



NEWS RELEASE

Attorney General Mike Hilgers

FOR IMMEDIATE RELEASE
January 30, 2025

Nebraska Joins the United States and 17 States in Settlement against Pharmaceutical Manufacturer QOL Medical

Attorney General Mike Hilgers announced today that Nebraska has joined the United States and 17 other States in settling allegations against pharmaceutical manufacturer QOL Medical, LLC, and Frederick E. Cooper, the company's Chief Executive Officer. QOL sells therapies, including its principal product, Sucraid, for patients with rare diseases.

The settlement resolves allegations that QOL induced healthcare providers and a clinical laboratory to purchase Sucraid in violation of the federal Anti-Kickback Statute, the federal False Claims Act, and state False Claims Acts. QOL and Cooper agreed to pay \$47 million to resolve these claims. Of this amount, \$8 million will be paid for false Medicaid claims. Nebraska's share is \$20,564.65.

QOL admitted that beginning in 2018, it distributed free breath test kits to healthcare providers and asked them to give these kits to their patients with common gastrointestinal symptoms. They claimed that the breath test could "rule in or rule out" a rare genetic condition for which Sucraid is the only FDA-approved therapy. However, the breath test did not specifically diagnose the genetic condition, and other disorders can cause a patient to test positive for that condition.

QOL then paid a clinical laboratory to analyze patients' breath tests—at no cost to health care providers or patients. QOL and its sales team then used this data to find potential Sucraid patients. Between 2018 and 2022, QOL paid the laboratory for over 75,000 breath tests and gave the results to their sales force, who then made Sucraid sales calls to healthcare providers whose patients had positive breath test results.

This resulted in the submission of false claims to Medicaid and other government healthcare programs. QOL was then reimbursed by Medicaid and other government healthcare programs for the Sucraid.

This settlement results from a whistleblower lawsuit originally filed in the United States District Court for the District of Massachusetts. A team from the National Association of Medicaid Fraud Control Units participated in the settlement negotiations on behalf of the states and included representatives from the Offices

of the Attorneys General for the states of California, Florida, New Jersey, New York, Ohio, and the Commonwealth of Massachusetts.

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The Nebraska Medicaid Fraud and Patient Abuse Unit receives 75 percent of its funding from the U.S. Department of Health and Human Services under a grant award totaling \$1,320,000 for the federal fiscal year (FFY) 2025. The remaining 25 percent, totaling \$440,000 for FFY 2025, is funded by the State of Nebraska.

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