

Mylan N.V. (Currently Viatris INC.)
Modern medical fraud

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Executive Summary

Mylan N.V. (now part of Viatris Inc.) was once considered a symbol of generic drug innovation.

However, its reputation took a massive hit following years of legal scrutiny, most notably for

price-gouging practices and Medicaid fraud. The company first came under fire during the

EpiPen pricing scandal, where it increased the cost of the life-saving allergy device by over

500% within a decade. The price hike triggered public outrage, Congressional investigations, and

scrutiny into Mylan's classification of the EpiPen under the Medicaid Drug Rebate Program.

This culminated in a \$465 million settlement with the U.S. Department of Justice for

overcharging Medicaid, after Mylan had misclassified EpiPen as a generic drug despite it being

marketed as a branded product. Separate from the EpiPen controversy, Mylan became a key

defendant in a sprawling Department of Justice probe into price-fixing and antitrust violations

across the generic drug industry. Internal communications revealed direct coordination between

Mylan and competitors to artificially inflate the prices of essential medications, manipulate

market share, and avoid price competition. These actions harmed consumers, strained public

healthcare programs, and violated core principles of free-market competition. Investigations

found that Mylan had colluded with several other manufacturers to fix prices on common

medications such as doxycycline, a widely used antibiotic, and glyburide, a diabetes drug.

Despite repeated denials, mounting evidence, including text messages and emails between Mylan

executives and competitors, showed widespread and deliberate coordination. Several state

attorneys general joined the DOJ in filing lawsuits alleging that Mylan's practices led to billions

in excess healthcare spending. Mylan's consolidation into Viatris in 2020 was viewed by some as

an attempt to distance itself from the legal and reputational fallout. While no executives faced

prison time, the case continues to shape public and governmental calls for generic drug pricing

reform and greater corporate accountability. Mylan's actions offer a cautionary tale of how regulatory loopholes and weak enforcement mechanisms can allow for systemic abuse in an industry vital to public health.

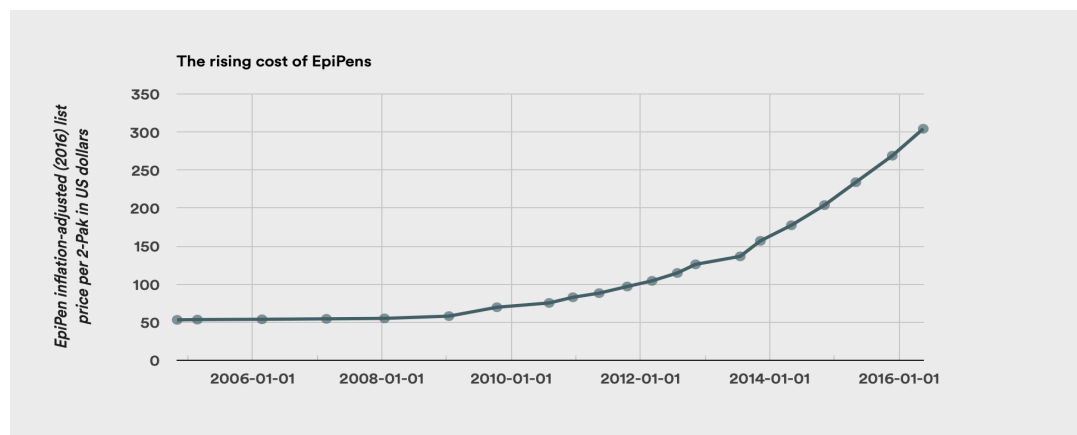
Mylan N.V. (Now Viatris Inc.):

Mylan N.V., a major global pharmaceutical company, was established in 1961 and rose to prominence as one of the world's largest producers of generic and specialty drugs. Known for its vast portfolio—spanning over 7,500 products across a broad range of therapeutic areas—Mylan positioned itself as a healthcare leader committed to improving access to affordable medicine. In 2015, it reincorporated in the Netherlands via a controversial tax inversion after acquiring Abbott Laboratories' generics business, a move that sparked criticism for tax avoidance. By 2020, Mylan merged with Upjohn, Pfizer's off-patent drug division, to form Viatris Inc., a global powerhouse headquartered in Pennsylvania. The merger was framed as a strategic pivot to stabilize the company's reputation and streamline operations after years of legal and public relations crises. Despite branding itself around accessibility and affordability, Mylan's conduct consistently contradicted its mission. From public controversies over EpiPen pricing to secret collusion in price-fixing cartels, Mylan repeatedly prioritized shareholder profits over patients and market fairness. The company's culture—led for years by former CEO Heather Bresch—was often described as aggressive, opaque, and defensive. Bresch, the daughter of U.S. Senator Joe Manchin, drew widespread criticism for her role in the EpiPen scandal, during which she received millions in compensation while the product's cost surged. Even as public outrage mounted, Mylan remained largely defiant until mounting political pressure and legal risk forced regulatory settlements. Its trajectory offers a case study in corporate overreach within the

pharmaceutical sector, where weak regulatory enforcement enabled systemic misconduct at scale.

The EpiPen Scandal: Price Hikes, Medicaid Fraud, and Antitrust Violations

The EpiPen controversy became the defining scandal of Mylan's public image. Acquired by Mylan in 2007, the EpiPen—a simple auto-injector that delivers epinephrine during life-threatening allergic reactions—was already an essential product. But Mylan quickly transformed it into a profit juggernaut. Between 2007 and 2016, the price of a two-pack of EpiPens skyrocketed from \$100 to over \$600, despite virtually no improvements to the underlying product. This placed the life-saving medication out of reach for many low-income families and schools. Mylan employed aggressive marketing strategies to establish EpiPen as the de facto emergency allergy treatment, including lobbying for federal legislation that encouraged schools to stock the devices. Simultaneously, it engaged in “product hopping,” making minor adjustments to delivery systems to extend patent protections and block generic competitors. The company also heavily marketed its co-pay assistance program, which concealed the true cost borne by public insurers and consumers without coverage.



TALIA BRONSTEIN/STAT
SOURCE: [ELSEVIER CLINICAL SOLUTIONS' GOLD STANDARD DRUG DATABASE](#)

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Why Did Mylan Hike EpiPen Prices 400%? Because They Could

By [Emily Willingham](#), Former Contributor. ⓘ

Published Aug 21, 2016 at 09:00am EDT, Updated Dec 10, 2021 at 09:17am EST

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One of the most damning aspects of the scandal was Mylan's misclassification of EpiPen as a generic drug under the Medicaid Drug Rebate Program, which allowed the company to pay lower rebates than required for branded drugs. In 2016, the Centers for Medicare and Medicaid Services (CMS) confirmed that Mylan had knowingly underpaid hundreds of millions in Medicaid rebates for years. In response to mounting pressure, Mylan agreed to pay a \$465

million settlement to the U.S. government in 2017, without admitting wrongdoing. Critics noted that this amount represented only a fraction of the profits reaped during the period of fraud. The antitrust element of the EpiPen scandal further complicated the case. In 2017, Mylan was hit with a class action lawsuit alleging that it had colluded with Pfizer, which manufactured the epinephrine inside the EpiPen, to suppress competition. Plaintiffs claimed Mylan paid Pfizer to delay development of lower-cost alternatives while also entering into rebate arrangements with pharmacy benefit managers (PBMs) that excluded competitors. This created a de facto monopoly, enabling unchecked price increases. Documents revealed Mylan's internal discussions about keeping competitors off formularies and leveraging PBMs to sustain market dominance. While the company eventually settled the civil suit for \$264 million in 2022, it never admitted liability. These actions collectively amounted to a coordinated effort to exploit regulatory gaps, inflate prices, and block generic competition—all while marketing itself as a champion of patient access.

DOJ Investigation into Generic Drug Price Inflation

While the EpiPen scandal garnered national headlines, Mylan's involvement in a broader Department of Justice investigation into generic drug price-fixing revealed even more systemic misconduct. In a sweeping probe launched in 2016, the DOJ accused more than a dozen companies, including Mylan, of participating in a “massive, years-long conspiracy” to collude on pricing and divide market share for generic medications. Mylan was named as a co-conspirator in multiple civil and criminal complaints. Among the most serious allegations were that Mylan executives colluded with competitors like Teva, Sandoz, and Heritage Pharmaceuticals to set prices for commonly used drugs such as doxycycline (an antibiotic) and glyburide (a diabetes treatment). Internal communications—obtained through subpoenas and whistleblower

testimony—showed executives exchanging pricing strategies, timing increases together, and agreeing not to undercut each other. Emails and text messages contained statements such as “playing nice in the sandbox” and “no one is looking to start a price war,” which prosecutors cited as direct evidence of illegal coordination. In some cases, prices increased by more than 1,000% over a span of months—despite no corresponding rise in manufacturing costs. These artificial price inflations had cascading effects, inflating costs for Medicaid, Medicare, and uninsured patients nationwide. In 2020, a coalition of over 45 state attorneys general filed lawsuits against Mylan and other companies, alleging that the conspiracy affected over 100 generic drugs and caused billions of dollars in economic harm. One amended complaint described Mylan’s pricing behavior as “an industry-wide scheme that permeated virtually every aspect of the generic drug market.”

BUSINESS

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The EpiPen was her ‘baby.’ Now this pharma CEO is in the hot seat over price hikes



By **Damian Garde** Aug. 24, 2016

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Mylan CEO Heather Bresch, who turned EpiPen into a blockbuster product, bringing in \$1 billion in annual revenue.

DALE SPARKS/AP

PRESS RELEASE

Major Generic Drug Companies to Pay Over Quarter of a Billion Dollars to Resolve Price-Fixing Charges and Divest Key Drug at the Center of Their Conspiracy

Monday, August 21, 2023

For Immediate Release

Office of Public Affairs

Sixth and Seventh Companies to Admit to Price-Fixing Charges Affecting Critical Generic Drugs; First Resolutions to Require Divesting Drug Product Lines; Teva USA to Pay \$225 Million and Donate \$50 Million in Drugs; Glenmark USA to Pay \$30 Million

The DOJ's investigation and accompanying state lawsuits are ongoing, though several companies have settled or paid fines. Mylan, for its part, has maintained its innocence, characterizing the allegations as overblown and unsupported. However, its sudden merger with Upjohn shortly after the scandal intensified has been interpreted by some analysts as a reputational damage control measure—an effort to isolate liabilities under a new corporate identity.

Conclusion

Mylan's history, culminating in its transformation into Viatris, represents one of the most significant examples of systemic abuse in the pharmaceutical industry. The EpiPen scandal laid bare the consequences of unregulated pricing power, while the DOJ's generic drug investigation exposed a culture of collusion and manipulation that undermined both market integrity and patient welfare. While the company has sought to reform its image and operations, the legal, financial, and moral consequences of its past remain relevant today. It also exemplifies how

corporate misconduct in healthcare can have life-threatening impacts—especially when driven by unchecked incentives to maximize shareholder returns.