

OUTSIDE LINES



A LIGHT AMIDST THE DRUG PRICES DEBATE

Today's Top Pick, Curated for Leaders Changing Healthcare

March 5, 2019

Prescription drug prices and access is a front-and-center topic. Amidst all of this, there is a light of possibility ahead. With Civica Rx, hospitals and others have come together – pooling their capital – to fight back. Let's hope a new idea like this will break through, helping to shift a massive tide of drug pricing and other change.

The cost of prescription drugs is a front-and-center topic. Every news source has reported on the hike in prices for 2019, up more than 6%, on average. The United States has some of the highest drug prices in the world. Americans are frustrated.

And the seven pharmaceutical executives testifying before Congress this week intensifies a critical debate that will continue. Amidst all of this, there is a light of possibility ahead. Hospitals and others have come together – pooling their

capital – to fight back.

Civica Rx – initially dubbed Project Rx – is a health system-led generic drug company committed to lowering drug costs and reducing medication shortages. Initiated in January 2018, it was launched in September 2018 by Intermountain Healthcare, six other health systems, and three philanthropies. The vision is to make essential generic medicines accessible and affordable in hospitals across the country.

Patients in our hospitals, and people in our communities, need solutions. In a study just published, 79% of adults say the cost of prescription drugs is “unreasonable.” Almost a quarter, 24%, say it is *difficult* to afford their prescription drugs, and 10% say it is *very difficult*. Civica Rx plans to focus first on 14 hospital-administered generic drugs. In January of this year, the company announced that 12 additional health systems joined the venture, now representing about 750 hospitals across the country.

We are constantly scanning the horizon of healthcare, to help you stay on top of, and in front of, key trends. American healthcare policy, pricing, and costs are all very complicated. And drug prices and medication access in hospitals is different from what people need every day at their pharmacies. But, let’s hope a new idea like Civica Rx – muscled forward by its vast support among providers – will break through, helping to shift a massive tide of drug pricing and other change.

Always Looking Ahead,
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**STRATEGY ADVANTAGE: WE ARE PARTNERS FOR LEADERS
CHANGING HEALTHCARE**



In late 2017 and early 2018, Strategy Advantage had the pleasure of being the team working alongside the leaders at Intermountain Healthcare to facilitate and

support [an enterprise-wide reorganization](#). As a result, we were there when the genesis of the Project Rx idea (now called Civica Rx) was taking shape, led by the innovative leaders at Intermountain Healthcare.

It is our mission to be partners for leaders changing healthcare, including leaders like Intermountain Healthcare's CEO, Marc Harrison, who is crafting a model health system for tomorrow, emphasizing the consumer and disrupting the operating model without disrupting the "One Intermountain" mission, vision, and commitment to the people it serves.

This week, Dr. Harrison reminded us of the courage it takes to lead forward, [noting that Intermountain Healthcare is](#) working to “put more money into the pockets of consumers by lowering premiums and procedure costs, and rapidly shifting procedures to less-expensive outpatient settings. It's going to stress the system, but it's the right thing to do.”

That's a leader changing healthcare!

ADDITIONAL RESOURCES

See findings [here](#) – from a March 1, 2019 Henry J. Kaiser Family Foundation Health Tracking Poll – about Americans' opinions on the cost of prescription drugs.

Read more [here](#) – from Reaction Data – about 80% of providers in support of hospitals coming together to form a new drug company.

Read more [here](#) about Civica RX, a health system-led generic drug company formed in 2018 with the goal to lower drug costs and mitigate drug shortages to meet patient needs.

Click [here](#) to access other *Outside the Lines* issues produced by Strategy Advantage.

This bi-weekly e-mail is curated by the expert team from Strategy Advantage and provides a look across the horizon, and outside the lines, of the healthcare industry.

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