

Feds fine St. Louis drug maker \$3.5 million

July 19 2013, by Paul Elias

(AP)—A St. Louis-based drug maker is paying \$3.5 million to settle a federal lawsuit that it illegally paid doctors to prescribe out-of-date antidepressants and sleep aids to Medicare and Medicaid patients.

The U.S. attorney's office in San Francisco announced the settlement Thursday. Prosecutors say a former employee of drug maker Mallinckrodt LLC initially filed the lawsuit in 2008 under the federal False Claims Act.

The employee alleged the company paid doctors consulting fees and other inducements for prescribing several of its drugs.

According to the lawsuit, the drugs were "third rate" treatments that would not typically have been prescribed without the inducements. The government joined the lawsuit because Medicare and Medicaid paid for some of the prescriptions.

A Mallinckrodt spokesman says the company is glad the matter is resolved.

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