

US sues Novartis in NY again, cites doc kickbacks

April 26 2013, by Larry Neumeister

The U.S. government sued Novartis Pharmaceuticals Corp. again on Friday, saying it paid kickbacks for a decade to doctors to steer patients toward its drugs, sometimes disguising fishing trips off the Florida coast and trips to Hooters restaurants as speaking engagements for the doctors.

The lawsuit in U.S. District Court in Manhattan came two days after the [government](#) brought a similar lawsuit against Novartis, which is based in East Hanover, New Jersey. The first lawsuit said the company paid kickbacks to pharmacies to switch [kidney transplant patients](#) from competitors' drugs to its own.

In the second lawsuit, the government accused the company of using from 2001 through 2011 multimillion-dollar "incentive programs" that targeted [doctors](#) willing to accept illegal kickbacks to urge patients to use the company's drugs.

"And for its investment, Novartis reaped dramatically increased profits on these drugs, and Medicare, Medicaid and other federal health care programs were left holding the bag," U.S. Attorney Preet Bharara said in a statement.

The government said Novartis paid doctors to speak about certain drugs at events that were little more than social occasions, including fishing outings and trips to Hooters restaurants, known for its scantily clad waitresses. At other times, the government said, Novartis treated doctors to expensive dinners at high-end restaurants, including a dinner for three

doctors on Valentine's Day 2006 at a West Des Moines, Iowa, restaurant that cost Novartis \$1,042 per person.

Internal analyses within Novartis revealed that doctors who participated in the programs increased the number of prescriptions they wrote when they were being paid by the company to speak about a drug, the government said.

"The payments and lavish dinners given to the doctors were, in reality, kickbacks to the speakers and attendees to induce them to write prescriptions for Novartis drugs," the government said in a release. "In many instances, Novartis made payments to doctors for purported speaker programs that either did not occur at all or that had few or no attendees, and thousands of programs were held all over the country at which few or no slides were shown and the doctors who participated spent little or no time discussing the drug at issue."

Acting Assistant Attorney General Stuart F. Delery said kickback schemes "not only call into question the integrity of individual medical decisions, they raise the cost of health care for all of us."

Novartis said it disputes the claims in both lawsuits and looks forward to presenting the facts in court.

"Discounts and rebates by pharmaceutical companies are a customary, appropriate and legal practice as recognized by the government itself," [Novartis](#) said. "Physician speaker programs are an accepted and customary practice in the industry. These are promotional programs designed to inform physicians about the appropriate use of our medicines."

The company added that it "invests significant time and resources to help ensure these programs are conducted in an ethical and responsible

manner."

The government is seeking unspecified damages and civil penalties. It noted that the case follows a lawsuit brought by a whistleblower in January 2011.

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