

THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT OF FLORIDA

Department of Justice

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Middle District of Florida

FOR IMMEDIATE RELEASE

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United States Settles False Claims Act Allegations Against Jacksonville-Based Compounding Pharmacy For More Than \$8 Million

Jacksonville, Florida – U.S. Attorney A. Lee Bentley, III announces that the United States has settled allegations that a Jacksonville-based compounding pharmacy knowingly billed the government for improper and medically unnecessary compounding pain prescriptions. The allegations resolved included liability under the False Claims Act (FCA).

The government has reached a settlement with the defendant, Blanding Health Mart Pharmacy ("Blanding"). In reaching this settlement, the parties resolved allegations that, from February 9, 2015, to April 13, 2015, Blanding sought reimbursement for compounding pharmaceutical prescriptions that were not medically necessary and were written by physicians that had never actually seen the patients. The government agreed to accept \$8,441,107 to resolve these allegations.

"This case was developed as part of a broader effort by our office to identify and target unscrupulous compounding pharmacies," said U.S. Attorney Bentley. "Since the beginning of the year, we have been focusing on pharmacies that have abused the TRICARE program and defrauded the government."

"This settlement highlights another step forward by the Defense Criminal Investigative Service (DCIS) and its law enforcement partners to protect the integrity of the Department of Defense (DoD) health care program," said Special Agent in Charge John F. Khin, Southeast Field Office. "Fraud and abuse by pharmacies and medical providers which bill for compounded pain prescriptions is a significant threat to the DoD health care system. TRICARE beneficiaries must be made aware that any medications that are not individually prescribed or dispensed by a bona fide treating physician for a specific medical condition can be ineffective or unsafe."

This settlement illustrates the government's emphasis on combating health care fraud and marks another achievement for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, which was announced in May 2009 by the Attorney General and the Secretary of Health and Human Services. The partnership between the two departments has focused efforts to reduce and prevent Medicare and Medicaid financial fraud through enhanced cooperation. One of the most powerful tools in this effort is the False Claims Act. Since January 2009, the Justice Department has recovered a total of more than \$24 billion through False Claims Act cases, with more than \$15.3 billion of that amount recovered in cases involving fraud against federal health care programs.

This case was investigated by the Defense Criminal Investigative Service, the Federal Bureau of Investigation, the Defense Health Agency Program Integrity Office, and Assistant United States Attorney Jason Mehta.

The claims resolved by this settlement are allegations only, and there has been no determination of liability.