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**HAWAII MEDICAID FRAUD CONTROL UNIT RECOVERS MORE THAN
\$617,000 IN CVS FALSE CLAIMS SETTLEMENT**

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FOR IMMEDIATE RELEASE

July 2, 2026

HONOLULU – Attorney General Anne Lopez today announced that Hawaii has joined the United States, District of Columbia, and 35 other states in a coordinated settlement with CVS Pharmacy, Inc., resolving allegations that the company knowingly submitted or caused to be submitted false claims to the Medicaid program related to the dispensing of insulin pens. The \$36.5 million settlement is the result of a collaborative effort among state Medicaid Fraud Control Units, the U.S. Department of Justice and federal partners to protect Medicaid beneficiaries and recover taxpayer dollars. Hawaii's share of the settlement will be \$617,160.

The settlement resolves allegations that, from 2010 through 2020, CVS violated the False Claims Act in connection with its billing and dispensing of insulin pens to patients enrolled in government healthcare programs (GHPs), including Medicare, Medicaid, TRICARE and the Federal Employees Health Benefits Program. Specifically, the settlement resolves claims that CVS improperly requested and received GHP reimbursement for premature refills, dispensed more insulin pens than patients needed according to their prescriptions, and falsely under-reported the days-of-supply of insulin that its pharmacies dispensed. As part of the settlement, CVS also admitted and accepted responsibility for certain conduct, including that GHPs paid CVS substantial amounts for insulin pen refills that were ineligible for reimbursement and CVS

pharmacies dispensed more insulin pens to GHP beneficiaries than they needed.

“Protecting the integrity of Medicaid requires strong partnerships at every level of government,” said Attorney General Lopez. “This settlement demonstrates what can be accomplished when state Medicaid Fraud Control Units work alongside the U.S. Department of Justice, HHS Office of Inspector General and other federal partners to safeguard taxpayer dollars and protect the healthcare programs that serve our most vulnerable residents. We appreciate the collaboration that made this recovery possible and remain committed to strengthening those partnerships.”

Pursuant to the settlement, CVS will pay \$36,500,000 plus interest, to the United States, the District of Columbia, and 35 other states to resolve the allegations set forth in five federal qui tam actions: United States ex rel. Azam Rahimi, et al. v. CVS Pharmacy, Inc., Case No. 18-cv-3047; United States and State of California ex rel. Wayne Wu v. CVS Health Corporation, CVS Pharmacy, Inc., Case No. 19-cv-11244; United States ex rel. Zimniski, et al. v. CVS Health Corporation, CVS Pharmacy, Inc., et al., Case No. 19-cv-1550; United States ex rel. Sergiu Strango, et al. v. CVS Health Corporation, CVS Pharmacy, Inc., and Target Corporation, Case No. 19-cv-8454; and, United States ex rel. RJA, LLP et al. v. CVS Pharmacy, Inc., Case No. 20-cv-3047. The qui tams alleged claims under the federal False Claims Act and various state false claims statutes that CVS submitted false claims related to over-dispensing of insulin pens.

The investigation was conducted by a National Association of Medicaid Fraud Control Units (“NAMFCU”) Team in close coordination with the United States Attorney’s Office for the Southern District of New York and federal law enforcement partners. The NAMFCU Team included attorney representatives from the Offices of the Attorneys General for the states of California, Florida, New York and Wisconsin, reflecting the cooperative approach that Medicaid fraud enforcement requires.

About the Medicaid Fraud Control Unit

The Hawai‘i Department of the Attorney General’s Medicaid Fraud Control Unit works in partnership with federal and state law enforcement agencies to investigate and prosecute Medicaid provider fraud and patient abuse or neglect in healthcare facilities. The unit is committed to protecting Hawai‘i’s Medicaid beneficiaries, safeguarding taxpayer dollars and preserving the integrity of the Hawai‘i Medicaid program.

Prior to June 4, 2026, the MFCU received 75 percent of its funding from the U.S. Department of Health and Human Services under a grant award totaling \$2,929,468 for Federal fiscal year (FY) 2026. The remaining 25 percent, totaling \$976,489 for FY 2026, has been funded by the State of Hawai‘i. The Department of the Attorney General is currently working closely with the U.S. Department of Health and Human Services Office of the Inspector General to restore the unit’s grant funding and appreciates its strong

commitment to collaboration as that process moves forward. In the meantime, the unit continues its important work investigating Medicaid fraud and protecting beneficiaries.

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