



DEPARTMENT OF THE ATTORNEY GENERAL

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HAWAII RECOVERS MORE THAN \$400,000 FROM PROTONIX DISTRIBUTOR FOR UNDERPAYING REBATES OWED UNDER THE MEDICAID DRUG REBATE PROGRAM

HONOLULU – Attorney General Doug Chin announced today that the State of Hawaii agreed to settle allegations against Wyeth, a wholly owned subsidiary of Pfizer, Inc. The settlement will resolve allegations that Wyeth knowingly underpaid rebates owed under the Medicaid Drug Rebate Program for the sales of Protonix Oral and Protonix IV between 2001 and 2006.

Under the settlement, Wyeth agreed to pay \$784.6 million to the United States and the States. Over \$371 million of this amount will go to the Medicaid Program. Hawaii will receive \$420,337.77 as its proportionate share under the settlement.

“The Hawaii Medicaid Fraud Control Unit investigates and prosecutes those who try to cheat the system in our State,” **said Attorney General Chin**. “The Hawaii Medicaid program and Medicaid Fraud Control Unit, thanks to this resolution, recovered hundreds of thousands of dollars in underpayments from the Protonix distributor.”

The settlement stems from two whistleblower lawsuits, *U.S., al., ex rel. Kieff v. Wyeth Pharmaceuticals, Inc.*, Civ. No. 03-cv-12366, and *U.S., et al., ex rel. William St. John LaCorte v. Wyeth*, Civ. No. 06-cv-11724, which were filed in the United States District Court for the District of Massachusetts. The United States, 35 states including Hawaii, and the District of Columbia intervened in the lawsuits.

At all relevant times, Wyeth distributed, marketed and/or sold pharmaceutical products in the United States, including Protonix Oral and intravenous Protonix IV. Protonix Oral and Protonix IV are in a class of drugs called Proton Pump Inhibitors, which inhibit the production of gastric acid. Pfizer acquired Wyeth, Inc., in 2009, after the conduct alleged in the lawsuits.

The Medicaid Prescription Drug Rebate Program was enacted by Congress in 1990 as a cost containment measure for Medicaid's payment for outpatient drugs. Today's settlements were negotiated by a team of States working with the Department of Justice, the United States Attorney's Office for the District of Massachusetts, and the United States Department of Health and Human Services Office of Inspector General.

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