

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF CONNECTICUT

Healthcare Distribution Alliance v. Boughton

Civil No. 3:25-cv-1724-OAW · No. Civil No. 3:25-cv-1724-OAW · Decided December 24, 2025

SUMMARY

The United States District Court for the District of Connecticut denied Healthcare Distribution Alliance’s motion for a preliminary injunction seeking to prevent Connecticut officials from enforcing prescription-drug price-cap provisions in Public Act No. 25-168. The court held that the Act did not clearly discriminate against interstate commerce, did not impermissibly burden interstate commerce under the Pike balancing test, and did not have an unconstitutional extraterritorial effect. The court also concluded that HDA was unlikely to succeed on its Due Process Clause claim.

CASE DETAILS

COURT	United States District Court for the District of Connecticut
WRITING FOR THE COURT	Omar A. Williams
JURISDICTION	United States District Court for the District of Connecticut
DECIDED	December 24, 2025
DOCKET	Civil No. 3:25-cv-1724-OAW
DISPOSITION	denied
PROCEDURAL POSTURE	Plaintiff sought a preliminary injunction barring Connecticut officials from enforcing prescription-drug price-cap provisions of Public Act No. 25-168. The district court denied the motion and ordered plaintiff either to amend its complaint in light of defendants' enforcement-position clarification or state that it would not amend.
STANDARD OF REVIEW	For a preliminary injunction affecting government action taken in the public interest pursuant to a statutory or regulatory scheme, the movant must satisfy the likelihood-of-success standard. The movant must establish a better-than-fifty-percent probability of success on the merits, likely irreparable harm, a favorable balance of equities, and that an injunction would serve the public interest. On appellate review, a grant or denial of a preliminary injunction is reviewed for abuse of discretion, while legal questions are reviewed de novo.
PRECEDENTIAL VALUE	Unknown; federal district court order denying preliminary injunction

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QUESTIONS PRESENTED

1. Whether HDA was likely to succeed on its claim that Public Act No. 25-168 violates the dormant Commerce Clause by discriminating against interstate commerce.
2. Whether HDA was likely to succeed on its claim that the Act imposes an undue burden on interstate commerce under the Pike balancing framework.
3. Whether the Act has an impermissible extraterritorial effect by regulating or controlling commerce occurring outside Connecticut.
4. Whether HDA was likely to succeed on its Fourteenth Amendment Due Process Clause claim that Connecticut was attempting to regulate activities wholly beyond its borders.
5. Whether HDA satisfied the likelihood-of-success requirement for a preliminary injunction.

HOLDINGS

1. HDA was unlikely to succeed in showing that Public Act No. 25-168 clearly discriminates against interstate commerce because the Act applies equally to covered distributors regardless of whether they are located or headquartered inside or outside Connecticut.
2. HDA was unlikely to succeed in showing that the Act imposes an unconstitutional incidental burden on interstate commerce under Pike.
3. HDA was unlikely to succeed in showing that the Act has the specific impermissible extraterritorial effect required for a dormant Commerce Clause violation.
4. HDA did not show a likelihood of success on its Due Process Clause claim because defendants' clarification limited enforcement to covered sales in which title passes in Connecticut.
5. The motion for a preliminary injunction was denied because HDA failed to make the required clear showing that it was likely to succeed on the merits.

KEY QUOTATIONS

“Because HDA has not shown that the Act is protectionist or discriminatory, the court finds that it is unlikely to succeed on the merits of its dormant Commerce Clause claim.” (at discussion of dormant Commerce Clause)

“Accordingly, the court “need not reach the remaining preliminary injunction factors” before denying its Motion for a Preliminary Injunction.” (at conclusion)

FACTUAL BACKGROUND

HDA is a national trade association representing wholesale distributors of prescription drugs, and its members are located outside Connecticut. Connecticut enacted Public Act No. 25-168, which beginning January 1, 2026 prohibits covered manufacturers and distributors from selling certain prescription drugs in Connecticut above a reference price based on the drug's January 1, 2025 wholesale acquisition cost adjusted for inflation. HDA members sell drugs free on board destination, so title passes when drugs are delivered to Connecticut retailers. Defendants clarified that the Act would apply only when title to the drugs is taken in Connecticut, while HDA argued that compliance would require major changes to its business model and violate the dormant Commerce Clause.

PROCEDURAL HISTORY

Healthcare Distribution Alliance filed a federal action on behalf of out-of-state wholesale prescription-drug distributors against the Connecticut Commissioner of Revenue Services and Attorney General. It moved for a preliminary injunction, alleging that Sections 345 through 347 of Public Act No. 25-168 violate the dormant Commerce Clause and the Fourteenth Amendment Due Process Clause. After a December 9, 2025 hearing, defendants clarified that they would enforce the Act only against covered sales in which title passes in Connecticut. The court denied the preliminary injunction because HDA had not shown a likelihood of success on the merits and directed HDA to address the clarification through an amended complaint or notice.

DISPOSITION

denied

CASES CITED

- Ass'n for Accessible Medicines v. Raoul, 2025 WL 2764558 (N.D. Ill. Sept. 26, 2025)
- Ass'n for Accessible Medicines v. Frosh, 887 F.3d 664 (4th Cir. 2018)
- Pharmaceutical Research & Manufacturers of America v. Walsh, 538 U.S. 644 (2003)
- Ass'n for Accessible Medicines v. Ellison, 140 F.4th 957 (8th Cir. 2025)
- In re Pharmaceutical Industry Average Wholesale Price Litigation, 230 F.R.D. 61 (D. Mass. 2005)
- Pharmaceutical Research & Manufacturers of America v. Concannon, 249 F.3d 66 (1st Cir. 2001), aff'd sub nom. Pharmaceutical Research & Manufacturers of America v. Walsh, 538 U.S. 644 (2003)
- Biotechnology Industry Organization v. District of Columbia, 496 F.3d 1362 (Fed. Cir. 2007)
- Auracle Homes, LLC v. Lamont, 478 F. Supp. 3d 199, 217 (D. Conn. 2020)
- Sussman v. Crawford, 488 F.3d 136, 139 (2d Cir. 2007)
- Mazurek v. Armstrong, 520 U.S. 968, 972 (1997)
- County of Nassau, N.Y. v. Leavitt, 524 F.3d 408, 414 (2d Cir. 2008)
- Wright v. Giuliani, 230 F.3d 543, 547 (2d Cir. 2000)
- National Ass'n for Gun Rts. v. Lamont, 685 F. Supp. 3d 63, 75-76 (D. Conn. 2023), aff'd, 153 F.4th 213 (2d Cir. 2025)
- Mahmoud v. Taylor, 606 U.S. 522, 546 (2025)
- Salinger v. Colting, 607 F.3d 68, 79-80 (2d Cir. 2010)

- Sunward Elecs., Inc. v. McDonald, 362 F.3d 17, 24 (2d Cir. 2004)
- Briggs v. Bremby, 792 F.3d 239, 241 (2d Cir. 2015)
- Restaurant Law Center v. City of New York, 90 F.4th 101, 118-22 (2d Cir. 2024)
- New Energy Co. of Indiana v. Limbach, 486 U.S. 269, 273 (1988)
- Flynt v. Bonta, 131 F.4th 918, 923-28 (9th Cir. 2025)
- New Jersey Staffing Alliance v. Fais, 749 F. Supp. 3d 511, 524-27 (D.N.J. 2023), aff'd, 110 F.4th 201 (3d Cir. 2024)
- National Shooting Sports Foundation, Inc. v. James, 144 F.4th 98, 113-14 (2d Cir. 2025)
- Grand River Enterprises Six Nations, Ltd. v. Boughton, 988 F.3d 114, 123 (2d Cir. 2021)
- Pike v. Bruce Church, Inc., 397 U.S. 137, 142 (1970)
- Exxon Corp. v. Governor of Maryland, 437 U.S. 117, 127 (1978)
- GenBioPro, Inc. v. Sorsaia, 2023 WL 5490179 (S.D.W. Va. Aug. 24, 2023), aff'd sub nom. GenBioPro, Inc. v. Raynes, 144 F.4th 258 (4th Cir. 2025)
- New York Times Co. v. Microsoft Corp., 777 F. Supp. 3d 283, 326 (S.D.N.Y. 2025)
- Baldwin v. G.A.F. Seelig, Inc., 294 U.S. 511, 519-22 (1935)
- Brown-Forman Distillers Corp. v. New York State Liquor Authority, 476 U.S. 573, 582-83 (1986)
- Healy v. Beer Institute, Inc., 491 U.S. 324, 336-37 (1989)
- United Haulers Ass'n v. Oneida-Herkimer Solid Waste Management Authority, 550 U.S. 330, 342 (2007)
- Town of Southold v. Town of East Hampton, 477 F.3d 38, 49 (2d Cir. 2007)
- General Motors Corp. v. Tracy, 519 U.S. 278, 298 (1997)
- Watson v. Employers' Liability Assurance Corp., 348 U.S. 66, 70 (1954)
- Plaza Health Laboratories, Inc. v. Perales, 878 F.2d 577, 580 (2d Cir. 1989)