a generic. Doctors would submit prescriptions for Valeant drugs to a mail-order specialty pharmacy, the prescription would be sent to the patient, and then the pharmacy would work with insurance companies to secure reimbursement.[34] When a prescription is sent to a specialty pharmacy that only deals a specific drug brand, it is very unlikely that any substitution will take place to dispense a generic or over-the-counter medicine instead.[35] The specialty pharmacy simply does not deal with anything but the brand-name drug. As another company using a similar business model disclosed in a regulatory filing, the mail-order prescriptions "are less likely to be subject to the efforts of traditional pharmacies to switch a physician's intended prescription of our products to a generic or over-the-counter brand."[36] That company, Horizon, reportedly charged $1,500 a month for a medication called Duexis that simply combined ibuprofen and the active ingredient in Pepcid.[37]

The brunt of the costs of these schemes falls on insurers and not patients, perhaps intentionally so that patients and doctors do not feel the sticker shock of high prices. Nevertheless, games like these certainly do not help lower insurance premiums. Moreover, when insurers balked at the high cost of Valeant prescriptions, Philidor and other pharmacies allegedly took drastic action to secure reimbursement, including modifying prescription codes to make it appear as if the doctor specifically requested that a prescription be "Dispensed as Written" with Valeant-branded medication.[38] As a result, these schemes continually blocked generic competitors from participating in the market for the medication.

When the dust settled from the scandal, Valeant's precipitous success, attained through a model of buying drugs, inverting taxes, and raising prices, had come to a crashing end. From a share price high of $262 in August 2015, Valeant's stock had hit $33 by mid-March of 2016, and was trading below $25 by the summer – a 90 percent plummet.[39] In April 2016, the U.S. Treasury Department took action to stop corporate tax inversions,[40] which most notably led to the termination of a proposed merger between pharma giants Pfizer and Allergan.[41]

[34] Andrew Pollack, *Drug Makers Sidestep Barriers on Pricing*, N.Y. Times (Oct. 19, 2015), www.nytimes.com/2015/10/20/business/drug-makers-sidestep-barriers-on-pricing.html?smid=pl-share.

[35] *Ibid*.

[36] *Ibid*.

[37] *Ibid*.

[38] Caroline Chen & Ben Elgin, *Philidor Said to Modify Prescriptions to Boost Valeant Sales*, Bloomberg (Oct. 29, 2015), www.bloomberg.com/news/articles/2015-10-29/philidor-said-to-modify-prescriptions-to-boost-valeant-sales.

[39] McLean, *Valeant Meltdown and Wall Street's Major Drug Problem*, *supra* note 31.

[40] Jeffrey Zients & Seth Hanlon, *The Corporate Tax Inversions Loophole: What You Need to Know*, White House Blog (Apr. 8, 2016, 6:39 PM ET), www.whitehouse.gov/blog/2016/04/08/corporate-inversions-tax-loophole-what-you-need-know.

[41] Kristen Hallam, Cynthia Koons, & Zachary Tracer, *Pfizer Confirms Termination of Proposed $160 Billion Allergan Merger*, Bloomberg (Apr. 6, 2016), www.bloomberg.com/news/articles/2016-04-06/pfizer-allergan-end-160-billion-merger-amid-new-tax-rules; Jonathan D. Rockoff, Liz Hoffman, &