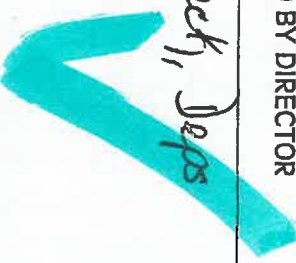


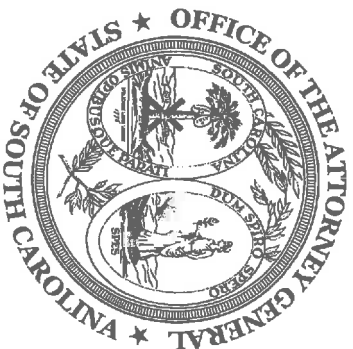
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Singhania	1-27-11

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER	1011322	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	
2. DATE SIGNED BY DIRECTOR	cc: Mr. Koch, Deps	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____	
		<input type="checkbox"/> FOIA DATE DUE _____	
		<input checked="" type="checkbox"/> Necessary Action	

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



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JAN 27 2011

Department of Health & Human Services
OFFICE OF THE DIRECTOR

ALAN WILSON
ATTORNEY GENERAL

January 21, 2011

VIA USPS AND EMAIL

Mr. Anthony Keck, Director
Medicaid Program
Department of Health and Human Services
P.O. Box 8206
Columbia, SC 29202

Re: Merck & Co., Inc. (f/k/a Schering-Plough Corporation), Schering Corporation, and Warrick Pharmaceuticals Corporation (collectively, "Schering Plough");
Average Wholesale Price ("AWP") settlement

Dear Mr. Keck:

This office has reached a settlement with Schering Plough concerning the reporting of false and inflated AWP's. I am pleased to inform you that the South Carolina Medicaid Program's portion of the settlement is \$492,857.35. The federal government recently settled its analogous claims against Schering Plough through an independent action. Therefore, the funds being transferred to you by my office consist solely of state-share money. My finance division will be in contact with your financial division concerning the interagency transfer.

I wish to thank you, Jim Assey, George Burnett, Rick Hepfer, Rod Davis, and the numerous other members of your office who have assisted with this suit, and I look forward to successful cooperation with your office on future matters.

If you have any questions relating to this matter, please contact Senior Assistant Attorney General C. Havird Jones, Jr., the attorney in charge of this matter, at (803) 734-3680.

Sincerely,

Alan Wilson

AW/js



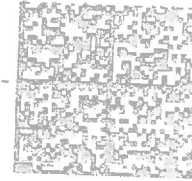
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Department of Health & Human Services
OFFICE OF THE DIRECTOR

Anthony Keck, Director
Medicaid Program
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P.O. Box 8206
Columbia, SC 29202



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