

California Selects Civica Rx as Its Insulin Manufacturing Partner

Californians with diabetes will have access to Civica's low-cost insulins via the CalRx Biosimilar Insulin Initiative

CalRx will work with Civica to provide the most commonly used short- and long-acting insulins at planned prices of no more than \$30 a vial and \$55 for a box of five pre-filled pens

LEHI, UTAH, March 18, 2023 – Civica Inc. (Civica, Civica Rx) today announced it will manufacture insulins for the State of California's CalRx Biosimilar Insulin Initiative as part of its insulin manufacturing work. Once approved, Civica's biosimilar versions of the most commonly used short- and long-acting insulins will be available to Californians and nationwide at significantly lower prices than insulins currently on the market. The availability of these insulins will benefit Californians with diabetes who have been forced to choose between life sustaining medicines and living expenses.

"Diabetes has become an overwhelmingly expensive chronic condition, and it is heartbreaking that millions of people in California and across the U.S. are faced with the possibility of having to ration their care and put their lives at risk because they can no longer afford insulin," said Ned McCoy, President and CEO of Civica. *"We applaud California for its mission-driven commitment to lowering the cost of insulin and look forward to our groundbreaking partnership on behalf of people living with diabetes."*

With a significant \$50 million dollar investment towards the development, manufacture and distribution of [Civica's low-cost insulins](#), California is stepping up to collaborate on this effort with partners that represent nearly every corner of the diabetes ecosystem, including the diabetes community, philanthropists, hospital systems, payers, clinical trial experts, drug substance manufacturers and leading pen and vial manufacturers. All partners are aligned with the goal of making low-cost insulins available to people living with diabetes.

"California's partnership with Civica is a game changer," said California Governor Gavin Newsom. *"We are proud to be working with Civica to bring true price competition into the insulin drug market and ease the financial burden for Californians living with diabetes. Reducing the high cost of insulin is a critical step toward addressing health inequities and ensuring affordable and accessible health care for all."*

Civica will produce three insulins – glargine, lispro and aspart (biologics corresponding to, and expected to be interchangeable with, Lantus, Humalog and Novolog, respectively) – each of which will be available both in vials and prefilled pens under the CalRx label. Civica and CalRx have the mutual goal of ensuring access to affordable insulins that have single, low transparent prices. As such, CalRx insulins manufactured by Civica are expected to have a manufacturer suggested retail price of no more than \$30 per 10 mL vial and no more than \$55 for a box of five 3 mL pre-filled pens, a significant discount to prices charged to uninsured individuals today.¹ At these prices, insured Californians who currently pay cost sharing amounts for their insulin will also experience overall savings.

The next phase of this partnership is assessing options for the standup of an insulin manufacturing facility in California and further efforts to disrupt the insulin market and provide additional benefits for patients who

¹ Based on a publicly available current average list price of glargine (Lantus), lispro (Humalog) and aspart (Novolog) on <https://www.goodrx.com/> on February 28, 2022.

depend on this life saving drug.

More information on this initiative, including additional information on Civica’s partners, can be found at <https://civicainsulin.org>.

About Civica

Civica Inc. (Civica Rx, Civica) is a nonprofit, 501(c)(4) social welfare organization established in 2018 by health systems and philanthropies to increase the reliability of the drug supply chain, reduce drug shortages and related high prices in the United States. An experienced team of healthcare and pharmaceutical industry leaders is at the helm of the organization.

Today, more than 55 health systems have joined Civica. They represent more than 1,550 hospitals and one-third of all U.S. hospital beds.

To lower the cost of medications for consumers at the pharmacy counter, Civica has created an outpatient entity, CivicaScript, in partnership with Blue Cross Blue Shield Association (BCBSA) and 18 Independent BCBS health plans, Elevance Health and other organizations focused on innovation in health care. CivicaScript recently launched its first medication for consumers – abiraterone acetate 250 mg – to help treat patients with prostate cancer.

Civica’s mission is to ensure that quality generic medications are accessible and affordable to everyone. From the beginning, the No. 1 Policy for the Civica family has been “Do What Is in the Best Interest of Patients.”

Civica is building an essential medicines manufacturing facility in Petersburg, Virginia, to produce sterile injectable medications used in hospitals for patient care, emergency room and intensive-care unit treatments, surgeries, and to treat other serious conditions. This facility will manufacture insulin vials and prefilled pens for nationwide distribution, with manufacturing test runs expected to begin in late 2023.

About CalRx

CalRx represents a groundbreaking solution for addressing drug affordability. Originally announced in January 2019 in Governor Newsom’s first Executive Order and later signed into law in the California Affordable Drug Manufacturing Act of 2020 (Pan, SB 852, Chapter 207, Statutes of 2020), CalRx empowers the State of California to develop, produce, and distribute generic drugs and sell them at low cost.

The State will target prescription drugs where the pharmaceutical market has failed to lower drug costs, even when a generic or biosimilar medication is available.

Compared to traditional procurement of prescription drugs, CalRx seeks deep, mutually beneficial partnerships with companies that share the State’s goals.

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