Mylan in $30 mn US settlement over EpiPen probe disclosures

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probes of EpiPen payments under a federal health program, a US securities regulator announced Friday.

Mylan settled the case without admitting or denying the allegations.

The charges concern Mylan's statements to investors in 2015 and 2016, a period when the drug company was criticized in the media and in Congress for massive price increases of more than 500 percent for EpiPen, a lifesaving allergy medication.

In the federal Medicaid program, Mylan had categorized EpiPen as a generic drug, a classification that allowed it to pay lower rebates to the government than if the drug had been called a branded drug.

US officials administering Medicaid contested this classification and the matter was also probed by the US Department of Justice. In October 2016, Mylan agreed to pay $465 million to settle the Justice Department charges that it overbilled Medicaid for the EpiPen medication.

The SEC contended that Mylan kept investors in the dark about the possible liability prior to the settlement.

By the third quarter of 2015, Mylan "knew or should have known" that a material loss connected to the probes was "reasonably possible," the SEC said in a complaint.

The company's securities filings during this period "were materially false and misleading," the agency said.

Investors were not told of "the potential loss Mylan faced as a result of the pending investigations into the misclassification," said Antonia Chion, associate director of the SEC's division of enforcement.

"It is critical that public companies accurately disclose material business risks and timely disclose and account for loss contingencies that can materially affect their bottom line."

Mylan said the settlement is "the right course of action" adding in a statement that it "continues to be committed to the highest levels of integrity with respect to all aspects of its business operations."