# BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFFERRAL FROM THE BOARD OF PHARMACY

In the Matter of

EXCELLERX, INC. (Registrations PHA O 698, PHA O 930, PHA O 684) OAH Nos.

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10-0582-PHA 10-0583-PHA 10-0584-PHA (Consolidated)

Board Case Nos. 2010-001062, 001063, 001064

### DECISION

## I. Introduction

This case concerns the renewal of three out-of-state registrations held by excelleRx, Inc. At all times relevant to this decision, excelleRx, Inc. has operated under the trade name Hospice Pharmacia.

Hospice Pharmacia is the leading provider of pharmacy services to hospices in the United States, holding a 19 percent share of the national market in this specialized area.<sup>1</sup> The three registrations at issue in this case concern its facilities located in Tennessee and Pennsylvania.

Hospice Pharmacia has held one or more Alaska registrations since 2002. In June of 2010, it filed routine applications for renewal of the three registrations it held at that time. The Division of Corporations, Business and Professional Licensing (Division) identified an item in the applications that it wished to investigate further. The item of concern was a disclosure that Hospice Pharmacia's corporate parent had entered into settlements involving allegations of improper billing and business practices.

The Division did not complete its investigation before the expiration of the existing registrations, and it did not renew the registrations pending further investigation. Because no decision had been made, the registrations lapsed by inaction on July 1, 2010. The lapse of the registrations caused serious disruption for Hospice Pharmacia's single

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Testimony of Catharine Jackson-Woods, General Counsel of excelleRx, Inc.

Alaska client, Providence Hospice, and affected the lives of Providence Hospice patients.<sup>2</sup>

In August of 2010 the Division completed a very limited investigation of the matter of concern. Hospice Pharmacia did not have a meaningful opportunity to further explain the item of concern during this investigation. The Division brought the results of its investigation before the Board of Pharmacy, and in the autumn of 2010 the Board, based on the limited information before it, denied the three renewals.

Alaska law permits a registrant whose renewal has been denied to request a hearing in which a full factual record can be developed. Hospice Pharmacia requested such a hearing. The case was forwarded to the Office of Administrative Hearings.

A hearing took place on February 7-8, 2011. Several members of Hospice Pharmacia's senior management, including the pharmacist-in-charge, traveled to Anchorage for the hearing, testified, and subjected themselves to cross-examination. The Chief of Compliance for Hospice Pharmacia's parent, Omnicare, did likewise. Hospice Pharmacia also presented testimony from the chief administrator and the Medical Director of Providence Hospice. The hearing record consists of the testimony of these witnesses, testimony from the two Division employees responsible for handling the renewal application, a 939-page agency licensing file, and hearing exhibits A-F and 1-6.<sup>3</sup>

Under Alaska law, the holder of an existing license or registration who meets the basic qualifications is generally entitled to renewal unless the Division proves misconduct that would justify terminating the license. This decision concludes that the Division's evidence did not meet that burden at the hearing, and the registrations should be renewed.<sup>4</sup>

<sup>&</sup>lt;sup>2</sup> This approach to registration renewals—with the license allowed to lapse because an issue could not be investigated before the renewal date—was first introduced to Alaska in the spring of 2010. It does not seem to be a common approach among the jurisdictions that regulate the pharmacy business, and its application in this case has dismayed some of the professionals involved. The reasons it was applied in Alaska in 2010 are beyond the scope of this decision, except that it should be noted that all of the Division personnel involved appear to have been acting in good faith and in accordance with their instructions. <sup>3</sup> Two proposed exhibits, G and H, were excluded on the basis of objections.

<sup>&</sup>lt;sup>4</sup> Because of concern about the length of time it has taken to bring this matter to resolution, this decision has been expedited following the close of the hearing. The proposed decision is being circulated to the parties three days after the hearing, and the attorneys have agreed to prepare their comments, if any, over the following weekend. The willingness of the Division and its counsel to agree to this procedure is admirable.

### II. Facts

#### Α. Hospice Pharmacia

Hospice Pharmacia was founded in 1996 with the objective of serving the special medication needs of hospices. Because of the risk of theft and diversion, the limited demand in other contexts, and economic factors, most pharmacies are reluctant to stock the array of controlled substances and the types of preparations that need to be available for patients in their final days or weeks of terminal illness.<sup>5</sup> By serving a specialized market on a national scale, Hospice Pharmacia has been able to overcome these obstacles in an economical way.

Hospice Pharmacia's only clients are hospices. It never has a billing relationship with a patient, a third party, Medicare, or Medicaid.<sup>6</sup>

Hospice Pharmacia has never been disciplined in Alaska or in any of the other 49 jurisdictions in which it is licensed. Apart from the initial denial in this case, it has never had a license renewal denied.<sup>7</sup>

In 2005 Omnicare, Inc. acquired all of the stock of excelleRx, Inc. Omnicare is a publicly-traded Fortune 500 corporation that has grown by acquisition. Including its 220 operating subsidiaries, it has annual sales of about \$6 billion. Hospice Pharmacia/excelleRx accounts for about \$200 million, or 3.4 percent, of those sales. Omnicare controls the excelleRx board of directors.<sup>8</sup>

The operational management of Hospice Pharmacia is separate from Omnicare. Hospice Pharmacia's pharmacist-in-charge and other members of key management have worked for the company since prior to its acquisition by Omnicare.<sup>9</sup>

### Service Provided in Alaska<sup>10</sup> В.

At the time of the renewal application, Hospice Pharmacia had one Alaska client, Providence Hospice. Providence Hospice provides in-home palliative care and other

<sup>5</sup> Testimony of Louann Feldmann, M.D., Medical Director of Providence Hospice; testimony of Jackson-Woods.

Testimony of Jackson-Woods. 7 Id.

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Testimony of James Mathis, Chief Compliance Officer for Omnicare; Ex. 6.

Testimony of Dennis Wilson, Pharmacist-in-Charge and Vice President; testimony of John

Schiavo, Director of Community Pharmacies and Regional Support Service; testimony of Jackson-Woods. Unless otherwise attributed, the information in this section is drawn from the testimony of Patricia Dooley, R.N., the administrator of Providence Hospice, and Louann Feldman, M.D., its medical director.

services for patients in the last stages of terminal illness. When first enrolled, many of its patients have severe uncontrolled pain or air hunger issues. Providence Hospice seeks to make them comfortable and to provide some quality of life. The median length of care is about 30 days.

At the hearing, medical providers from Providence Hospice gave compelling testimony regarding the importance of Hospice Pharmacia to their mission. For example, the hospice often uses very concentrated preparations of methadone and morphine designed for use by patients who have difficulty swallowing. Providence Hospice found that local pharmacies would not reliably keep these items in stock because the extra record keeping, security concerns, and low price made them simply not worthwhile for a general pharmacy. Moreover, hospice nurses had to pick the items up from the pharmacies, taking away valuable patient care time. Some important tools, such as fentanyl patches, were too expensive for a Medicare hospice when obtained locally, and could not be used at all.

To address these difficulties, Providence Hospice chose Hospice Pharmacia because of its national reputation for quality service and effective cost control. Hospice Pharmacia provided a broader formulary with secure and timely delivery. Because it serves a national market, it was able to maintain adequate stocks of specialized medication and it never ran out. For certain items that needed to be available for emergency use, it contracted with local pharmacies to stock them on its behalf and helped with the attendant record-keeping. It had expert pharmacists, specially trained in hospice medications, on call 24 hours a day who provided valuable consultation to the medical staff about such issues as drug interactions, working around allergies, addressing swallowing issues, and so on. It provided excellent training resources, including on-line seminars and bringing in a pharmacist to give live training for staff.<sup>11</sup> By all accounts, its computer system for tracking medications was a boon to the nursing staff.

Hospice Pharmacia provided these services for a capitated charge of \$9.78 per patient per day. This charge encompassed access, as needed and without extra cost, to a wide formulary (including relatively expensive items such as fentanyl patches), secure

<sup>&</sup>lt;sup>11</sup> This sentence is drawn partly from testimony of Warren Leung, Client Relations Liaison for Hospice Pharmacia.

express delivery, 24-7 pharmacist consultation, training resources, and access to the company's medication tracking system.

Providence Hospice assesses Hospice Pharmacia using phrases such as "conscientious," "thorough and methodical and consistent," and "extremely professional." It assesses their integrity as "excellent," observing that they are "very committed to keeping the records, to helping us make sure that we're prescribing the right medications in the right way."

When Hospice Pharmacia's registrations lapsed on July 1, 2010 because no action had been taken on the renewal applications, the Providence Hospice program was significantly disrupted. Medical staff have had to devote much more time to administrative tasks, taking time from patient care. With assistance from Hospice Pharmacia, Providence Hospice has been able to cobble together an alternative supply chain using PBM Plus, another Omnicare affiliate whose Alaska registration is still intact.<sup>12</sup> The resulting arrangement is superior to relying solely on local sources, but it is cumbersome. The loss of access to pharmacists with special training in hospice medications has been especially acute.

Providence Hospice regards the restoration of Hospice Pharmacia's license as "extremely important." Its medical director testified:

I don't know how much longer we can deal with this, this is really, really difficult. We need to get access and get our nurses back to work with the patients and not have to spend so much time accessing medicine.

The hospice's nurse administrator stated that restoring the relationship with Hospice Pharmacia would make a "huge difference" to the hospice's patients and families.

## C. Matter of Concern to the Division

When Hospice Pharmacia submitted its renewal applications on June 2, 2010, it checked the "yes" box next to the following question, designated Question 1 on the application:

Since the date the facility license was last issued, has the owner or any partner, corporate officer, the pharmacist-in-charge or any

<sup>&</sup>lt;sup>12</sup> Another Providence facility in Anchorage, Providence Alaska Medical Center, operates a pharmacy. However, testimony showed that it is not practical for an outpatient hospice to use a hospital pharmacy for most of its needs.

employee . . . had a license denied, revoked, suspended, surrendered, placed on probation, or been the subject of any restriction, censure, reprimand or other disciplinary action in any jurisdiction?<sup>13</sup>

In addition to checking yes, Hospice Pharmacia referenced and attached an explanation. The explanation began by noting that the items to be disclosed did not "relate to the direct owner," but rather to its parent corporation, Omnicare, Inc. It also noted that the items "may not necessarily qualify as disciplinary actions," but that they were listed "in a good faith effort to interpret the terms in the disclosure question as broadly as possible." It cautioned that the items described did not include any findings of wrongdoing or admissions of liability. Following that preamble, the attachment summarized four matters that had been settled between Omnicare and governmental authorities outside Alaska relating to business and billing practices.<sup>14</sup>

Hospice Pharmacia's disclosure in response to Question 1 may well have been beyond the scope of the question. Only one of the listed items fell within the two-year span since the last renewal covered by the question; the others dated from 2006 and 2007. None of the four items related to a pharmacy license. None related to conduct by Hospice Pharmacia itself, its pharmacist-in-charge, or any of its officers or employees.

The Division has obtained from Hospice Pharmacia copies of five civil settlements mentioned in the disclosure (two had been disclosed as a combined item). In chronological order, they are:

1. "<u>Settlement Agreement</u>" of October 5, 2006 between the State of <u>Michigan and Specialized Pharmacy Services, Inc. Omnicare, Inc., and certain Omnicare</u> <u>subsidiaries (not including excelleRx, Inc.)</u>. This document relates to Medicaid payments between 1999 and 2005. The named Omnicare subsidiaries agree to pay approximately \$49 million to the State of Michigan or its designees. The document recites allegations that the subsidiaries knowingly failed to credit Medicaid program for returned medications and billed for medications that were dispensed to hospice patients who had already died. All parties, including Michigan, expressly agree that the settlement "shall

<sup>&</sup>lt;sup>13</sup> A.R. 0232, 0413, 0740.

<sup>&</sup>lt;sup>14</sup> A.R. 0233-0234.

not be construed to be an admission or concession of any fact, liability, or fault." The document is not a court order or an order of any regulatory body.<sup>15</sup>

2. "Settlement Agreement" of November 14, 2006 between the United States and Omnicare, Inc. This document relates to Medicaid payments between 2000 and 2005. Omnicare agrees to pay \$49.5 million in total to a variety of governmental and private parties. The document recites allegations that Omnicare "received reimbursement amounts from Medicaid that were higher than it was entitled to receive." However, Omnicare does not admit the allegations and all parties, including the United States, expressly agree that the settlement "is [not] evidence of any valid claim." The document is not a court order and is not an order of any regulatory body.<sup>16</sup>

3. "<u>Settlement Agreement</u>" of October 27, 2007 between the United States and various subsidiaries of Omnicare, Inc. (including excelleRx, Inc.). This document relates to Medicaid payments between 1999 and 2005. The subsidiaries agree to pay approximately \$3.5 million to the United States, some of which is to be redistributed to Michigan and private parties. The document recites allegations that the subsidiaries billed the Medicaid program for medications, whereas the proper procedure was to bill the hospices providing the care. As will be seen in connection with the companion document, Item 4 below, this allegation probably did not encompass excelleRx, Inc. The document does not allege that the billing error was deliberate. All parties, including the United States, expressly agree that the settlement "is neither an admission of liability by the Defendants nor a concession by the United States that its claims are not well founded." The document is not a court order and is not an order of any regulatory body.<sup>17</sup>

4. "<u>Settlement Agreement</u>" of October 31, 2007 between the State of <u>Michigan and various subsidiaries of Omnicare, Inc., including excelleRx, Inc</u>. This document relates to the same 1999-2005 Medicaid payments in Item 2 above, and is a companion to that document requiring the same \$3.5 million settlement payment. The document recites allegations that Specialized Pharmacy Services-West and others

<sup>&</sup>lt;sup>15</sup> A.R. 0217-0227. The copy in the record is missing signature pages and is undated. The date is taken from excelleRx's disclosure. The document bears a court caption and may have been filed in court in some fashion, but there is no evidence of an associated court order. It is not a consent decree.

<sup>&</sup>lt;sup>16</sup> A.R. 0153-0182.

<sup>&</sup>lt;sup>17</sup> A.R. 0065-0083.

"sometimes" billed the Michigan Medicaid program for medications, whereas the proper procedure was to bill the hospices providing the care, resulting in overbillings of \$1.2 million spread over the course of six years. The document itself is ambiguously written, such that it is not clear whether excelleRx is alleged to have misrouted billings in this manner. However, a contemporaneous letter<sup>18</sup> indicates that all of the alleged misrouted billings were attributable to subsidiaries other than excelleRx. All parties, including the State of Michigan, expressly agree that the settlement "shall not be construed to be an admission or concession of any fact, liability, or fault." The document is not a court order and is not an order of any regulatory body.<sup>19</sup>

5. "<u>Settlement Agreement</u>" of November 2, 2009 between the United States and Omnicare, Inc. This document relates to Medicaid payments between 2000 and 2008. Omnicare agrees to pay approximately \$98 million to a variety of governmental and private parties. The document recites serious allegations of improper benefits passed between Omnicare and nursing homes and between Omnicare and drug manufacturers, in violation of the Anti-Kickback Statute. However, Omnicare does not admit the allegations and all parties, including the United States, expressly agree that the settlement "is neither an admission of liability by the Defendants nor a concession by the United States that its claims are not well founded." The document is not a court order and is not an order of any regulatory body.<sup>20</sup>

Apart from Alaska, these settlements have not had any further ramifications for Omnicare. Omnicare has not been excluded from the federal Medicare or Medicaid programs. It has not been denied a pharmacy license in any other state as a result of these settlements.<sup>21</sup>

The Division has not gathered any information about the alleged conduct underlying the settlements, apart from collecting the settlement documents themselves and looking at the Omnicare website.<sup>22</sup> Neither Hospice Pharmacia nor Omnicare has refused any information requests from the Division.

<sup>&</sup>lt;sup>18</sup> A.R. 0214.

<sup>&</sup>lt;sup>19</sup> A.R. 0096-0110.

<sup>&</sup>lt;sup>20</sup> Ex. F.

<sup>&</sup>lt;sup>21</sup> Testimony of Mathis.

An SEC filing on the website summarizes some of the settlements. Ex. E.

### III. Discussion

Registration of an out-of-state pharmacy is a type of license<sup>23</sup> that gives businesses elsewhere authority to serve clients in Alaska based primarily on the strength of their licensure in their home jurisdictions.<sup>24</sup> In establishing the registration procedure, the Legislature's overall vision seems to have been to rely primarily on the home-state authorities to regulate these pharmacies.<sup>25</sup> In keeping with this approach, the registration provision in statute expressly requires only a fairly limited array of information for registration, much of it devoted to ensuring that the pharmacy is in compliance with the pharmacy laws in its own jurisdiction.<sup>26</sup>

Nonetheless, as this Board observed in a recent decision (*In re Pharmacy Solutions, Inc. dba Bellevue Pharmacy Solutions*<sup>27</sup>), the Board is not required to defer to out-of-state licensure and may consider matters of concern, such as felony convictions, in deciding whether the facility ought to be allowed to do business in Alaska. This case, however, is different from the *Bellevue* case in that the applicant has already held an Alaska registration for some time. Alaska law treats existing licensees differently from new applicants seeking to come into the state for the first time.

The proceedings of the Board of Pharmacy are governed by Alaska's Administrative Procedure Act (APA).<sup>28</sup> The parties agree that, with respect to the matters alleged in this case, the APA assigns the burden of proof to the agency.<sup>29</sup> A denial of renewal is treated much as a revocation would be, with the agency required to prove any basis for not continuing the license.

See, e.g., AS 08.01.110(4) (registrations are licenses for purposes of the general licensing chapter). As described in AS 08.80.158, registration fits the common legal understanding of the word "license," which is "[a] permit, granted by an appropriate governmental body, generally for consideration, to a person, firm, or corporation to pursue some occupation or to carry on some business subject to regulation . . . ." Black's Law Dict. (5<sup>th</sup> ed. 1979) at 829.

<sup>&</sup>lt;sup>24</sup> See AS 08.80.158(b); 12 AAC 52.130(b).

See, e.g., Memorandum from John Gaguine, Legislative Counsel, to Rep. Curt Menard, Feb. 6, 1990.

<sup>&</sup>lt;sup>6</sup> See AS 08.80.158(b).

<sup>&</sup>lt;sup>27</sup> OAH No. 08-0344-PHA (Alaska Board of Pharmacy 2009).

The APA, found in AS 44.62, is made applicable by AS 44.62.330(a)(8) and AS 08.80.050.

<sup>&</sup>lt;sup>29</sup> ExcelleRx is a "respondent" as defined in AS 44.62.640(b)(5) and, as an applicant for renewal, it does not have the burden of proof. *See* AS 44.62.460(e); *see also* § 8, ch. 63 SLA 1995; the testimony of AAG Teresa Williams to the Senate Judiciary Committee regarding HB 234 (4/29/95); *Malcolm v. Alaska ABC Board*, 391 P.2d 441 (Alaska 1964); and *State, ABC Board v. Decker*, 700 P.2d 483 (Alaska 1985). It is possible that there are some exceptions to this principle, but the Division concedes that the central issue in this case is not among them.

The APA also requires the agency, in a "Statement of Issues," to identify the "particular matters that have come to [its] attention . . . that would authorize a denial" of the renewal.<sup>30</sup> This was done in the present case by means of three letters dated October 8, 2010 stating the following "reason for the denial:"

The denial of these licenses is based on Omnicare's violations of state and federal laws due to making payment to nursing home chains in return for referral of pharmaceutical business, providing pharmacist services to its customers below its rate and fair market value and accepting multiple forms of remuneration from a drug manufacturer to induce their sales. Omnicare submitted false claims to Medicaid that should have been submitted by and paid to a nursing home. Michigan also entered into a settlement with Omnicare based on false claims for its terminally ill hospice patients. Michigan alleges Omnicare knew they were making false claims.

In short, the asserted basis for denial is (1) violations of state and federal law and (2) submission of false Medicaid claims, both by Omnicare, Inc. Regardless of legal theory, the Board may not deny renewal unless this basis is proven, at least in part.

The Division's only proof of (1) violations of state and federal law and (2) submission of false Medicaid claims is the five settlement documents summarized in the preceding section. Therefore the first, and potentially the only, question in this case is what those documents prove.

When enforcement authorities enter into civil settlements, they often require, as a condition of settlement, that the settling party admit violations. The settlement agreement or consent decree then becomes essentially conclusive evidence that the violations occurred. The examples of such settlements are legion.<sup>31</sup> Recent local examples include a 2010 settlement of allegations before the Alaska Public Offices Commission in which Renewable Resources Coalition was required to admit certain reporting violations in connection with Ballot Measure 4,<sup>32</sup> and a 2011 settlement before this Board in which

<sup>&</sup>lt;sup>30</sup> AS 44.62.370(a)(2).

<sup>&</sup>lt;sup>31</sup> *E.g., United States v. Mobil Oil Corp.*, No. 96-1432 (E.D.N.Y.) (civil consent decree; admission of liability for discharging hazardous waste without a permit); *United States v. BP Exploration (Alaska), Inc.,* No. A99-549 CV (D. Alaska) (settlement included plea of guilty to one felony count in related criminal case); *State v. Echo Bay Alaska, Inc.,* No. 1JU-94-02177CI (Alaska Superior Court) (civil settlement involving admission of liability for illegal activities concerning A-J Mine in Juneau).

<sup>&</sup>lt;sup>32</sup> *Pebble Ltd. Partnership v. Renewable Resources Coalition, Inc.*, OAH No. 09-0231-APO, Consent Decree Between the Alaska Public Offices Commission and Renewable Resources Coalition, Alaskans for Clean Water, and Robert B. Gillam (Feb. 26, 2010).

Aetna Specialty Pharmacy, LLC admitted giving a false answer on an application for registration.<sup>33</sup>

The Omnicare settlements at issue in this case were not this kind of settlement, however. The settling parties, including the governmental agency pursuing the case, specifically agreed that the settlements were *not* to be interpreted as evidence that the allegations—any of them—were true. Settlement agreements are what they are: they resolve the issues they say they resolve, and they do not resolve issues they say they do not resolve. Thus, if a settlement document says it does not establish that allegations are true, it does not. The courts, including the Alaska Supreme Court, have uniformly respected the limitations written into settlements.<sup>34</sup>

Since the five settlement agreements the Division has offered as proof that Omnicare violated federal law and submitted false Medicaid claims do not prove any part of those assertions, and since the Division has offered no other proof, this case fails for lack of proof. There is no proof of the only basis for denial that was set out in the Statement of Issues.

If there were any proof of the allegations in the Statement of Issues, there are other considerations that might dictate that the registrations ought to be renewed in any event. These other considerations include:

- Whether Omnicare is the "applicant" or "licensee" or "facility" or "pharmacy" with respect to these registrations, within the meaning of those terms as they appear in AS 08.80.157 and AS 08.80.261 (it is not clear that a violation of state or federal law or a submission of a false claim would be a potential basis for denial if done by someone other than the "applicant," "licensee," "facility," or "pharmacy").
- Whether Medicaid irregularities by a related business entity should bear on the registration of a separately-managed business entity that never bills Medicaid.

<sup>&</sup>lt;sup>33</sup> *In re Aetna Specialty Pharmacy, LLC*, Case No. 2010-000673, Consent Agreement (approved Jan. 17, 2011).

<sup>&</sup>lt;sup>34</sup> See, e.g., Tobeluk v. Lind, 589 P.2d 873, 877-8 (Alaska 1979) (respecting limitations written into \$20 million settlement agreement and declining to conclude that the party who obtained the relief "prevailed" on its claims); Amerada Hess Pipeline Corp. v. Regulatory Comm'n of Alaska, 176 P.3d 667, (Alaska 2008) ("The . . . settlement can have no more gravitational force than APUC accorded it").

- 3. Whether a large multinational health care conglomerate that operates through 220 subsidiaries should be investigated and evaluated as a whole for purposes of registering individual facilities to do business in Alaska.
- 4. Whether any violations or misconduct actually proven are of sufficient concern to bar registration and thereby deprive Alaskans of the useful services performed by this registrant.

Because none of the conduct alleged in the Statement of Issues was proven at all, it is unnecessary to evaluate these additional considerations.

In concluding that the registrations for Hospice Pharmacia must be renewed, this decision does not suggest that the allegations contained in the settlement agreements, particularly the 2009 settlement agreement, are not serious matters. It also does not suggest that the Division may not infer, from the payment of a large settlement,<sup>35</sup> that underlying conduct may have occurred that should be investigated further. Ultimately, however, any licensing action based on that conduct must rest on actual proof of the conduct, for which the Division would need to look to sources other than the settlement itself.

## IV. Conclusion

The three out-of-state pharmacy registrations held by excelleRx, Inc. should be renewed.

DATED this 11<sup>th</sup> day of February, 2011.

By: Signed

Christopher Kennedy Administrative Law Judge

<sup>&</sup>lt;sup>35</sup> Some of the settlements at issue in this case were large, although their size must be evaluated in the context of a company that does \$6 billion in business every year. In the aggregate, the settlements covered ten years and represented about 1/3 of one percent of sales over that period, assuming a constant level of sales.

Settlements of this nature in the Medicaid/pharmacy field are not unique to Omnicare. *See United States v. CVS Caremark Corp.*, No. 03 C 742 (N.D. Ill. 2008) (\$37 million); *United States v. Walgreen Co.*, No. 03 C 744 (N.D. Ill. 2008) (\$35 million).

# Adoption

The Alaska Board of Pharmacy adopts this decision as final under the authority of AS 44.64.060(e)(1). The applications to renew the following out-of-state pharmacy registrations are approved:

PHA O 698 PHA O 930 PHA O 684

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with AS 44.62.560 and Alaska R. App. P. 602(a)(2) within 30 days after the date of distribution of this decision.

DATED this 17th day of February, 2011.

By:	Signed
	Signature
	Richard C. Holm
	Name
	Chair BOP
	Title

[This document has been modified to conform to technical standards for publication.]