

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1301 Young Street  
Dallas, Texas 75202



## **Regional Operations Group**

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June 12, 2019

Becky Pasternik-Ikard  
State Medicaid Director  
2401 NW 23rd Street, Suite 1A  
Oklahoma City, Oklahoma 73107

Dear Ms. Pasternik-Ikard:

CMS requests information from the State of Oklahoma with respect to (1) generally, its state lawsuit against certain pharmaceutical manufacturers (“entities”) regarding its opioid issues, and (2) specifically, its March 26, 2019 consent judgment (“settlement”) with respect to the Purdue defendants. The lawsuit alleges that these entities violated Oklahoma laws, including the Oklahoma Medicaid False Claims Act and the Medicaid Program Integrity Act and deceptively marketed opioid pain medications and products. We understand that the Oklahoma Health Care Authority (OHCA) provided the State Attorney General’s office with twenty years of Medicaid claims data to help determine the amount of damages to claim damages in this lawsuit.

CMS is aware the State reached the aforementioned \$270 million March 26, 2019 settlement with the Purdue defendants. Based on our preliminary review, and in accordance with § 1903 (d)(3)(A) of the Social Security Act, the federal government is entitled to a portion of that amount. We therefore request that the State provide CMS with the following information:

- The twenty years of claims data that we believe OHCA provided the State Attorney General’s office;
- An explanation of what Oklahoma believes to be Medicaid’s portion of the settlement;
- Any documentation that demonstrates the amount of Medicaid funds expended:
  - to purchase prescription opioids in any way associated with this settlement;
  - to treat Medicaid recipients for opioid or substance use disorder in any way associated with this settlement;
  - to pay for diversion programs in any associated with this settlement;
  - for any associated Medicaid administrative or other costs
- An explanation of the time period, if any, with respect to which claims are released, compromised, or adjusted as a result of, or otherwise associated with this settlement;
- Any documents from discovery in the state court proceedings used in any way to investigate, discern, confirm, or otherwise analyze the Purdue defendants’ liability;
- An explanation of the claims the State has released as a result of this settlement; and

- Any documentation that evidences any portion of the settlement amount or other amount reserved for attorney's fees.

Please provide the information by July 12, 2019. Please note that failure to return federal funds may result in administrative actions including, but not limited to, a disallowance. Your assistance in this matter is appreciated. Should you have any questions, you may contact John Castro at 214-767-6493 or via email at [john.castro@cms.hhs.gov](mailto:john.castro@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, flowing style.

Bill Brooks  
Director  
Centers for Medicaid & CHIP Services  
Regional Operations Group

Cc: Mike Hunter, Oklahoma Attorney General