Reducing chronic generic drug shortages and predatory pricing

Over the past two decades, shortages of generic, injectable drugs critical to the lifesaving work of hospitals in the U.S. have become commonplace. These shortages are so ubiquitous that hospitals and health care systems now maintain permanent drug shortage response teams that seek alternatives to unavailable drugs. As a result, time that hospital pharmacists, technicians, nurses and others would prefer to spend caring for patients is spent ensuring that the patients who most need short-supply drugs get whatever supply is available. COVID-19 has only exacerbated this problem.

Civica, a nonprofit generic drug company, was created to reduce and prevent drug shortages and the price spikes that can accompany them. Its mission, as driven by its governing board of hospital systems and philanthropies, is to make quality generic medicines accessible and affordable to everyone. Today, more than 50 health systems have joined Civica. They represent over 1,200 hospitals and over 30 percent of all U.S. hospital beds. Civica has also begun to supply the U.S. Department of Veteran’s Affairs, the U.S. Department of Defense and the U.S. Strategic National Stockpile.

Civica was primarily created to improve the resiliency of the supply of essential medicines used in hospitals daily, often for critical care. The drugs we make are not those with the highest return on investment. Rather, they are the ones that are identified and prioritized by our health systems – by doctors and pharmacists on the front lines – as the medications most important for quality patient care. Eleven Civica medications are being used to help COVID-19 patients – these include neuromuscular blocking agents, sedation agents and pain management medications for patients on ventilators. Ensuring a safe and stable supply of essential medicines for U.S. patients.

Civica brings together hospital systems and drug manufacturers to work collaboratively, ensuring both stable and fairly priced generic drugs for hospitals and fair profits at predictable volumes for manufacturers. To ensure there is redundancy in the supply chain and the ability to maintain stockpiles of essential medicines for everyday use and during times of crisis, Civica has a three-pronged product supply strategy to secure the supply of essential generic medicines for patients. This strategy includes working with existing generic drug manufacturers that have the US FDA approved manufacturing capacity to produce generic drugs under Civica’s National Drug Code, developing Civica’s own FDA approved medications and working with contract manufacturers to make them, and building its own sterile injectable drug manufacturing capability.

Today, there are often over 200 drugs on the FDA’s drug shortage list. By using multiple supply strategies, Civica creates redundancy for drug manufacturing, increasing the reliability of the generic pharmaceutical supply chain and ensuring safety stocks of essential medications. Civica has supply agreements in place for 40 sterile injectable medications for our member hospitals, and is on track for 100 medications by 2023. Learn more at Civicarx.org.