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Drug Provider Settles Medicaid Case

By BLOOMBERG NEWS

[Omnicare](#), the largest provider of pharmacy services to nursing homes in the United States, said yesterday that it had agreed to pay \$49.5 million to settle claims by the federal government and 42 states that it overcharged them for drugs provided to the elderly.

Omnicare substituted more expensive forms of generic versions of drugs including Zantac, an antacid, and Prozac, an antidepressant, to evade price limits for Medicaid reimbursement, said Michael I. Behn, a Chicago plaintiffs' lawyer who had filed a suit in the case.

"The health care industry should be wary of manipulating federal and state programs in this manner," [Patrick J. Fitzgerald](#), the United States attorney in Chicago, said in a statement.

The settlement includes a "corporate integrity agreement" requiring training and oversight at Omnicare, based in Covington, Ky. Omnicare did not admit any wrongdoing as part of the accord.

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