



**XAVIER BECERRA**

*Attorney General*

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# Attorney General Becerra Secures Nearly \$70 Million against Several Drug Companies for Delaying Competition and Increasing Drug Prices

Press Release / *Attorney General Becerra Secures Nearly \$70 Million against ...*

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*Attorney General Becerra secures four major settlements, including two against the world's largest generic medicine company*

**SAN FRANCISCO** – California Attorney General Xavier Becerra today announced four settlement agreements against pharmaceutical companies for entering into collusive “pay-for-delay agreements” that illegally delay affordable prescription drugs from

entering the market. Together, the settlements will result in these pharmaceutical companies making a nearly \$70 million payment to the state. These settlements include the largest pay-for-delay settlement received by any state and are also the only ones to secure injunctive relief for a state against future pay-for-delay agreements. Pay-for-delay agreements allow a brand name drug company to continue its monopoly of a branded drug and to charge consumers higher prices.

The first settlement with Teva addresses anticompetitive pay-for-delay agreements that delayed a generic narcolepsy drug, Provigil, from entering the market for almost six years. The three other settlements with Teva, Endo Pharmaceuticals, and Teikoku address similar practices that prevented a generic version of the drug Lidoderm, a shingles medication, from entering the market for almost two years. Pay-for-delay agreements are costly to consumers and the healthcare market, causing consumers to pay as much as 90% more for drugs shielded from competition.

“These dark, illegal, collusive agreements that drug companies devise not only choke off price competition but burden our families and patients—they force every Californian to shoulder higher prices for life-saving medication. It’s nothing less than playing with people’s lives,” **said Attorney General Becerra**. “Californians shouldn’t have to pay an arm and leg to afford their prescriptions. That’s why I am vigorously advocating for stronger laws, like AB 824 by Assemblymember Jim Wood, to deter this conduct and build on enforcement actions like the ones I’m announcing today. Together, these actions will help us push back on greedy drug companies and fight for California families.”

Pay-for-delay agreements occur when name brand and generic drug companies avoid litigation by agreeing that the brand name will compensate the generic to keep it from entering the marketplace with its generic version of the brand name drug for a period of time. The four settlements announced today, include:

- **Provigil Settlement:** Attorney General Becerra argued that Teva delayed entry of generic competition through four pay-for-delay agreements that illegally maintained its monopoly over Provigil sales between 2006 and 2012. This resulted in artificially high costs of Provigil for consumers. As a result, Attorney General Becerra secured \$69 million for California and a 10-year injunction prohibiting Teva from entering into pay-for-delay agreements. As part of the \$69 million settlement, a \$25,250,000 consumer fund will be created for California residents who purchased Provigil, Nuvigil or Modafinil during this timeframe. Consumers can learn more details here. In addition, the money from the settlement will be used to strengthen Attorney General Becerra's investigative and enforcement work in cases like these to protect affordable, quality healthcare for all Californians.
- **Lidoderm Settlements:** Attorney General Becerra argued that Teva, Endo Pharmaceuticals, and Teikoku entered into pay-for-delay agreements regarding Lidoderm, a medical patch to relieve shingles pain. In June 2019, Attorney General Becerra settled with Endo Pharmaceuticals, securing an eight-year injunction against further pay-for delay agreements and payment of \$760,000. Attorney General Becerra also secured a 20-year injunction against Teikoku, a partner in the production of Lidoderm with Endo.

Californians who believe they are victims of Teva's alleged misconduct may file a form available at [www.oag.ca.gov/report](http://www.oag.ca.gov/report), and they will be notified when the claims process has been established.

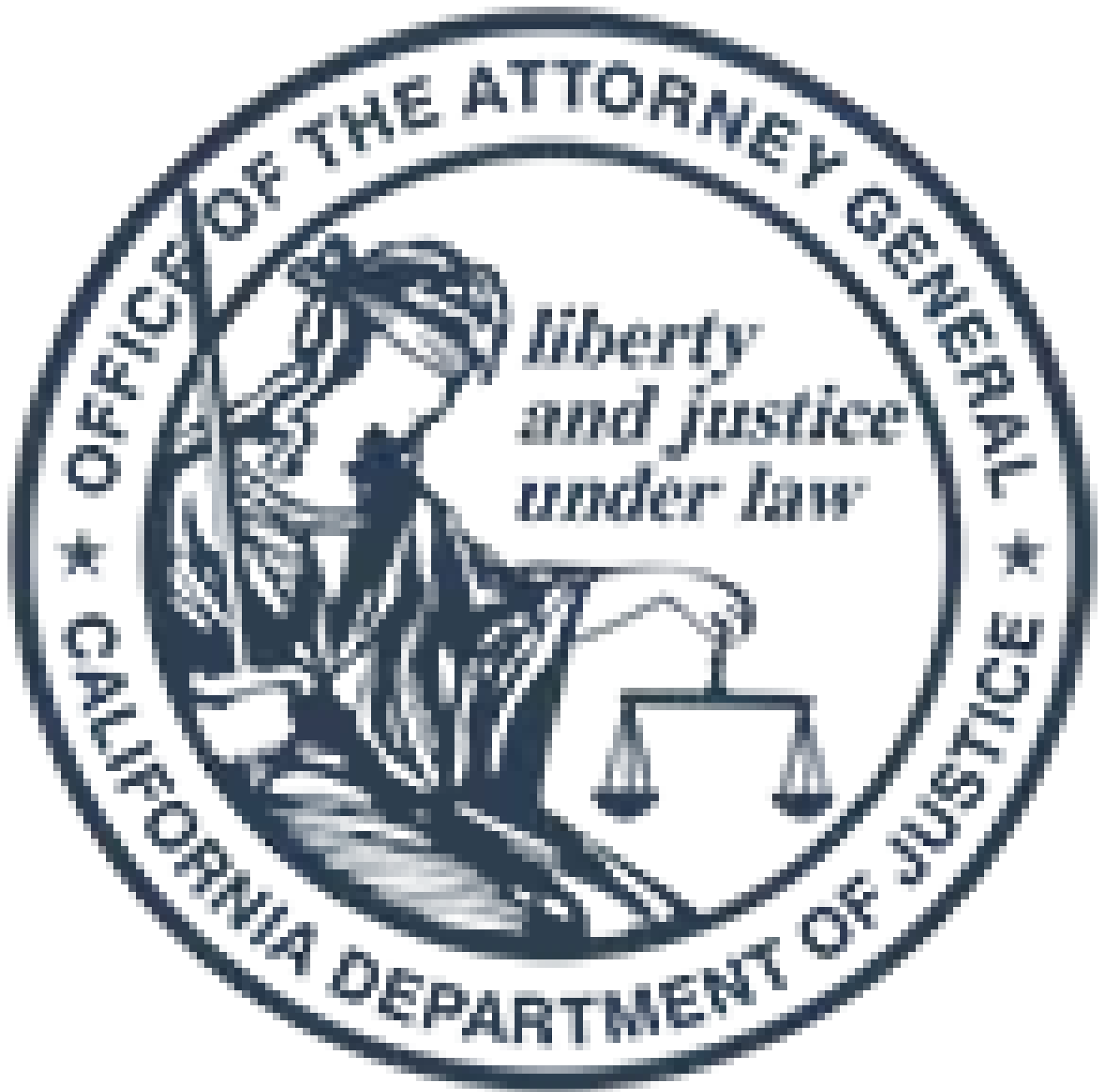
Attorney General Becerra has been aggressively fighting to lower the cost of healthcare, including prescription drugs. Attorney General Becerra is currently sponsoring AB 824 with Assemblymember Jim Wood to help curb pay-for-delay agreements, by deterring this conduct and increasing enforcement against bad actors. He created the Health Rights and Access Section within the Department of Justice's legal division, which works to fight

for lower healthcare costs and better care. In addition, the Attorney General has prioritized this work by fighting unlawful conduct under state antitrust laws by Sutter Health. The lawsuit against Sutter Health, filed in March of 2018, is set for trial in September and seeks to restore competition in the California healthcare market. In addition, Attorney General Becerra is leading a coalition of attorneys general in actively defending the Affordable Care Act (ACA) and the healthcare of tens of millions of Americans. Attorney General Becerra's coalition argues that dismantling the ACA would wreak havoc on the entire American healthcare system and risk lives in every state.

The settlement agreement can be found [here](#).

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