



AG Lynn Fitch, Auditor Shad White Announce \$55.5 Million Settlement with Centene

Company pledges transparency reforms to protect taxpayers

Attorney General Lynn Fitch and Auditor Shad White reached a \$55.5-million settlement with Centene, the largest Medicaid managed care organization in the United States. The settlement resolves allegations of overpayments as a part of Mississippi's Medicaid program.

"My Office is business-friendly, and I firmly believe that businesses that operate in good faith are good partners in meeting the needs of our state," **said Attorney General Lynn Fitch**. "However, I am in this Office to serve the people of Mississippi, and I fully intend to make sure they are not being cheated by Centene or anyone else. This settlement makes clear that the days of hiding behind a convoluted flow of money and numbers are over. And, I appreciate the work of Auditor White and his staff in helping achieve this success for the people."

"I do not care how large or powerful the company is, Mississippi taxpayers deserve to get what they paid for when the state spends money on prescription drugs, and we will stand up for the taxpayers if they do not get a square deal," **said Auditor Shad White**. "I'm grateful for the joint work between my staff, the data analysts, and the Attorney General's team for bringing this to a conclusion."

Pharmacy Benefit Managers, or PBMs, are corporations hired by health plans, in this case, Medicaid, to help manage the plans' prescription drug programs. In other words, they serve as middlemen, performing tasks such as contracting with and reimbursing pharmacies, creating preferred drug lists, and negotiating rebates with pharmaceutical companies.

Following suspicions that PBMs were inflating their bills, in 2019, the Auditor's Office launched an investigation to review invoices produced by a Centene-owned company. Contracts required payments be capped by certain industry-standard prices, and the PBM was charging Medicaid more than the allowed price cap.

The agreement represents one of the largest civil settlements following an investigation by the Office of the State Auditor in Mississippi history.

In addition to the \$55.5-million settlement, the agreement calls for Centene to "provide full transparency related to the adjudication and payment of all pharmacy benefit claims, including the provision of such information as is required to permit the Department of Medicaid to discern, on a claims level, the exact amount paid to the pharmacy for each pharmaceutical claim."



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