Civica Rx: Quality Generic Medicines at Sustainable Prices
“High costs plague American health care, but so do low costs: Life-saving generics can become so cheap that companies stop making them.”

- BLOOMBERG OPINION
Our “WHY”

1. Arbitrary shortages affected access and quality for patients

2. Predatory price inflation due to shortages exacerbated problems with rising costs and access
Verbatim (2018)

“For years, hospital executives have expressed frustration when essential drugs like heart medicines have become scarce, or when prices have skyrocketed because investors manipulated the market.” (Reporter lead)

“Our strong interest here is minimizing the impact of any shortages of generic drugs,” said [Dr. Carolyn Clancy of the VA]. “We are constantly scanning the horizon and constantly attentive to interruptions of supply chains of medicines.”

The New York Times

“The idea is to directly challenge the host of industry players who have capitalized on certain markets, buying up monopolies of old, off-patent drugs and then sharply raising prices, stoking public outrage and prompting a series of Congressional hearings and federal investigations.” (Reporter commentary)

“If they all agree to buy enough to sustain this effort, you will have a huge threat to people that are trying to manipulate the generic drug market. They will want to think twice.” - Dr. Kevin A. Schulman, a professor of medicine at the Duke University School of Medicine
Over 90% of surveyed hospitals reported having to identify alternative therapies to manage spending. One in four had to cut staff to mitigate budget pressures.¹

Almost 80% found it hard to obtain shortage drugs and said that shortages resulted in increased spending.²

Drug shortages cost hospitals hundreds of millions of dollars in extra costs for purchasing alternative drugs and hundreds of millions of dollars ($360 Million) in additional labor costs to maintain teams to manage chronic drug shortages.³

¹² 2018 Study from the American Hospital Association, the American Society of Health System Pharmacists and the Federation of American Hospitals
³ Vizient Study on Drug Shortages and Labor Costs
Civica’s Mission

Make quality generic medications available and affordable to everyone.
Civica’s Promise

**Initial Plan**

“In about 5 years we will be able to bring our first essential medication to market”

- First ~20 products to be manufactured in a future Civica manufacturing facility, funded by hospitals, and delivered sometime in 2024 (Deloitte)

**Current Reality**

Strategic partnerships are enabling us to deliver well ahead of and beyond initial plan

- Over 50 Civica medications already available to hospitals through quality supplier partnerships, with more to come – medications that have been prioritized by hospital pharmacists and clinicians
- Our Civica Petersburg manufacturing facility, largely funded by the government, is under construction and on track for first products in hospitals in Q1 2024
- Civica member health systems will also have access to CivicaScript’s lower cost retail generics for use in their hospital pharmacies within a few years
Serving in the public interest as a **non-stock, non-profit** corporation to address shortages of generic drugs while lowering their cost.

Founded by **7 leading health systems** concerned about generic drug shortages, and **3 philanthropic members** passionate about improving healthcare.

Committed to transparency, a **one-price-for-all model**, and its membership is open to all.

- **50+ Health Systems Members**
- **>1,400 Hospitals**
- **1/3 of U.S. Licensed Beds**
- **51 Medicines**
- **11 for COVID-19 Care**
- **46M Vials for 18M Patients**

Civica is also supplying the U.S. Department of Veteran’s Affairs and the U.S. Department of Defense.
Civica Today: Health System Members

Advocate Aurora Health
Allegheny Health Network
Aspirus Health System
Baptist Health
Baptist Health South Florida
Baylor, Scott & White Health
BJC Healthcare
Christiana Care Health System
CommonSpirit Health
Cone Health
El Campo Memorial Hospital
Emerson Hospital
Franciscan Alliance
Gary and Mary West Foundation
Griffin Hospital
HCA
Hospital Sisters Health System
Integris Health

Intermountain Healthcare
Kaiser Permanente
Kootenai Health
Laura and John Arnold Foundation
Mayo Clinic
MemorialCare
Memorial Hermann
Montage Health
MSKCC
New Hanover Regional Medical
North Memorial Hospital
NorthBay Healthcare
Ochsner Health System
Peterson Center on Healthcare
Piedmont Health
Promedica
Providence St. Joseph Health
Regional One Health

Reid Health
Samaritan Health Services
Sanford Health SCL Health
Southeast Georgia Health System
Spectrum Health
SSM Health
St. Clair Hospital
St. Luke’s University Health Network
Steward Health Care System
The Christ Hospital
Thedacare Health System
Trinity Health
U.S. Dept. of Veterans Affairs
UnityPoint Health
University of Miami
University of Utah Health
VCU Health
Civica Today: Examples of Civica Medicines

These are all generic sterile injectable medications.
Civica Today: Delivering During a Pandemic

Examples of Medications (11 total) Provided for Critical COVID-19 Need
• Fentanyl
• Ketamine
• Midazolam
• Dexamethasone

In Addition:
• Fentanyl 50 mL – Civica was able to procure Fentanyl 50 mL for all our members, even though we had not previously contracted to do so
• We were able to offer Dexamethasone 4 mg/mL and 10 mg/mL to all members regardless of opt-in
• We were also able to secure PPE for certain hospitals in crisis

Thank you to our members for trusting us to have the medications as needed!
## Civica Today: Delivering for Patients

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<thead>
<tr>
<th>What we set out to do</th>
<th>What we’ve done so far</th>
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| Ensure stable and predictable supply of essential generic drugs, correcting shortages | • Enlisted hospital drug selection advisors to prioritize medications  
• Provided nearly **45 million vials**, enough to help treat approximately **18 million patients**  
• Met **up to 400% demand for COVID-19 medications** because safety stocks are part of the Civica model  
• Provided **2.1 million vials to the U.S. Strategic National Stockpile**                                                                                                                                 |
| Bring competition to certain drug market segments, focusing on value (quality and price) | • Secured/securing guaranteed minimum viable volumes (MVVs) for **51 essential medications** (**double the amount we anticipated** in the early days of our execution of partnering strategy).  
• Secured long-term partnerships with **14 quality suppliers** – 77% of our meds manufactured in US, Canada and Europe, 19% manufactured in India, and 94% of Active Pharmaceutical Ingredients (APIs) from countries other than China  
• Influenced **modulation in market prices**                                                                                                                                                          |
| Act as the conscience of the generic drug market, serving as a check against monopolistic behavior | • **Testified before congress and National Academies of Science, Engineering & Medicine** on drug shortages/drug pricing and drug supply chain security  
• **Informed FDA Drug Shortage Report, various pieces of legislation** and the **Biden Administration’s 100-Day Pharmaceutical Supply Chain Recommendations** |
**Civica Today: Building an Essential Medicines Manufacturing Facility**

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<tr>
<th>Highlights</th>
<th>Construction for Future Civica Plant</th>
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<td>Attracted early investment from the <strong>U.S. Biomedical Advanced Research and Development Authority</strong> (BARDA)**</td>
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<td>Expanding <strong>quality/regulatory systems</strong> as we develop our procedures for <strong>Civica-owned ANDA’s</strong> – creating templates to facilitate prep of our FDA submissions and procedures to build/run Civica-owned manufacturing facility.</td>
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<td><strong>Plant leadership team</strong> in place</td>
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<td>Construction <strong>on track</strong>, with plans to be approved for operation Q4 2023</td>
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Expanding Civica’s Mission: Lowering Costs for High-priced Generics at the Pharmacy Counter

CIVICA SCRIPT

With BCBS companies, Anthem, and others, we’ve created a new entity that is open to other health plans, employers, retailers and other health care innovators who will pass along savings to consumers.
Expanding Civica’s Mission: The Newly Established 501(c)(3) Civica Foundation

“Civica is uniquely positioned today to scan the major US-based healthcare philanthropy horizon to develop and communicate to prospective major donors our compelling vision to effectively address the dangerous dearth of generic pharmaceuticals.”

— Ken Boyden, Executive Director of The Civica Foundation
Quality
Supply
Sustainability