

State of Alaska
Department of Law
Press Release

Alaska Joins FTC and Other States in Settlement Against Pharmaceutical Company

January 18, 2017

(Anchorage, AK) – The State of Alaska joined the Federal Trade Commission (FTC) and the states of Texas, Washington, New York and Maryland in a \$100 million settlement with Questcor Pharmaceuticals, Inc. The FTC will receive \$90 million, and the states will receive the remainder consistent with the settlement terms. Alaska’s share of the settlement will total over \$2 million, the majority of which must be used for research and treatment of conditions treated with Questcor’s drug.

The settlement resulted from claims by the FTC and states that Questcor illegally maintained its monopoly for a certain lifesaving therapeutic drug, enabling Questcor to continue charging over \$34,000 per vial. The states and FTC alleged that Questcor blocked competition and acquired the U.S. rights for another similar therapeutic drug, making it virtually impossible for American patients to get any other drug but Questcor’s.

In 2001, Questcor bought the rights to an adrenocorticotrophic hormone (ACTH)-based therapeutic drug called Acthar used to treat certain life-threatening diseases, including infantile spasms, nephrotic syndrome, and multiple sclerosis. Since then, Questcor has increased the price of Acthar from \$40 per vial to over \$34,000 per vial.

In 2012, Novartis Pharma A.G decided to sell the United States rights to Synacthen, one of only a few ACTH-based, therapeutic drugs currently sold in the world. Questcor outbid three other companies to protect its monopoly over ACTH-based drugs in the U.S.

“Drug companies cannot prevent competitors from entering the market,” said Alaska Attorney General Jahna Lindemuth. “By making competition impossible, Questcor continued charging outrageous prices to patients with no other options. This settlement will allow vulnerable Alaskans with these life-threatening diseases to have a choice and not be forced to pay tens of thousands of dollars for lifesaving drugs.”

In addition to paying \$100 million, Questcor must also transfer Synacthen to a firm that will have the incentive to develop and market the drug in the U.S.

The defendants named in the lawsuit and settlement are Mallinckrodt ARD, Inc., formerly known as Questcor Pharmaceuticals, Inc., and Mallinckrodt Plc.

- Complaint - PDF(202KB)
- Stipulated order for permanent injunction and monetary relief - PDF(324KB)

CONTACT: Chief Assistant Attorney General Ed Sniffen at 907-269-5187.

#

Department of Law attorney.general@alaska.gov 1031 West 4th Avenue, Suite 200, Anchorage, AK 99501

Phone: 907-269-5100 Fax: 907-276-3697 TTY: 907-258-9161

Additional Contact Information

State of Alaska © 2017 Webmaster