abilify ®.

Federal authorities have spent several years examining a series of allegations against BMS’s sales force. This agreement also settles allegations that BMS encouraged doctors to prescribe medicines — including the schizophrenia medicine Abilify — to treat conditions for which they had not been licensed.

The agreement, which has been tentatively accepted by BMS, the Department of Justice and the U.S. Attorney for the District of Massachusetts, means the company will not face civil and criminal charges.

BMS will also enter a corporate integrity agreement with the Office of Inspector General of the Department of Health and Human Services. The agreement must still get final approval from the Justice Department.

The agreement is only the latest of several deals cut with the government. In June 2005, the company settled federal charges for an accounting scandal costing the company \$800 million and was placed under the observation of a federal monitor until 2007.

The bulk of the fine relates to overcharging of the US government’s Medicare and Medicaid insurance schemes. These schemes reimburse patients for their medicines according to a formula based on all drugs’ Average Wholesale Price — a legal term with an exact meaning. BMS was accused of keeping that price artificially high, while in fact supplying drugs at significant discounts.

To date, more than 40 additional companies engaged in Average Wholesale Price violations have been filed in Federal and State courts.

SOURCE: <http://www.taf.org/> Amblify is a registered trademark of Bristol-Myers Squibb Company.