

## New report shows CivicaScript's novel business model saves money for consumers, payers

NEJM Catalyst analysis takes CivicaScript's mission from proof of concept to proof; approach holds potential to transform the pharmaceutical supply chain

**LEHI, UTAH, MAY 21, 2025** – A <u>new report</u> in *The New England Journal of Medicine Catalyst* shows that CivicaScript's® strategy to lower high-priced generic medicine costs through "disruptive collaboration" has succeeded – saving consumers 64% when they switched to CivicaScript's medicine after taking other versions of the same generic drug. Payers, who generally bear a larger share of total medicine costs, saved 92% over previous spending.

"These data show that when you align the interests of patients, healthcare institutions and society, there is great potential to create a more equitable, cost-effective healthcare system," said report co-author Carter Dredge, executive director of the Intermountain Health Institute.

<u>CivicaScript</u> is a nonprofit pharmaceutical company created in 2020 to lower the prices of prohibitively expensive generic medicines. The company is only the second in the nation to launch a national-scale version of the health care utility model, which provides products at the lowest sustainable cost to increase patient access and affordability. (CivicaScript's sister company, Civica Rx®, was the first to use this model.)

The company's <u>business model</u> is to manufacture low-cost generic medicines, then work with payers, PBMs and pharmacies across the country to pass along the cost savings to patients. The model focuses on transparency and collaboration throughout the value chain from manufacturing through dispensing — with every stakeholder along the way knowing the price of the medicine and driving savings through to the patient.

## **Key report findings**

The new report, "Changing the Script on Drug Pricing: A New Type of Supplier Creates Savings for Patients and Plans," details savings from the company's proof-of-concept drug: abiraterone acetate. At the time of the analysis, CivicaScript's abiraterone had a maximum retail price (MaxRP™) of \$171 per month, which is substantially lower than the cost charged to patients and health plans for competing generic versions of the drug.



Patients who switched from other versions of generic abiraterone to the CivicaScript drug saved about \$81 per month on average (64 percent). Patients also experienced much more stable out-of-pocket costs over the course of the year. Health plans saved an average of \$1,796 per patient per month (92 percent). Both Medicare and commercial insurance plans achieved savings.

"It is gratifying to see the savings impact we are having even with just one product in a fairly short time frame," said CivicaScript President Brent J. Eberle. "Studies also show that lower medication costs lead to better patient adherence and improved health outcomes."

Eberle expects to drive even greater patient and payer savings with additional CivicaScript products launching this year.

"This takes us from proof of concept to proof that disruptive collaboration can be a powerful force," Eberle added. "We are demonstrating that our combination of transparency and sustainable low pricing has potential to transform the system – reducing drug costs and improving patient access to the medicines they need to stay healthy."

"Rising drug prices are a key driver of higher premiums and out-of-pocket costs for Americans," added Kim Keck, president and CEO of the Blue Cross Blue Shield Association. "These promising early results show that the CivicaScript model produces savings for members. Along with Blue Plans nationwide, BCBSA will continue to champion innovative, scalable solutions that make health care more affordable today and into the future."

## About the analysis

The report authors analyzed pharmacy claims data from January 1, 2022, to December 31, 2023, from each CivicaScript member. CivicaScript launched its abiraterone product in August 2022.

- By September 2023, 14 of the company's 22 health plan members had begun to connect their patients to the product.
- By December 2023, about 1,100 patients were using CivicaScript abiraterone.

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