Teva Pharmaceuticals Pays $450 Million to Settle Anti-Kickback and False Claims Act Allegations



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On October 10, 2024, the U.S. Department of Justice (DOJ) announced that Teva Pharmaceuticals USA Inc. and Teva Neuroscience Inc. (collectively, Teva) agreed to pay $450 million to settle two alleged kickback schemes and alleged submission of false claims. The first settlement resolves allegations that Teva conspired to violate the Anti-Kickback Statute and False Claims Act by paying Medicare patients' copays for the multiple sclerosis drug Copaxone while steadily increasing Copaxone's price. As part of this scheme, the DOJ alleged Teva conspired with a specialty pharmacy and independent copay assistance foundations to ensure donations to the foundations were used to cover copays of Medicare Copaxone patients, causing Teva to submit false claims to Medicare. In a second settlement, Teva agreed to resolve allegations that it conspired with other generic drug manufacturers to fix prices for pravastatin, clotrimazole and tobramycin. To resolve related criminal charges, Teva USA had previously entered into a deferred prosecution agreement with the DOJ's Antitrust Division and paid a criminal penalty of $225 million.

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