

Omnicare Inc. Settles Kickback Allegations for \$28 Million

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The United States Justice Department (DOJ) announced this week that Omnicare, Inc. (Omnicare), the largest nursing home pharmacy in the United States, will pay approximately \$28 million dollars to resolve charges that it received kickbacks from Abbott Laboratories (Abbott) to promote Abbott's anti-epileptic drug, Depakote, to nursing home patients.

According to the press release, Omnicare, whose consultant pharmacists review nursing home resident's medical charts and make recommendations to the resident's physicians about what drugs should be prescribed to residents, received kickbacks disguised at "grants" and "educational funding" from Abbott in exchange for increasing the utilization of Depakote in nursing homes.

Omnicare was acquired by CVS Health Corporation in 2015; according to the DOJ press release, the conduct addressed in the settlement concluded around 2009.

This settlement comes after a 2012 resolution where Abbott agreed to pay \$1.5 billion dollars to resolve, among other things, violations of the False Claims Act for paying alleged kickbacks to nursing home pharmacies including Omnicare and PharMerica Corp.

In 2015, PharMerica entered into a settlement of \$9.25 million dollars to resolve claims that it received kickbacks from Abbott.

In the DOJ press release, U.S. Attorney John P. Fishwick, from the Western District of Virginia, is quoted as saying "This settlement ensures that some of the most vulnerable amongst us, those suffering from dementia, are provided with the level of care they deserve. Families and loved ones who make the difficult decision to place those they care about into a nursing home must do so with the confidence that medical decisions are being made with the interests of the patient in mind, not big drug companies."

The \$28 million dollar Omnicare settlement will go toward government health insurance

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programs and state Medicaid programs. The settlement also resolves two whistleblower lawsuits filed in the Western District of Virginia by former Abbott employees; one of those whistleblowers will receive approximately \$3 million of the settlement amount.

A copy of the DOJ Press Release is available [here](#).