



# News Release

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**CONTACT:** Norman Williams  
(916) 440-7660  
[www.dhcs.ca.gov](http://www.dhcs.ca.gov)

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## **DEPARTMENT OF HEALTH CARE SERVICES ANNOUNCES MULTI-MILLION-DOLLAR SETTLEMENT FROM DRUG COMPANY**

SACRAMENTO – The California Department of Health Care Services (DHCS) announced that California and others have reached a \$520 million settlement with AstraZeneca Pharmaceuticals to settle whistleblower lawsuits and federal investigations into marketing practices for its schizophrenia drug, Seroquel.

Under the settlement, the federal government will receive \$301.9 million from the civil settlement, and state Medicaid programs will get up to \$218.1 million. California's share of \$31 million will go to Medi-Cal and other state programs.

"DHCS works closely with the California Department of Justice and federal authorities to identify and recover improper Medi-Cal payments," said DHCS Director David Maxwell-Jolly. "The funds recovered in this action will be returned to the Medi-Cal program to serve low-income individuals in California."

Seroquel is an antipsychotic medication used to treat psychological disorders. AstraZeneca was charged with promoting Seroquel for such unapproved uses as anxiety, attention deficit hyperactivity disorder and bipolar maintenance and for unapproved populations, such as children and the elderly.

Also, in its marketing campaign, AstraZeneca was alleged to have made illegal payments to physicians, paying them to "advise" AstraZeneca about marketing messages for unapproved uses, serve as authors of articles written by AstraZeneca and conduct studies for unapproved uses of Seroquel.

A national Medicaid fraud team, which included deputy attorneys general from the California Department of Justice' Bureau of Medi-Cal Fraud and Elder Abuse (BMFEA), participated in the investigation and entered into the settlement negotiations with AstraZeneca on behalf of the states. DHCS assisted BMFEA with settlement agreement language that protects the interests of DHCS and Medi-Cal.

Consumers with questions about the appropriate use of Seroquel should contact their health care provider.

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