

Federal Drug Discount and Compliance Monitor

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BREAKING NEWS ALERT

Alabama Health Centers Drop 340B Lawsuit Against Manufacturers

After more than two years and 200 documents filed, two Alabama covered entities have decided to dismiss their suit against a host of pharmaceutical manufacturers. The suit alleged the manufacturers overcharged the entities for drugs purchased through the 340B drug discount program. Central Alabama Comprehensive Health Care (CACHC), a group of federally qualified health centers, and Health Services, Inc., a consolidated health system, dropped their complaint against more than 15 companies months after the Court had ruled against the manufacturers' request to dismiss the case. On September 26th, the U.S. District Court for the Middle District of Alabama approved CACHC's decision to drop the case. The initial complaint was filed in July 2004.

The plaintiffs did not elaborate on their decision to dismiss the case in the motion, saying only that they had determined they did not want to pursue the case. Since the case was dismissed without prejudice, CACHC may bring another case, based on the same merits, against the manufacturers. Although CACHC had considered bringing the case on behalf of all 340B entities, the plaintiffs notified the Court on June 27, 2006, that they would not move for certification of a class, a procedural step necessary in filing class action litigation.

Attorneys representing CACHC include the law firm of Hagens Berman Sobol and Shapiro, based in Seattle, WA. Hagens Berman is also representing Santa Clara County, Calif., which had a similar case dismissed by the Court in August. The County has chosen to appeal that decision to the U.S. Court of Appeals for the Ninth Circuit and will present its opening brief in November.

More details about this story will appear in *The Monitor's* October issue.