

US attorney announces \$145M settlement in opioid case

January 28 2020, by Wilson Ring

A San Francisco-based health information technology company will pay \$145 million to resolve criminal and civil charges that it helped set up an electronic health records system that encouraged physicians to prescribe opioids to patients who might not need them, federal prosecutors in Vermont said Monday.

Vermont U.S. Attorney Christina Nolan said the company Practice Fusion, Inc., took kickbacks from a major opioid company in exchange for using its software to influence physicians to prescribe opioid pain medication.

Court documents released at a Burlington news conference said that Practice Fusion solicited a nearly \$1 million payment from a company identified only as "Pharma Co. X" in exchange for creating an alert in Practice Fusion's electronic health record system. The alert would cause doctors to write more prescriptions for extended release opioids than were medically necessary.

"The companies knew all of this," Nolan said. "The decision to contravene medical guideline was greed-driven and at the behest of Pharma Company X's marketing department and Practice Fusion allowed it because it wanted \$1 million."

Nolan refused to identify Pharma Co. X or say if any other people involved in the case would face criminal or civil penalties.

Practice Fusion has since been acquired by the electronic health records company Allscripts. In a Monday statement, Allscripts Vice President Brian Farley said the conduct predated his company's acquisition of Practice Fusion.

"Since learning of this matter we have further strengthened Practice Fusion's compliance program," Farley said. "Allscripts recognizes the devastating impact that opioids have had on communities nationwide, and we are using our technology to fight this epidemic."

The settlement included \$26 million in criminal fines and forfeiture and, in a separate civil settlement, Practice Fusion agreed to pay \$118.6 million to resolve the allegations that it accepted kickbacks from Pharma X and other companies and caused the users of its software to submit false claims for federal incentive payments.

The case represented the largest criminal fine in federal court history in Vermont and it was the first ever criminal action against a vendor of electronic [health](#) records, said a statement from the U.S. Attorney's office.

The settlement required Practice Fusion to admit its wrongdoing, invest heavily in compliance and an independent oversight organization. The agreement also requires Practice Fusion to post documents about its conduct on a public website.

Nolan said investigators in her office discovered the case, but she did not say how.

The case was the third major medical fraud case prosecuted by the Vermont office of the United States attorney.

In 2017, Vermont prosecutors reached an agreement with

eClinicalWorks, of Westborough, Massachusetts, and three executives to pay a \$155 million settlement to resolve allegations the [company](#) misrepresented the abilities of its software and paid kickbacks to some customers in exchange for promoting its products.

Last year, [federal prosecutors](#) reached a \$57 million settlement with Greenway Health, of Tampa, Florida, after alleging that Greenway misrepresented the capabilities of one of its software products.

© 2020 The Associated Press. All rights reserved.

Citation: US attorney announces \$145M settlement in opioid case (2020, January 28) retrieved 5 May 2024 from <https://medicalxpress.com/news/2020-01-attorney-145m-settlement-opioid-case.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.