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# News Release

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## **Blue Cross and Blue Shield Companies Join Forces with Civica Rx to Lower Costs of Select High-Cost Generic Medications**

*18 BCBS companies to provide \$55 million to help create a Civica subsidiary with the goal of bringing lower-cost, generic medications to individuals and families*

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**CHICAGO and SALT LAKE CITY** — The Blue Cross Blue Shield Association (BCBSA), 18 independent and locally-operated Blue Cross and Blue Shield (BCBS) companies and Civica Rx (Civica, Inc.) announced today their partnership to create a new subsidiary dedicated to lowering the cost of select generic drugs. The subsidiary is being formed in response to the impact of high drug costs on the health of Americans and the overall affordability of health care. Other health plans, employers, retail partners and health care innovators who share the belief that patients and their needs come first are invited to join the initiative.

“We believe everyone should have access to health care, no matter who they are or where they live,” said Scott P. Serota, president and CEO of BCBSA. “Through this partnership, we will push toward the vital objective of providing greater access to much-needed medications. As BCBS companies and Civica embark on this important work, we hope others will join us to achieve the change Americans want to see in the health care system.”

Bringing together the brand that invented health insurance more than 90 years ago and an innovative nonprofit company that has already seen success helping to stabilize drug supplies within hospitals, the groundbreaking partnership between BCBS companies and Civica will expand on Civica’s mission by focusing on the affordability of generic medications outside of the hospital setting.

BCBS companies have decades of collective experience providing health insurance to members in every ZIP code across the country. As champions of health care affordability, the Blue companies continue to drive solutions that will increase access and improve health for their members and for the health of all Americans.

Nonprofit Civica was formed in 2018 by three philanthropies and numerous health care organizations in an effort to combat drug shortages and price spikes in hospitals.

“Civica’s mission is to make quality medicines available and affordable to everyone,” said Martin VanTrieste, Civica president and CEO. “Serving patients is our privilege and our responsibility—one that we are proud to share with BCBS companies who are committed to tackling one of the most important health care challenges of our time. Numerous studies confirm that medication costs can dictate whether individuals fill or ration their generic prescriptions. Together with BCBS companies, we are taking action to put patients first.”

In the partnership, BCBSA and BCBS companies are committing the capital to bring select high-cost generic drugs to market for consumers. The subsidiary will acquire and develop Abbreviated New Drug Applications (ANDAs) for select generic drugs and partner with Civica and manufacturing partners to bring more affordable generic drugs to uncompetitive markets in exchange for aggregated volume and multiyear purchasing commitments. Initially, several generic medications identified as having high potential for savings will be prioritized by the partnership and will evolve into a platform that can be used to enhance competition for additional generic drugs.

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This partnership will result in meaningful savings for individuals and families, with the first generic medications becoming available by early 2022. The new partners welcome further participation from others in the health care industry who are united with their goal of promoting competition to spur production of affordable, quality medications.

“Civica is already bringing value—in quality, supply and price—to the in-patient hospital market and with BCBS will expand that mission to reach individuals and families buying generic prescriptions in hospitals and pharmacies,” said Dan Liljenquist, Civica board chairman. “Combining Civica’s mission with the commitment BCBS companies show to their members places us in a position to make a significant impact on lowering drug costs.”

BCBS companies currently participating in the Civica partnership include:

Blue Cross and Blue Shield of Alabama, Arkansas Blue Cross and Blue Shield, Blue Shield of California, Capital BlueCross, CareFirst BlueCross BlueShield\*, Excellus BlueCross BlueShield\*, Blue Cross and Blue Shield of Hawaii, Highmark Blue Cross Blue Shield, Horizon Blue Cross Blue Shield of New Jersey, Blue Cross of Idaho, Independence Blue Cross, Blue Cross and Blue Shield of Kansas, Blue Cross and Blue Shield of Kansas City, Blue Cross Blue Shield of Michigan, BlueCross BlueShield of Western New York and BlueShield of Northeastern New York, Blue Cross & Blue Shield of Rhode Island, BlueCross BlueShield of South Carolina, Blue Cross and Blue Shield of Vermont and the Blue Cross Blue Shield Association.

*\* Pending state regulatory approval.*

## **Learn More**

To learn more or to find out how to join this partnership, visit [bcbs.com/CivicaRx](https://bcbs.com/CivicaRx)

### **About Blue Cross Blue Shield Association**

*The Blue Cross and Blue Shield Association is a national federation of 36 independent, community-based and locally operated Blue Cross and Blue Shield companies that collectively provide health care coverage for one in three Americans. BCBSA provides health care insights through [The Health of America Report](#) series and the national BCBS Health Index. For more information on BCBSA and its member companies, please visit [bcbs.com](https://bcbs.com). We also encourage you to connect with us on [Facebook](#), check out our videos on [YouTube](#), follow us on [Twitter](#) and check out our [blog](#).*

### **About Civica Rx**

*Civica is a public asset founded in September 2018 and formed by three philanthropies and numerous health care organizations that now represent over 1,200 U.S. hospitals in 46 states. It is a nonprofit enterprise designed to reduce chronic generic drug shortages and high pricing. Led by an experienced team of health care and pharmaceutical industry leaders, Civica is making strides to ensure patients and their needs come first and that essential generic medications are accessible and affordable. To learn more about our mission, please visit [CivicaRx.org](https://CivicaRx.org).*