



Brad D. Schimel
Wisconsin Attorney General

P.O. Box 7857
Madison, WI 53707-7857

NEWS FOR IMMEDIATE RELEASE

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AG Schimel Reaches Settlement Agreement with Manufacturer of EpiPen®

MADISON, Wis. – Attorney General Brad Schimel announced today that Wisconsin has joined 49 states and the District of Columbia in settling allegations against Mylan Inc. and its wholly-owned subsidiary, Mylan Specialty L.P. (collectively “Mylan”). The settlement resolves allegations that Mylan knowingly underpaid rebates owed to the Medicaid program for the drugs EpiPen® and EpiPen Jr.® (“EpiPen”) dispensed to Medicaid beneficiaries. As part of the settlement the State of Wisconsin will receive \$3,435,755.91 in restitution and other recovery.

“Mylan just discovered taking advantage of taxpayers comes at a high price,” said Attorney General Schimel. “All 50 states joining together in a multistate lawsuit is not common and shows the seriousness of the allegations against this company and their previous practices.”

Pursuant to a settlement Mylan entered with the United States in August, Mylan was to pay up to \$465 million to the United States and the States, depending on the number of States that joined the settlement. As of Friday, September 29th, all 50 States and the District of Columbia had joined the settlement; as a result, the States will share \$213,936,000 of the total settlement of \$465 million.

Mylan Inc. is a Pennsylvania corporation with its principal place of business in Canonsburg, Pennsylvania. It manufactures, markets and sells pharmaceuticals through its wholly-owned subsidiaries. Mylan Specialty is a Delaware limited partnership with its principal place of business in Morgantown, West Virginia. Mylan Specialty owns the exclusive rights to sell EpiPen in the United States and possesses legal title to the New Drug Codes (“NDCs”) for EpiPen.

The Medicaid Drug Rebate Statute was enacted by Congress in 1990 as a cost containment measure for Medicaid's payment for outpatient drugs. That statute requires participating pharmaceutical manufacturers or NDC holders, such as Mylan, to sign a Rebate Agreement with the Secretary of the United States Department of Health and Human Services as a precondition for obtaining Medicaid coverage for their drugs and to pay quarterly rebates to State Medicaid programs for drugs dispensed to Medicaid beneficiaries. NDC holders are required to provide information to CMS concerning their covered drugs. In particular, they have to advise CMS regarding the classification of a covered drug as an "innovator" or "noninnovator" drug, as the amount of rebates owed varies depending on the drug's classification. The amount of the rebate also depends on pricing information provided by the manufacturer. For drugs classified as "innovator" drugs, NDC holders must report their "Best Price," or the lowest price for which it sold a covered drug in a particular quarter.

Specifically, the settlement resolves allegations that from July 29, 2010 to March 31, 2017, Mylan submitted false statements to the Centers for Medicare and Medicaid Services ("CMS") that incorrectly classified EpiPen as a "noninnovator multiple source" drug, as opposed to a "single source" or "innovator multiple source" drug, as those terms are defined in the Rebate Statute and Rebate Agreement. Mylan also did not report a Best Price to CMS for EpiPen, as that term is defined in the Rebate Statute and Agreement, which it was required to do for all "single source" and "innovator multiple source" drugs. As a result, Mylan submitted or caused to be submitted false statements to CMS and/or the States relating to EpiPen for Medicaid rebate purposes, and underpaid its EpiPen rebates to the State Medicaid Programs.

Mylan's settlement with the United States also resolved allegations that Mylan Specialty overcharged certain entities (known as the "340B Covered Entities") that participated in the 340B Drug Pricing Program, 42 U.S.C. § 256b.

The investigation stemmed from two *qui tam* actions, *United States ex rel. sanofi-aventis US LLC v. Mylan Inc., et al.* (No. 16-cv-11572-ADB), and *United States ex rel. Ven-A-Care of the Florida Keys, Inc. v. Mylan Inc., et al.* (No. 17-10140-ADB), pending in the United States District Court for the District of Massachusetts. The *qui tam* actions alleged claims under the federal False Claims Act and various state false claims statutes that Mylan underpaid its rebate allegations to the States.

A National Association of Medicaid Fraud Control Units ("NAMFCU") Team participated in the settlement negotiations with Mylan on behalf of the states and included representatives from the Offices of the Attorneys General for the states of California, New York, North Carolina, South Carolina, Washington, and the Commonwealths of Massachusetts and Virginia.