

Civica's 2023 plans: Full steam ahead on Virginia plant, insulins

Civica Rx, a 4-year-old, hospital-owned pharmaceutical company, is eyeing big plans for 2023, its president and CEO told *Becker's*.

Next year, Civica will focus on preparing its Petersburg, Va., manufacturing plant and testing three insulin biosimilars, which will be **sold** for no more than \$30 per vial and \$55 per box of five cartridges, so both projects are ready in 2024.

Multiple companies and **some states** have invested in lowering insulin prices — which can cost **hundreds per vial**, GoodRx data shows. But Civica Rx CEO Ned McCoy, who connected with *Becker's* on Nov. 28, said the company is “uniquely positioned” to address the insulin pricing problem.

“We’re not trying to maximize return, maximize sales; we’re trying to make an impact,” Mr. McCoy, who said he was retired for three weeks playing golf before joining the project that led to Civica, told *Becker's*. “We don’t feel that this is a problem that can be easily fixed through government action because governments are set up to be relatively slow moving, nondynamic. We can address problems, we can address insulin and we can address other medications that are priced higher than they should be.”

Led by Salt Lake City-based Intermountain Healthcare and six other health systems, Civica **launched** in September 2018 to resolve recurring drug shortages. Since then, the company has debuted more than 60 drugs and serves about 30 percent of the nation’s hospitals.

The Virginia plant is built and equipped, but Mr. McCoy said 2023 is about focusing on hiring workers, making batches of its products and filing abbreviated new drug applications to the FDA.

Currently, 55 health systems — totaling about 1,500 hospitals — are Civica members. Since day one, the nonprofit’s goal has been to address high costs and

shortages of generics in the U.S., which Mr. McCoy said can partly be accomplished through investment in U.S.-based drug manufacturing.

For sourcing priorities from countries, he listed the U.S. first, followed by Europe, India and China. Moving away from dependence on Chinese materials has been **trending** in healthcare supply chains, and Mr. McCoy said sourcing a high percentage of antibiotic ingredients from China is a risk Civica can help reduce.

“Today, none of our drugs are primarily supplied from Chinese material for multiple reasons: supply chain, long distance, the regulations, the ability of the FDA to have oversight in China,” he said. “That’s a big part of what we’re doing, to bring it close to home.”

“We’re not trying to maximize return, maximize sales; we’re trying to make an impact...”

Mr. McCoy said he strives to prove the business model works. When he was retired for three weeks, his friend and former Abbott colleague Martin Van Trieste — Civica Rx’s founder and former CEO, who received a \$0 paycheck — connected him with Dan Liljenquist, Intermountain’s chief strategy officer and current chairperson of Civica. For three months, Mr. McCoy consulted on Project Rx, the idea for Civica. When it started, he began as the company’s chief business development officer, then transitioned to COO before becoming CEO in June.

“At the time, I thought I might stay with the company for one or two years, but it’s been four,” Mr. McCoy told *Becker's*. “And I’m not leaving anytime soon.”