



Posted on: Saturday, June 3, 2006

\$3.2 million settlement benefits elders, UH

By [Beverly Creamer](#)
Advertiser Education Writer

More than 1,100 nursing-home residents, plus the University of Hawai'i, will benefit from a \$3.2 million settlement of a class-action lawsuit alleging that the Interstate Pharmacy Corp., doing business as IPC Pharmacy before being acquired by PharMerica Inc. sold recycled pills to Hawai'i nursing-home patients from the early 1990s through 2000.

As part of the out-of-court settlement, UH will receive an endowment of \$2.3 million for programs to benefit the elderly. The money will be divided equally between a new Center on Law, Medicine and Aging to be based at the William S. Richardson School of Law, and programs at the John A. Burns School of Medicine.

PharMerica senior vice president and group counsel Richard Greenhall, based in Tampa, Fla., said the company has denied any wrongdoing and is "very pleased that the matter is behind us." By phone, Greenhall said the company also is pleased that the settlement proceeds "benefit the elderly of Hawai'i and the University of Hawai'i for programs that will also benefit senior citizens."

Under terms of the settlement brokered by attorneys Rick Eichor and Thomas Grande on behalf of 3,585 Hawai'i nursing-home residents, elderly patients still living have received an average of \$900 apiece to repay them for pills allegedly recycled by the pharmacy.

The attorneys said charges filed under the Hawai'i Deceptive Trade Practices law allege that the pharmacy took pills that had been returned by the nursing homes and resold them to others.

"The allegation was that medication had been returned from nursing homes when a patient had died or was transferred, or when the prescription had changed," said attorney Grande, of the firm Davis Levin Livingston Grande. "The allegation was that those medications were then removed from their blister-pack containers and replaced in bulk bottles and resold. Or the blister packs themselves were relabeled and resold."

The attorneys said they had no information about whether any patients suffered ill effects from the alleged practice.

Payments to patients ranged from as little as \$100 to as much as \$10,000, depending on their receipts for out-of-pocket costs for the medications, said the attorneys. Of the total number of plaintiffs, checks were sent to 1,120 people and cashed by 1,022 for a total of \$902,265 that went to those in the class action.

Attorneys for both sides agreed that any money that could not be distributed to plaintiffs in the suit would go to the broader community to improve overall programs

MONEY FOR UH

Under the terms of the settlement of a 2001 class-action lawsuit, the University of Hawai'i will receive an endowment of \$2.3 million for programs to benefit the elderly. The money will be divided equally between a new Center on Law, Medicine and Aging to be based at the William S. Richardson School of Law, and programs at the John A. Burns School of Medicine.

At the medical school, four programs will receive money:

- Teaching Nursing Home Program: \$313,795
- Leahi Outpatient Geriatrics Clinic: \$313,795
- Geriatric Inpatient Teaching Service: \$313,795
- Alzheimer's Disease Referral Clinic: \$209,206

Sources: attorneys Thomas Grande and Rick Eichor

for elders.

"It's a fund created to benefit class members from money left over that doesn't go to the actual class members," said Eichor, of the firm Price Okamoto Himeno & Lum. "In this case, we knew we would have a lot of people we'd never be able to locate."

UH law school dean Aviam Soifer called the agreement "unprecedented" in Hawai'i and praised the firms for taking the lead in this "creative model" to serve both the public interest and education.

Soifer said that while planning is still under way for the new center, the money will in part help create new multidisciplinary courses involving elder law, as well as other ways to bring together students from many professional schools throughout the university system to overlap their learning.

"It's going to impact literally dozens of students for many years to come," said Soifer. "This is a tremendous opportunity to address a problem that's already pressing and growing in importance."

In a prepared statement, Francis W. Markham, one of the class representatives, said he was "proud that this lawsuit resulted in such a significant contribution to the University of Hawai'i and to seniors in our state.

"We brought this lawsuit to protect seniors, and these monies will leave a lasting legacy for our efforts," Markham said.

According to PharMerica spokesman Greenhall, the parent company acquired the Hawai'i-based Interstate Pharmacy Corp., doing business as IPC Pharmacy, right before the allegations were made.

"This is conduct that took place many, many years ago under completely different management," said Greenhall. "We are very proud of our Hawai'i associates. Any changes made were made in response to those allegations many years ago.

"We value our operation in Hawai'i and believe that we are very key members of the community on the Islands, and would like to continue that," said Greenhall.

The company provides medications to virtually every nursing home in the state, according to attorneys Eichor and Grande.

The lawsuit named William Ray Helbig, as the personal representative of Delta Helbig and Markham, as special administrator of the estate of the late Eleanor Wallwork. The suit was originally brought on her behalf.

The clients who took part in the class-action suit were private-pay patients.

The lawsuit was filed in 2001 and received final settlement approval in May 2005 by Circuit Judge Eden Hifo. Attorneys have been finding members of the class action who filed claims for payment.

Reach Beverly Creamer at bcreamer@honoluluadvertiser.com.

[Back](#)

 COPYRIGHT 2006 The Honolulu Advertiser, a division of [Gannett Co.](#) Inc.

All materials contained on this site are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of The Honolulu Advertiser. You may not alter or remove any trademark, copyright or other notice from copies of the content.