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OFFICE OF THE
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Florida Attorney General's Office News Release

Florida Attorney General's Office Secures More Than \$350,000 for Florida Medicaid from Pharmaceutical Company Over Kickback Allegations



TALLAHASSEE, Fla.—The Office of the Attorney General's Medicaid Fraud Control Unit, along with 17 other states and the United States government, secured funds from pharmaceutical manufacturer QOL Medical, LLC and Frederick E. Cooper, the company's CEO, following allegations of a kickback scheme. QOL is a privately-held, Delaware limited liability company, with its principal place of business in Florida. QOL sells therapies, including its principal product, Sucraid, for patients with rare diseases. The agreement resolves allegations that QOL paid remuneration to induce the purchase of Sucraid in violation of the Anti-Kickback Statute, the federal False Claims Act and state law False Claims Act corollary statutes. As part of this multistate action, QOL and Cooper agreed to pay more than \$350,000 to the Florida Medicaid program.

Acting Attorney General John Guard said, "This pharmaceutical manufacturer misled patients on its test kits and caused the submission of false claims to Medicaid. However, thanks to the superb and diligent work of our Medicaid Fraud Control Unit and partners in this case, the company and CEO are paying up now hundreds of thousands of dollars."

As part of the multistate action, QOL admitted that beginning in 2018, it distributed free Carbon-13 breath test kits to health care providers to give to patients with common gastrointestinal symptoms. QOL claimed that the C13 test could "rule in or rule out" Congenital Sucrase

Isomaltase Deficiency, a rare genetic condition for which Sucraid is the only approved therapy by the U.S. Food and Drug Administration.

However, the C13 test does not specifically diagnose CSID. Conditions other than CSID can cause a patient to test positive for low sucrase activity on a C13 test. Nonetheless, QOL paid a clinical laboratory to analyze patients' C13 tests – at no cost to health care providers or patients. QOL received aggregate weekly results, and its commercial team used this data to find potential Sucraid patients. Between 2018 and 2022, QOL paid the laboratory for more than 75,000 C13 tests and disseminated the results to the sales force to make Sucraid sales calls to health care providers whose patients had positive C13 breath test results.

From May 1, 2018, to June 30, 2022, QOL and Cooper caused the submission of false claims to Medicaid and other government health care programs by paying remuneration to the clinical laboratory and to beneficiaries.

QOL induced the lab to provide the C13 results data which referred QOL employees to health care providers for the furnishing, or arranging for the furnishing, of Sucraid reimbursed by Medicaid and other government health care programs.

As for the beneficiaries, QOL covered the costs of the C13 breath testing services to induce the beneficiaries' purchase of Sucraid to also be reimbursed by Medicaid and other government health care programs.

This agreement results from a whistleblower lawsuit originally filed in the U.S. District Court for the District of Massachusetts. A team from the National Association of Medicaid Fraud Control Units participated in the negotiations on behalf of the states and included representatives from the offices of the attorneys general for the states of Florida, California, Massachusetts, New Jersey, New York and Ohio.

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The Florida Attorney General's Medicaid Fraud Control Unit investigates and prosecutes providers that intentionally defraud the state's Medicaid program through fraudulent billing practices. Medicaid fraud essentially steals from Florida's taxpayers. Additionally, the MFCU investigates allegations of patient abuse, neglect, and exploitation in facilities receiving payments under the Medicaid program.

The Florida MFCU is funded through a grant totaling \$30,510,157 for Federal Fiscal Year 2025, from the U.S. Department of Health and Human Services-Office of Inspector General. The Federal Share of these funds is 75% totaling \$22,882,620. The State Matching Share of these funds is 25% totaling \$7,627,537 and funded by Florida.