

Millions Overpaid for Prescriptions in Secretive Scheme, Lawsuit Filed by Attorney General Jeff Landry to Recover Inflated Charges

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BATON ROUGE, LA – Through a hidden practice kept secret from the public, a Pharmacy Benefits Manger (PBM) guaranteed itself millions of dollars in overpayments for prescription drugs in Louisiana.

In a lawsuit filed today, Attorney General Jeff Landry accuses OptumRX of exploiting the secrecy that surrounds the real prices of prescription drugs to cause health insurers – like the Louisiana Medicaid Program – to needlessly pay billions of dollars more per year for prescription drug benefits than they otherwise would.

Attorney General Landry alleges violations of both contractual obligations to the State of Louisiana and statutory provisions that govern performance, as well as violations of the Louisiana Unfair Trade Practices Act and the Louisiana Medical Assistance Programs Integrity Law.

“Unregulated middlemen, cloaked in secrecy, drive up their own profits at the expense of Louisiana citizens,” said Attorney General Landry. “Most Louisianans would be shocked to know how much cheaper they could obtain their prescriptions without these secretive schemes.”

“PBMs take unfair advantage of the complex nature of prescription drug pricing – creating an unclear web of contracts with pharmaceutical manufacturers, health plans (including private insurers and state Medicaid programs), and pharmacies or their representatives, taking a share of profits from each entity,” explained Attorney General Landry. “OptumRX disguised the actual price our State should have paid by hiding behind a scheme of secret contracts, deceptively labeling payments, and misrepresenting amounts paid and reimbursed by and to the State; I filed suit to end the corrosive nature of the industry.”

“The U.S. Supreme Court’s unanimous decision in *Rutledge v. Pharmaceutical Care Management Association* clarifies states are allowed to regulate PBMs to improve the transparency of prescription drug marketplaces and protect consumer access to affordable prescription drugs, especially in rural and isolated communities.” concluded Attorney General Landry. The United States Court of Appeals for the Eighth Circuit expanded that decision in *Pharmaceutical Care Management Association v. Wehbi*. “I will continue fighting to lower prescription drug costs in Louisiana and ensure transparency.”

Reigning in abusive pharmaceutical industry practices has long been a top priority for Attorney General Landry’s Office, achieving over \$409 million in legal settlements for Louisiana from PBMs, pharmaceutical distributors and related companies during his tenure.