

Connecticut leads 20-state lawsuit over drug pricing

December 15 2016

Six generic drug-makers artificially inflated and manipulated prices to reduce competition for an antibiotic and oral diabetes medication, 20 state attorneys general, led by Connecticut, said in a federal lawsuit filed Thursday.

Connecticut Attorney General George Jepsen, whose office began its investigation more than two years ago into suspicious price increases of certain generic medications, said his staff "developed compelling evidence of collusion and anticompetitive conduct" among many companies that manufacture and market generic drugs.

Jepsen called Heritage Pharmaceuticals "the principal architect of the conspiracies," but said he had evidence of "widespread participation in illegal conspiracies across the generic drug industry."

Federal authorities on Wednesday charged two former executives from Heritage, an Eatontown, New Jersey-based company, with fixing prices of generic drugs on an antibiotic and a diabetes medication between April 2013 and December 2015. Heritage said in a statement that it terminated those executives in August, has filed its own civil complaint against the pair and is fully cooperating with the Department of Justice.

A message was left seeking comment with Heritage concerning the 20-state lawsuit.

Besides Heritage, the other drug companies targeted in the lawsuit

include Aurobindo Pharma USA Inc.; Citron Pharma LLC; Mayne Pharma Inc.; Mylan Pharmaceuticals Inc.; and Teva Pharmaceuticals USA.

Both Mylan and Teva said they knew of no evidence that they had participated in price fixing. Teva said it "vigorously" denies any allegations of wrongdoing. Aurobindo declined to comment. The other companies didn't immediately return requests for comment.

"Ultimately, it was consumers—and, indeed, our health care system as a whole—who paid for these actions through artificially high prices for [generic drugs](#)," Jepsen said.

According to the complaint, which was filed in federal court in Connecticut on Thursday, the defendants allegedly coordinated with their competitors at industry trade shows, customer conferences and other events, as well as through direct email, phone and text message communications. The 20 states also allege the [drug companies](#) knew their conduct was illegal and avoided communicating with one another in writing.

Besides Connecticut, the other plaintiff states include Delaware, Florida, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Nevada, New York, North Dakota, Ohio, Pennsylvania, Virginia and Washington.

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