

Decrying ‘illegal behavior rooted in greed,’ Attorney General Ellison announces major lawsuit against manufacturers of generic pharmaceutical drugs, part of ‘largest cartel in history’

Joins 42 other states and Puerto Rico in alleging 20 companies illegally allocated and fixed prices on 112 generic drugs that treat cancer, diabetes, MS, other conditions

Rep. Rod Hamilton denounces ‘greedy corporate cartel that is stealing from the sick, the dying, and the disabled’

May 13, 2019 (SAINT PAUL) — Attorney General Ellison announced at a press conference today that he has joined 42 other states and Puerto Rico, in a coalition led by the State of Connecticut, in filing a major [new lawsuit](#) against 20 corporate manufacturers of generic pharmaceutical drugs and 15 individual defendants. The suit alleges that between 2013 and 2015, the defendants conspired to illegally allocate markets and fix prices for 112 prescription generic drugs that treat cancer, diabetes, multiple sclerosis, epilepsy, anxiety, high blood pressure, bacterial infections, HIV, and other conditions. (A list of those drugs and the conditions they treat is at the end of this release.)

As Attorney General Ellison noted, while many factors contribute to the high price of pharmaceutical drugs in America, today we know much more about one of them: “illegal behavior rooted in greed. There’s a good reason that this kind of anti-competitive, anti-trust conspiracy has been illegal for more than a century,” he added. “Holding these manufacturers accountable is exactly the kind of thing the Attorney General can do to help Minnesotans afford their lives and live with dignity.”

Representative Rod Hamilton of Worthington, an eight-term Republican who lives with multiple sclerosis, said, “When you have the greedy corporate drug cartel building a business model that is stealing from the sick, the dying, and the disabled, that is quite frankly maddening.” He spoke of “countless” contacts he has had from Minnesotans who, because they cannot afford their prescription medications, are having to “choose between paying their bills and saving their lives.”

Dr. Stephen Schondelmeyer, professor at the University of Minnesota College of Pharmacy and a national expert on the economic and social impacts of drug prices, said, “We’ve relied on generics manufacturers to lower the cost of pharmaceutical drugs, and now the very people that we’ve relied upon have turned around and stabbed us in the back with tremendous price increases. This market is broken.”

Rep. Hamilton and Dr. Schondelmeyer are both members of Attorney General Ellison’s [Advisory Task Force for Lowering Pharmaceutical Drug Prices](#), co-chaired by Insulin for All advocate Nicole Smith-Holt and Senator Scott Jensen, a first-term Republican.

This new lawsuit comes on top of another lawsuit against generics manufacturers filed in December 2016, in which Minnesota is also a plaintiff. That suit similarly alleges that 16 other generics manufacturers also conspired to illegally fix prices and allocate markets in what has been called “most likely the largest cartel in the history of the United States.”

The alleged conspiracy

Generic pharmaceutical drugs now represent nearly 90 percent of all prescriptions filled in America. The new lawsuit alleges that through a well understood and widely agreed-upon system, these generics manufacturers and their representatives conspired with their ostensible competitors to allocate markets and to fix prices among them. First, companies that theoretically competed with each other conspired to divide up markets for different generic drugs into what they called a “fair share” for each, based on when each company entered the market for that drug, and agreed not to compete with each other on price or market share. Then those companies actively conspired with each other to charge “supra-competitive” prices for the drug or drugs in that market.

This conspiratorial behavior was called “playing well in the sandbox.” Those competitor companies that were considered to “play well in the sandbox” were called “responsible” or “rational.” As Attorney General Ellison pointed out, however, “This is the exact opposite of how rational economic theory has told us markets are supposed to operate.”

In Minnesota, this behavior has harmed consumers, many of whom have complained to the Attorney General’s Office about sudden, dramatic spikes in the cost of generics, some of which are named in this complaint; payors like insurance companies that have absorbed large cost increases and passed them onto consumers in the form of higher premiums and reduced coverage; and taxpayers who pay more to support public healthcare programs. From 2012 to 2016, pharmacy spending per enrollee in Minnesota’s Medicaid program rose more than 56 percent. Nationally, more than \$500 million in Medicaid drug reimbursements from mid-2013 to mid-2014, the period in which the alleged illegal market allocation and price fixing took place, was for generic drugs whose prices had increased by more than 100%.

List of generic drugs involved in alleged market allocation and price fixing, and conditions they treat

- Adapalene Gel (acne)
- Amiloride HCL/HCTZ Tablets (blood pressure/heart failure)
- Amoxicillin/Clavulanate Chewable Tablets (antibiotic- treatment for bacterial infections)
- Amphetamine/Dextroamphetamine ER (aka Mixed Amphetamine Salts) (ADHD/narcolepsy)
- Amphetamine/Dextroamphetamine IR (ADHD/narcolepsy)
- Azithromycin Oral Suspension (antibiotic- treatment for bacterial infections)
- Azithromycin Suspension (antibiotic- treatment for bacterial infections)
- Baclofen Tablets (muscle relaxant- used to treat multiple sclerosis)

- Benazepril HCTZ (high blood pressure)
- Bethanechol Chloride Tablets (bladder problems)
- Budesonide DR Capsules (Crohn's disease/ulcerative colitis)
- Budesonide Inhalation (asthma)
- Bumetanide Tablets (fluid retention/high blood pressure- treatment for heart failure/liver disease/kidney disease)
- Buspirone Hydrochloride Tablets (anxiety disorders)
- Cabergoline (treatment for fertility problems/pituitary gland tumors)
- Capecitabine (cancer- chemotherapy drug)
- Carbamazepine Chewable Tablets (epilepsy- control seizures)
- Carbamazepine Tablets (epilepsy- control seizures)
- Cefdinir Capsules (bacterial infections)
- Cefdinir Oral Suspension (bacterial infections)
- Cefprozil Tablets (bacterial infections)
- Celecoxib (anti-inflammatory/pain/arthritis)
- Cephalexin Suspension (bacterial infections/pneumonia)
- Cimetidine Tablets (GERD (acid reflux))
- Ciprofloxacin Tablets (bacterial infections)
- Clarithromycin ER Tablets (ulcers/bacterial infections)
- Clemastine Fumarate Tablets (antihistamine- for allergies)
- Clomipramine HCL (antidepressant- used for obsessive compulsive disorder)
- Clonidine TTS Patch (high blood pressure)
- Clotrimazole Topical Solution (antifungal- for thrush/ringworm)
- Cyproheptadine HCL Tablets (antihistamine- for allergies)
- Desmopressin Acetate Tablets (antidiuretic- treatment for diabetes insipidus ("water diabetes" due to trauma/surgery)/bleeding disorders)
- Desogestrel/Ethinyl Estradiol Tablets (Kariva) (birth control)

- Dexmethylphenidate (ADHD)
- Dextroamphetamine Sulfate ER (ADHD)
- Diclofenac Tablets (anti-inflammatory- for pain/arthritis)
- Diclofenac Potassium Tablets (anti-inflammatory- for pain/arthritis)
- Dicloxacillin Sodium Capsules (penicillin antibiotic)
- Diflunisal Tablets (pain/arthritis)
- Diltiazem HCL Tablets (high blood pressure/chest pain)
- Disopyramide Phosphate Capsules (treatment for arrhythmias (irregular heartbeat))
- Doxazosin Mesylate Tablets (urinary retention/enlarged prostate)
- Drospirenone / Ethinyl Estradiol (Ocella) (birth control)
- Enalapril Maleate Tablets (high blood pressure/kidney disease/heart failure)
- Entecavir (hepatitis B)
- Epitol Tablets (see carbamazepine; seizures/nerve pain/bipolar disorder)
- Estazolam Tablets (insomnia)
- Estradiol (hormone treatment for menopause/prostate & breast cancer)
- Estradiol Tablets (hormone treatment for menopause/prostate & breast cancer)
- Ethinyl Estradiol/Levonorgestrel (Portia and Jolessa) (birth control)
- Ethosuximide Capsules (epilepsy- for absence seizures)
- Ethosuximide Oral Solution (epilepsy- for absence seizures)
- Etodolac ER Tablets (pain/arthritis)
- Etodolac Tablets (pain/arthritis)
- Fenofibrate (lowers cholesterol)
- Fluconazole Tablets (fungal infections)
- Fluocinonide Cream (skin disorders)
- Fluocinonide Emollient Cream (skin disorders)
- Fluocinonide Gel (skin disorders)
- Fluocinonide Ointment (skin disorders)

- Fluoxetine HCL Tablets (antidepressant- treatment for OCD/bulimia)
- Flurbiprofen Tablets (pain/arthritis)
- Flutamide Capsules (prostate cancer)
- Fluvastatin Sodium Capsules (lowers cholesterol)
- Gabapentin Tablets (treatment for nerve pain/seizures caused by shingles)
- Glimepiride Tablets (type 2 diabetes)
- Griseofulvin Suspension (antifungal- for ringworm/jock itch)
- Haloperidol (antipsychotic- for schizophrenia/Tourette's/bipolar disorder)
- Hydroxyurea Capsules (chemotherapy- for leukemia/other cancers)
- Hydroxyzine Pamoate Capsules (antihistamine- for skin conditions/nausea)
- Irbesartan (high blood pressure/kidney disease)
- Isoniazid (tuberculosis)
- Ketoconazole Cream (antifungal)
- Ketoconazole Tablets (antifungal)
- Ketoprofen Capsules (pain/arthritis)
- Ketorolac Tromethamine Tablets (pain)
- Labetalol HCL Tablets (high blood pressure)
- Lamivudine/Zidovudine (generic Combivir) (HIV medication)
- Levothyroxine (hypothyroidism/thyroid cancer)
- Loperamide HCL Capsules (diarrhea)
- Medroxyprogesterone Tablets (hormone for uterine bleeding/menstruation problems)
- Methotrexate Tablets (blood/bone/lung/breast cancers)
- Mimvey (Estradiol/Norethindrone Acetate) Tablets (birth control)
- Moexipril HCL Tablets (high blood pressure/congestive heart failure)
- Moexipril HCL/HCTZ Tablets (high blood pressure/congestive heart failure)
- Nabumetone Tablets (pain/arthritis)
- Nadolol Tablets (high blood pressure/chest pain)

- Niacin ER Tablets (cholesterol)
- Nitrofurantoin MAC Capsules (urinary tract infections)
- Norethindrone/ Ethinyl Estradiol Tablets (Balziva) (birth control)
- Norethindrone Acetate (birth control)
- Nortriptylline Hydrochloride Capsules (nerve pain/depression)
- Omega-3-Acid Ethyl Esters (lowers triglycerides)
- Oxaprozin Tablets (pain/arthritis)
- Oxybutynin Chloride Tablets (bladder problems)
- Paricalcitol (kidney disease- parathyroid hormone issues)
- Penicillin VK Tablets (antibiotic)
- Pentoxifylline Tablets (blood flow problems)
- Piroxicam (pain)
- Pravastatin Sodium Tablets (high cholesterol)
- Prazosin HCL Capsules (high blood pressure)
- Prochlorperazine Tablets (antipsychotic- schizophrenia)
- Propranolol HCL Tablets (high blood pressure/chest pain/tremors—used after heart attack)
- Raloxifine HCL Tablets (osteoporosis/reduces risk of breast cancer for high risk women)
- Ranitidine HCL Tablets (GERD (reflux)/stomach ulcers)
- Tamoxifen Citrate Tablets (breast cancer)
- Temozolomide (brain cancer)
- Tizanidine (muscle relaxant- multiple sclerosis/spinal cord injury)
- Tobramycin (lung infections)
- Tolmetin Sodium Capsules (pain/arthritis)
- Tolterodine ER (bladder issues)
- Tolterodine Tartrate (bladder issues)
- Topiramate Sprinkle Capsules (epilepsy- seizures)
- Trifluoperazine HCL (antipsychotic- anxiety/psychosis)

- Valsartan HCTZ (high blood pressure/heart failure)
- Warfarin Sodium Tablets (blood thinner used to prevent blood clots)