

# Costco to pay \$11.75m over medical prescriptions

LOS ANGELES - Warehouse retail giant Costco has agreed to pay \$11.75 million to settle allegations that some of its pharmacies improperly filled prescriptions for controlled substances, federal officials announced Thursday.



(c) Dmitry Kalinovsky - [123RF.com](https://123RF.com)

The US Justice Department had accused the retailer of filling prescriptions that were incomplete, lacked valid Drug Enforcement Administration (DEA) numbers or were for substances beyond various doctors' scope of practice.

Costco was also accused of failing to maintain accurate records for controlled substances at its pharmacies. The charges concerned a four-year period between 2012-2015.

"Last year, over 50,000 Americans died as a result of drug overdoses, many of which were related to the misuse of prescription drugs," Louis Milione, the DEA assistant administrator, said in announcing the settlement.

The deal, which covers Costco's nearly 700 stores in the United States, was reached following a probe in the states of Washington, California and Michigan.

Authorities said Costco's lax system of control at some of its pharmacies was not simply a matter of oversight and probably led to prescription drugs reaching the black market.

"A company such as Costco that distributes a significant volume of controlled substances has a responsibility to ensure it complies with regulations that help prevent opioids and other dangerous drugs from being misused or otherwise added to the illegal marketplace," said Annette Hayes, the top prosecutor for the western district of Washington.

In order to remedy the lax controls at some of its pharmacies, Costco has purchased a new pharmacy management system that is expected to cost the company \$127 million over five years. The settlement comes as the United States battles an epidemic of opioids that include the illicit drug heroin but also prescription pain relief drugs.

**Source:** AFP

For more, visit: <https://www.bizcommunity.com>