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FOR IMMEDIATE RELEASE

UNITED STATES DEPARTMENT OF JUSTICE INTERVENES IN RX AMERICA ACTION- SETTLES CASE BROUGHT BY WHISTLEBLOWER REPRESENTED BY DIAMOND MCCARTHY LLP

(October 15, 2012, New York, New York). In a seminal case, the federal government has recovered millions of dollars that RX America allegedly claimed for inflated costs for elderly patients' prescriptions under Medicare Part D.

RX America has agreed to pay \$5,250,000 to settle claims that it used a bait and switch scheme to induce elderly Americans to choose the RX America prescription plan. RX America represented certain prices for drugs, only to charge higher prices at the point of sale. As a result, the federal government paid significantly more for the drugs than it should have. RX America's scheme also caused many fixed-income Medicare patients into the "donut hole" in their prescription drug plans – forcing them to pay for the drugs themselves, or forego their medication entirely.

The settlement resolves a whistleblower action filed by Andrea Fischer and Robert W. Sadowski of Diamond McCarthy LLP, under the Federal False Claims Act, as well as a consolidated whistleblower action filed by another firm. Ms. Fischer and Mr. Sadowski brought the action on behalf of their client, Robert Fischer, an elderly individual on a fixed income who had chosen RX America's drug plan based on the prices it represented that it would charge on the Medicare Plan Finder website. He later

discovered that the price RX America actually charged for his medications vastly exceeded the amount represented on the website.

“Mr. Fischer paid close attention to his explanation of benefits that showed how much the federal government had paid on his behalf, and he was outraged when he saw that the costs were so large. By bringing this action, Mr. Fischer has recovered significant money for United States taxpayers. We are proud to have worked with the Department of Justice, the Office of the Inspector General, the FBI, CMS, and the Eastern District of New York United States Attorneys’ office on this case,” said Ms. Fischer. “Our client Mr. Fischer and the United States working in partnership have shown the power of the whistleblower laws to protect the integrity of the Medicare Program,” said Mr. Sadowski.

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