

Attorney General Ellison Joins Landmark FTC Lawsuit Challenging ‘Dangerous’ Pharmaceutical Merger

Lawsuit seeks to block proposed acquisition by Amgen, one of world’s largest drug companies, in FTC’s first ever challenge of a pharmaceutical merger

June 23, 2023 (SAINT PAUL) – Minnesota Attorney General Keith Ellison today joined a federal [antitrust lawsuit](#) with the Federal Trade Commission (FTC) and five attorneys general in a legal effort to block Amgen, one of the world’s largest biopharmaceutical drug companies, from purchasing Horizon Therapeutics (Horizon). In challenging the \$28 billion purchase, the FTC alleges that the proposed acquisition raises significant anticompetitive concerns. This is the FTC’s first-ever challenge of a pharmaceutical merger.

The amended complaint, filed in the United States District Court for the Northern District of Illinois, alleges that the merger will position Amgen to effectively monopolize the markets for certain crucial medications, and thereby reduce affordability, access, and choice of drugs for some of Minnesota’s most vulnerable patients.

“My job is to help Minnesotans afford their lives — and that includes making sure they get the benefits of healthy competition, especially in health care where costs keep going up. This proposed merger would limit choices for patients and their doctors, and keep drug prices high for Minnesotans and all Americans. It would increase consolidation in the biopharmaceutical industry, reducing the benefits of competition in an already deeply flawed system,” Attorney General Ellison said. “Minnesotans and consumers everywhere should have full access to healthcare they can afford — and not have pharmaceutical companies controlling their health plan formularies by leveraging their monopolies. I am joining the Federal Trade Commission and five state Attorneys General in suing Amgen and Horizon to prevent this merger, to fight against further consolidation, and to fight for more choices and lower costs to consumers.”

Amgen Inc., headquartered in California, acquired several companies to become one of the largest biopharmaceutical companies in the world. Amgen negotiates with pharmacy benefit managers and payers (health plans and plan sponsors) over which of its drugs will be included in health plan formularies. Amgen has a history of offering rebates for some kinds of drugs to get favorable formulary placement for completely unrelated drugs, insulating itself from competitive pressure on those drugs.

Horizon, headquartered in Illinois, specializes in developing drugs for rare diseases. Horizon has exclusive rights to manufacture and sell the medicines Krystexxa, the only drug approved by the FDA to treat chronic refractory gout, and Tepezza, which is the only FDA-approved treatment for thyroid eye disease. A six-month course of treatment of Tepezza is typically priced at around \$350,000. Krystexxa has an annual wholesale acquisition cost of around \$650,000. Last year alone, these two drugs generated over \$2.5 billion in revenue for Horizon.

Two of Amgen's competitors are expected to introduce alternatives to Krystexxa and Tepezza in the near future that could be safer, more affordable, more durable, and better at preventing debilitating disability. The competitive pressure from alternatives would force the price of those drugs down significantly.

Amgen's \$28 billion acquisition of Horizon would enable it to entrench its acquired monopolies by leveraging its portfolio of blockbuster drugs to protect Krystexxa and Tepezza from coming down in price. The proposed merger would hurt Amgen's current and future competitors, employers and other health plan sponsors, and consumers, who would face higher health plan premiums and restricted choices on diminished formularies.

Attorney General Ellison urges Minnesota consumers to report their antitrust concerns in the healthcare industry or any other Minnesota industry by [submitting a complaint online](#) or by calling the Attorney General's Office at (651) 296-3353 (metro area), (800) 657-3787 (Greater Minnesota), or (800) 627-3529 (Minnesota Relay).

Joining Attorney General Ellison in this lawsuit are attorneys general from California, Illinois, New York, Washington and Wisconsin.