

Dept. of Justice: AG Kaul announces \$2 million agreement with Hayat Pharmacy

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MADISON, Wis. – Wisconsin Attorney General Josh Kaul today announced a \$2,050,000 agreement with Milwaukee based Hayat Pharmacy to resolve allegations that Hayat Pharmacy submitted or caused the submission of false claims to Medicare and Medicaid for two prescription medications.

“Pharmacies cannot submit claims to Medicare or Medicaid for medications that aren’t medically necessary or when there’s no prescription,” said Attorney General Josh Kaul. “Pharmacies must dispense medications when it’s medically appropriate, not for the sole purpose of increasing their profits.”

The agreement resolves allegations that Hayat Pharmacy submitted claims to Medicaid for iodoquinol-hydrocortisone-aloe, topical cream, that was not medically necessary and/or dispensed without a valid prescription. On average, Hayat Pharmacy was reimbursed over \$6,000 per tube of the topical cream. The government also alleged Hayat Pharmacy submitted claims to Medicare for Azesco, a multivitamin, that was not medically necessary and/or dispensed without a valid prescription. Hayat Pharmacy allegedly switched Medicaid and Medicare patients from lower cost medications to these medications.

Under the terms of the agreement, Hayat Pharmacy will pay to the United States and the State of Wisconsin \$2,050,000. The State will receive \$702,189.86.

DOJ Medicaid Fraud Control and Elder Abuse Unit Investigator Brittany Ben-Zikri and Investigation Supervisor Rose Youngblood investigated this case. DOJ Medicaid Fraud Control and Elder Abuse Unit Assistant Attorney General Katie M. Wilson

represented the state. DOJ worked closely with the U.S. Attorney's Office for the Eastern District of Wisconsin to obtain this result.

Wisconsin's Medicaid Fraud Control and Elder Abuse Unit receives 75 percent of its funding from the U.S. Department of Health and Human Services under a grant totaling \$1,617,392 for Federal fiscal year 2022. The remaining 25 percent, totaling \$539,126 for Federal fiscal year 2022, is funded by the State of Wisconsin.

Press Release: <https://www.doj.state.wi.us/news-releases/ag--kaul-announces-2-million-agreement-hayat-pharmacy>