



Taking Control of Your Health

A Monthly Newsletter from Antonella Martino, February 2017

20 States Accuse Generic Drug Companies of Price Fixing

By Katie Thomas, The New York Times

A wide-ranging investigation into generic drug prices took its most significant turn yet on Thursday, as state attorneys general accused two industry leaders, Teva Pharmaceuticals and Mylan, and four smaller companies of engaging in brazen price-fixing schemes — and promised that more charges were coming.

A civil complaint filed by 20 states accuses the companies of conspiring to artificially inflate prices on an antibiotic and a diabetes drug, with executives coordinating through informal industry gatherings and personal calls and text messages. Officials said the case was a small example of broader problems in the drug business.



George C. Jepsen
Connecticut Attorney General

“We believe that this is just the tip of the iceberg,” George C. Jepsen, Connecticut’s attorney general, whose office started the inquiry that led to the charges, said in an interview on Thursday. “I stress that our investigation is continuing, and it goes way beyond the two drugs in this lawsuit, and it involves many more companies than are in this lawsuit.”

The accusations, as well as continuing investigations at the state and federal levels, have left a cloud of uncertainty over the industry. While several other big generic drug companies have received subpoenas, it is unclear where the inquiries will eventually lead. The generic drug business is already on the defensive and struggling to recover from a barrage of public criticism in the past year over high prices.

The complaint on Thursday describes a cozy industry culture defined by regular dinners and social outings, and argues that those events often cross the line to violate antitrust rules. Generic drug makers hoping to begin selling a new drug first seek out rivals, the suit says, in hopes of reaching an agreement on how to maintain market share and avoid competing on price.

“These agreements had the effect of artificially maintaining high prices for a large number of generic drugs and creating an appearance of competition when in fact none existed,” the lawsuit says.

Teva, an Israeli drug maker, is the world’s largest manufacturer of generic medicines. Mylan faced intense criticism this year after it sharply raised prices on EpiPen, a severe allergy treatment. The charges filed on Thursday are not related to EpiPen, a branded product that has little competition.

Both Teva and Mylan, the suit says, engaged in anticompetitive behavior, but not with each other — coordinating instead with smaller companies.

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Generic drugs are copies of brand-name drugs that have exactly the same dosage, intended use, effects, side effects, route of administration, risks, safety, and strength as the original drug. In other words, their pharmacological effects are exactly the same as those of their brand-name counterparts. - **FDA**

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The suit's focus is two drugs, a delayed-release form of the antibiotic treatment doxycycline hyclate, and glyburide, a commonly used diabetes drug. The price of doxycycline has surged in recent years, and it was singled out by members of Congress and others as a prime example of unexplained price increases for generic drugs.

Other companies named in the suit, including Aurobindo Pharma, Citron Pharma and Mayne Pharma, did not reply to requests for comment.

The court actions this week could have wide implications, particularly if, as officials suggest, they are just the beginning. More than 80 percent of all prescriptions dispensed in the United States are for generic drugs, which have been credited with saving consumers and taxpayers billions of dollars by introducing competing products to a drug losing patent protection.

**Generic Drugs
80%
Of All Prescriptions**

One-third Of Long-term Users Say They Are Hooked On Rx Opioids

A new *Washington Post-Kaiser Family Foundation* survey finds that one-third of U.S. citizens who have taken prescription opioids for at least 2 months say they became addicted to, or physically dependent on, the powerful analgesics. Nearly all long-term users surveyed said that they were introduced to the drugs by a doctor's prescription, but more than 60% said doctors offered no advice on how or when to stop taking the drugs. Approximately 20% said doctors provided insufficient information about the risk of adverse events, including addiction. Doctors have been widely blamed for sparking the crisis by overprescribing highly addictive opioids to treat everyday pain.

The survey suggests that they are still doing too little to stop it. Patrice Harris, chairwoman of the American Medical Association's Board of Trustees and chair of its task force to reduce opioid abuse, acknowledged that doctors could do more to counsel patients on avoiding addiction. "The doctors that I have talked to are discussing this with their patients," Harris said. But, citing the survey, she added: "We could certainly do a better job."

Despite the high rate of dependence, the poll finds that a majority of long-term opioid users say the drugs have dramatically improved their lives. Opioids relieve pain that is otherwise in-trac-table, they said, allowing them to walk, work, and pursue other activities.



Dr. Patrice Harris
Chairwoman AMA Board of Trustees

60% - No advice from doctors on how/when to stop

20% - Not enough info from doctors on risk of addiction

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