



Attorney General Jon Bruning

NEWS RELEASE

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AG Bruning: Settlement with Merck Nets More Than \$1.2 Million for Nebraska

LINCOLN - Attorney General Jon Bruning today announced a settlement with Merck Sharp & Dohme Corp. (Merck) to settle allegations of marketing for unapproved uses and misrepresenting the safety of the drug Vioxx. Merck will pay 42 states and the federal government a total of \$615 million in civil damages and penalties to compensate Medicaid, Medicare and other federal healthcare programs for harm suffered as a result of this conduct. Nebraska's share of the settlement is nearly \$1.26 million.

"Drug companies can't be allowed to play fast and loose with people's health," said Bruning. "This settlement helps to ensure protocol will be followed in the future."

Nebraska alleged Merck made false representations concerning the safety of Vioxx to its Medicaid program which informed formulary and prior authorization decisions with respect to the drug. In addition, the state alleged physicians wrote prescriptions they otherwise would not have written based on false or misleading representations made by Merck in its marketing, advertising and promotion of the drug. This, in turn, caused the Medicaid program to pay for prescriptions that should not have been reimbursed.

As a condition of the settlement, Merck will enter into a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company's future marketing and sales practices.

Medicaid Fraud and Patient Abuse Unit

Since its inception in 2004, the Attorney General's Office Medicaid Fraud and Patient Abuse Unit has recovered more than \$44 million from violating service providers and drug companies.

When the Unit was established, Bruning promised the Legislature it would be self-funding in three years. The Unit's annual recoveries surpassed its operating budget starting in 2006, a year ahead of schedule.