

# Inside Health Policy

## Hospitals Created Their Own Drug Maker Just In Time For Pandemic

By [John Wilkerson](#) / May 6, 2020 at 1:09 PM

Hospitals in pandemic hot spots have been stretched thin, but they would have been worse off had they not recently started their own generic drug maker, Civica Rx, which has averted shortages of drugs used to treat COVID-19 patients, a Civica spokesperson said. Likewise, Premier's drug shortage program ProvideGx has headed off shortages of pre-filled syringes in New York when demand for syringes doubled as doctors reached for medications that can rapidly reverse the side effects of the coronavirus.

Hospitals founded Civica Rx to deal with the growing problem of injectable generic drug shortages that were often accompanied by price spikes. The non-profit also received initial funding from the Laura and John Arnold Foundation, which has been active in the drug pricing debate.

The founding of Civica Rx is fortuitous. By last year, it was delivering more than 20 injectable drugs for use by its 1,200 hospitals that represent one-third of the country's hospital beds, Civica Rx Chief Communications & Public Affairs Officer Debbi Ford said. Civica expects to deliver another 20 medications this year, building to 100 in 2023.

**Ten of Civica's medications are being used in clinical protocols to treat COVID-19 patients.** These medications include broad spectrum antibiotics, pain management medications, neuromuscular blocking agents and medications needed to treat co-morbidities.

Civica uses advisory teams to determine which drugs to make and where to allocate them.

"During the pandemic, we continue to hear directly from these hospital experts and have had the privilege to deliver increased supplies of medicines needed in COVID-19 hot spots across the US, including medications used to support ventilator care," Ford said.

Civica contracts with five other drug makers that manufacture drugs under Civica drug codes, which allows those manufacturers to re-enter markets they've left or increase existing capacity. Civica is in talks to add several more generic drug makers. Civica also is developing generic drug applications and plans to make those drugs itself. Ford said there will be more news on those efforts later this year.

**Similarly, the hospital group purchasing organization Premier started ProvideGx, which contracts with drug companies to make drugs in short supply.** In 2019, Premier partnered with Amphastar Pharmaceuticals to resolve shortages of emergency syringes pre-filled with seven drugs routinely used in emergency department crash carts: calcium chloride, epinephrine, sodium bicarbonate, atropine sulfate, dextrose and lidocaine.

Those syringes have been in heavy demand in New York hospitals dealing with a spike in cardiac arrests caused COVID-19, straining supplies that were already insufficient, according to Premier. Without emergency syringes, first responders must jerry rig alternatives with vials or substitute products, which takes longer and increases the potential for errors.

Many emergency syringes are low-margin, [generic drugs made by a handful of companies](#). Persuading more companies to make the drugs is difficult, so ProvideGx uses the collective buying power of thousands of hospitals to give generic drug companies a guaranteed buyer base. -- *John Wilkerson* ([jwilkerson@iwnews.com](mailto:jwilkerson@iwnews.com))