

US fines Novartis \$390 mn over pharmacy kickbacks

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The US fined Swiss drugmaker Novartis \$390 million for granting kickbacks to pharmacies that recommended the company's drugs, according to an agreement announced Friday.

In a settlement deal, Novartis admitted that it gave specialty pharmacies exceptional rebates and patient referrals in exchange for recommending Exjade, which treats excess iron in blood, and Myfortic, an anti-rejection drug for kidney transplant recipients.

The civil settlement is smaller than the \$3.3 billion fine the government originally sought in the case.

To boost sales of Exjade, Novartis leveraged its control over patient referrals to pressure pharmacies to hire or assign nurses to call Exjade patients and encourage them to order refills of the drug.

Sales of the drug had suffered up to that point due to side effects that were worse than expected, the government said.

These nurses understated the "serious, potentially life-threatening risks of taking Exjade," such as kidney and liver failure, the Justice Department said.

With Myfortic, Novartis offered lucrative rebates to five specialty pharmacies in exchange for urging doctors to switch patients from other drugs to the drug.

Consumers at pharmacies should receive treatments "free from the taint of corporate kickbacks," US Attorney Preet Bharara said in a statement.

"Novartis turned pharmacies that should have been disinterested health care providers into a biased salesforce for the drug-maker," Bharara said.

"Drugmakers and their relationships with health care providers—whether they are doctors, pharmacists, or nurses—must comply with the Anti-Kickback Statute. If they don't, we will bring all appropriate law enforcement tools to bear."

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