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### Article

# Delaware and Other States Expand Price-Fixing Suit Against Pharmaceutical Companies

**Date Posted: Tuesday, October 31st, 2017**

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*State AGs allege multi-state price-fixing conspiracy involving 18 generic drug companies and two company executives*

The Delaware Attorney General and other Attorneys General have significantly expanded the scope of a lawsuit against generic drug manufacturers alleging illegal price-fixing agreements. The lawsuit, which now also names two individual executives of the defendant companies, seeks action against 18 companies for price-fixing of drugs including generic antibiotics and generics used to treat epilepsy, high blood pressure, and asthma.

The lawsuit alleges that the defendants illegally agreed to fix prices and allocate customers for a number of generic drugs. It also alleges that these conspiracies were part of a much broader, overarching industry code of conduct that enabled the defendant manufacturers to divvy up the market for specific generic drugs in accordance with an established, agreed-upon understanding for assigning each competitor their share of the market. This conduct has resulted in artificially inflated prices for generic drugs, which have impacted both government healthcare programs such as Medicaid, and private insurance costs.

Delaware was one of 20 states that initially filed this litigation in December 2016. The number of states and U.S. territories that are now part of the litigation is 46.

The expanded complaint names two individual defendants: Rajiv Malik, president and executive director of Mylan N.V., which is the parent company of Mylan Pharmaceuticals, Inc.; and Satish Mehta, the chief executive officer and managing director of Emcure Pharmaceuticals, Ltd., which is the parent company of Heritage Pharmaceuticals, Inc.

"Generic drugs make up 88% of the prescriptions written in the United States," said Delaware Attorney General Matt Denn, "and prescription drug costs are a significant part of the health care costs borne by Delawareans. It is critical that pharmaceutical companies follow the law when it comes to setting the prices for their products, and we will continue to work with other states to be vigilant in ensuring compliance by the pharmaceutical industry."

The specific companies named in the states' motion to expand its complaint are: Actavis Holdco U.S., Inc.; Actavis Pharma, Inc.; Ascend Laboratories, LLC; Apotex Corp.; Dr. Reddy's Laboratories, Inc.; Emcure Pharmaceuticals, Ltd.; Glenmark Pharmaceuticals, Inc.; Lannett Company, Inc.; Par Pharmaceutical Companies, Inc.; Sandoz, Inc.; Sun Pharmaceutical Industries, Inc.; and Zydus Pharmaceuticuals (USA), Inc

The specific generic drugs for which the states seek to expand their complaint to allege price fixing are:

- Acetazolamide, used to treat glaucoma and epilepsy;
- Doxycycline monohydrate, an antibiotic;
- Fosinopril-hydrochlorothiazide, used to treat high blood pressure;
- Glipizide-metformin, a diabetes medication;
- Glyburide-metformin, a diabetes medication;
- Leflunomide, used to treat rheumatoid arthritis;
- Meprobamate, an anxiety medication;
- Nimodipine, a calcium channel blocking agent used to reduce problems caused by a bleeding blood vessel in the brain;
- Nystatin, an antifungal medication;
- Paromomycin, an antibiotic used to treat certain parasite infections;
- Theophylline, used to treat asthma and other lung problems;
- Verapamil, used to treat hypertension; and
- Zoledronic acid, used to treat hypercalcemia.

Delaware's original announcement of this suit is here. (<https://news.delaware.gov/2016/12/15/gdms/>)



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