Feds in Wis. Sue Ky.-Based PharMerica Corp.

MILWAUKEE (AP) — Federal prosecutors in Milwaukee sued a Kentucky-based pharmaceuticals services firm on Friday, accusing PharMerica Corp. of illegally dispensing addictive narcotics without proper oversight.

The lawsuit was prompted by a whistleblower report in 2009 from pharmacist Jennifer Denk, who worked in the company's Pewaukee plant in southeastern Wisconsin. She said she observed illegal practices, and when her bosses ignored them she reported her concerns to the Drug Enforcement Agency, the Milwaukee Journal Sentinel [1]reported.

PharMerica, based in Louisville, Ky., provides pharmacy services for long-term care facilities across the nation. Between 2007 and 2009 it filled about 40 million prescriptions. Almost half of its revenues came from Medicare Part D billings.

A message left with the agency that handles public relations for PharMerica was not immediately returned.

The government's lawsuit accuses the company of filling orders for narcotics refills without a doctor's signature. Staff — not doctors — at client nursing homes would fax in their refill requests and PharMerica would fill the orders, sending a form to the patient's doctor for signature.

But the templates often came back unsigned, prosecutors said. Investigators found boxes full of unsigned templates in a 2009 raid of the Pewaukee site.

Prosecutors say PharMerica also employed the same procedures at its sites in Florida, California and Colorado.

PharMerica had previously been warned about the practices. The DEA audited the company's Indiana facility in 2000 and issued a warning about its noncompliance.

The company's own auditor prepared a slide show in 2007 warning that only one of the company's pharmacies was following the rules correctly, and most were still sending out drugs without a valid prescription.

Denk, who was fired shortly after the 2009 raid, has filed a whistleblower lawsuit against the company. Besides accusing the company of wrongfully terminating her she alleges that PharMerica officials pressed her to violate federal regulations.

She said a DEA agent ordered PharMerica officials to provide certain records, and she contends her bosses told her to either ignore the order or only send records she could falsify to look as though they met regulations.

Denk also alleged that PharMerica billed Medicare for drugs sent to dead patients,

double-billed for some prescriptions and failed to credit the government for returned prescriptions.

Her lawsuit also claims PharMerica violated federal anti-kickback statutes, by steering buyers to drug companies that paid rebates to PharMerica, and also by letting nursing homes distribute narcotics without keeping the required records. PharMerica would then replenish the supply as an incentive for the facility to keep its contract for other prescriptions with PharMerica, Denk's suit contends.

___

Information from: Milwaukee Journal Sentinel, http://www.jsonline.com [2]

Source URL (retrieved on *09/02/2014 - 11:51pm*):
http://www.chem.info/news/2013/08/feds-wis-sue-ky-based-pharmerica-corp

Links:
[1] http://bit.ly/13XE4oK
[2] http://www.jsonline.com