

ALBUQUERQUE – Attorney General Hector Balderas announced a settlement of $209.2 million against Walgreens over their fraudulent dispensing of insulin pens around the nation Jan. 24.

New Mexico is joined by the United States, the District of Columbia, and all other 49 states in settling allegations against Walgreens Boots Alliance.

The agreement in principle resolves allegations that Walgreens knowingly engaged in fraudulent over-dispensing of insulin pens to Medicare and Medicaid beneficiaries. Walgreens operates the largest retail pharmacy chain in the U.S., with 8,309 locations across all 50 states.

“Out-of-state multi-billion dollar corporations must not be allowed to take advantage of New Mexican families,” Balderas said. “My Medicaid Fraud division is dedicated to fighting for New Mexicans, and we will not rest as the most vulnerable New Mexicans are faced with unfair

attacks from all sides."

Because of this settlement, Walgreens admitted to programming its computer system to define a full box of five insulin pens as the minimum dispensing package size. This definition prevented Walgreens pharmacists from being able to dispense fewer than five pens even though a patient's prescription called for less pens than a box of five.

Moreover, Walgreens repeatedly reported information to state Medicaid programs different from, and lower than, the correctly calculated supply according to standard pharmacy practice, and as required by state pharmacy laws. This resulted in state Medicaid programs paying for a substantial number of claims that the programs would not have approved if Walgreens had reported the correct supply of medication based on the prescription.

The settlement resolves allegations that from Jan. 1, 2006 through Dec. 31, 2017, rather than dispensing the quantity of insulin called for by a patient's prescription, Walgreens exceeded the prescription amount and falsified information on claims submitted for reimbursement to Medicare and Medicaid, including the quantity of insulin and/or days' supply dispensed.

Under the settlement, Walgreens will pay the United States and the States $209.2 million under the settlement. Of this amount, $89,185,625.10 will go to the state Medicaid programs to resolve civil allegations that Walgreens' unlawful over-dispensing of insulin pens caused false claims to be submitted to the Medicaid health care programs.

As part of the settlement, New Mexico will receive $840,000 in restitution and other recovery.