KEVIN T. KANE
CHIEF STATE'S ATTORNEY

GEORGE JEPSEN
ATTORNEY GENERAL

RODERICK L. BREMBY
COMMISSIONER

Connecticut Medicaid, ConnPACE Programs Part of $500 Million National Settlement with Ranbaxy

Connecticut has joined with other states and the federal government in a $500 million settlement with Ranbaxy, a generic pharmaceutical manufacturer based in India, Attorney General George Jepsen, Chief State's Attorney Kevin T. Kane and Department of Social Services (DSS) Commissioner Roderick L. Bremby announced today.

The settlement resolves civil and criminal allegations that Ranbaxy introduced adulterated drugs into interstate commerce and, as a result, false or fraudulent claims were submitted to Connecticut's Medicaid programs.

Of the $500 million in national recovery, $266,729,715 is for state Medicaid programs, while part of the remaining funds will cover civil penalties and part has been designated for federal health care programs affected by the company's conduct. Connecticut's Medical Assistance Program is eligible for a combined state and federal reimbursement of $1,499,010, of which $751,626 will go to the state.

Additionally, Connecticut will receive $227,080 for three state-specific prescription drug programs administered by DSS – the Connecticut Pharmaceutical Assistance Contract to the Elderly and Disabled, known as ConnPACE; the former Connecticut General Assistance Program; and the Connecticut AIDS Drug Assistance Program.

"With this settlement, Connecticut and our partner states have sent a clear message that any allegation of substandard drugs being introduced into our markets will be taken very seriously," said Attorney General Jepsen. "Further, false or fraudulent claims to our Medicaid programs will not be tolerated."

Chief State's Attorney Kane commended the Medicaid Fraud Control Unit in the Office of the Chief State's Attorney, the Office of the Attorney General and the Department of Social Services for their continued efforts to recover scarce public resources and protect the integrity of the Medicaid program.

DSS Commissioner Bremby said, "Connecticut's share of this national settlement will help offset some taxpayer cost, while underscoring the fact that aggressive follow-up of whistleblower allegations can be critical to program integrity measures."

A whistleblower's complaint alleged that Ranbaxy knowingly manufactured, distributed and sold generic pharmaceutical products – whose strength, purity and/or quality fell below the standards required by the Food and Drug Administration. The products at issue consisted of 26 generic pharmaceutical products manufactured at its facilities in Paonta Sahib and Dewas, India, at various times between April 1, 2003, and September 16, 2010.

In addition to the settlement and civil penalties, Ranbaxy USA, a subsidiary, has pled guilty to seven felony counts alleging violations of the U.S. Food, Drug and Cosmetic Act and has agreed to pay $150 million dollars in criminal fines and forfeitures. Ranbaxy has also entered into a consent decree with the federal government to address outstanding current good manufacturing practice (cGMP) and data integrity issues in the two Indian manufacturing plants at issue. These provisions include a wide range of actions to correct its violations and to ensure that the violations do not occur again.

Click here to for Connecticut's settlement with Ranbaxy.

Click here for the Addendum to Connecticut's settlement.

###

Media Contacts:
Office of the Attorney General:
Susan E. Kinsman
susan.kinsman@ct.gov
860-808-5324 (office)
860-478-9581 (cell)

Office of the Chief State's Attorney:
Mark Dupuis
mark.dupuis@ct.gov
860-258-5997 (office)

Department of Social Services:
David Dearborn
david.dearborn@ct.gov
860-424-5024 (office)

Consumer Inquiries:
860-808-5318
attorney.general@ct.gov
Facebook: Attorney General George Jepsen
Twitter: @AGJepsen