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**Catholic Health Initiatives Joins Six Other Health Systems to Form National  
Nonprofit Generic Drug Company**

*New Organization Will Ensure a Stable, Affordable Supply of Vital Drugs*

**ENGLEWOOD, Colo.** – Sept. 6, 2018 – Catholic Health Initiatives has joined six other large health systems to establish Civica Rx, a nonprofit generic drug company that will help patients by addressing shortages and high prices of lifesaving medications.

Initial governing members of Civica Rx will include CHI, HCA Healthcare, Intermountain Healthcare, Mayo Clinic, Providence St. Joseph Health, SSM Health, and Trinity Health. These seven organizations, representing about 500 U.S. hospitals, will each provide leadership for the Civica Rx Board of Directors and will provide much of the initial capitalization for the company. The U.S. Department of Veterans Affairs (VA) will also work in consultation with Civica Rx to address its particular needs. Other health systems participating with Civica Rx will be announced later this year.

“Our principal objective is to ensure that vital drugs are available to our patients at reasonable prices,” said Kevin E. Lofton, CEO of CHI, one of the nation’s largest nonprofit health systems. “The scope and scale of this initiative – with seven large health systems representing more than 500 hospitals around the nation – will help to create a predictable, accessible supply of drugs to our patients and our facilities, saving hundreds of millions of dollars a year.”

Since the initiative was announced in January 2018, more than 120 health organizations representing about a third of the nation’s hospitals have contacted Civica Rx, expressing a commitment or interest in participating with the new company. The company will be headquartered in Utah.

Three major philanthropies will also join Civica Rx as governing members: the Laura and John Arnold Foundation, the Peterson Center on Healthcare, and the Gary and Mary West Foundation. The engagement of philanthropic members is intended to further support and safeguard the company’s not-for-profit, social welfare mission.

Civica has identified 14 hospital-administered generic drugs as the initial focus of the company’s

efforts. It will be an FDA approved manufacturer and will either directly manufacture generic drugs or sub-contract manufacturing to reputable contract manufacturing organizations.

Martin VanTrieste, former chief quality officer for Amgen, one of the world's largest pharmaceutical companies, has been named chief executive officer of Civica Rx. VanTrieste has more than 35 years of experience in pharmaceuticals and was ranked No. 2 on the 2018 *Medicine Maker* Power List of Industry Influencers. VanTrieste has agreed to lead Civica Rx without compensation.

“We are creating a public asset with a mission to ensure that essential generic medications are accessible and affordable,” said VanTrieste. “The fact that a third of the country’s hospitals have either expressed interest or committed to participate with Civica Rx shows a great need for this initiative. This will improve the situation for patients by bringing much needed competition to the generic drug market.”

Civica will first seek to stabilize the supply of essential generic medications administered in hospitals, many of which have fallen into chronic shortage situations, putting patients at risk. The initiative will also result in lower costs and more predictable supplies of essential generic medicines, helping ensure that patients and their needs come first in the generic drug marketplace. Civica Rx expects to have its first products on the market as early as 2019.

Research into the actual costs of manufacturing and distributing generic drugs suggests that, in many instances, prices for generic drugs used in hospitals can be reduced to a fraction of their current costs. This can save patients, and the healthcare systems that care for them, hundreds of millions of dollars each year.

Civica is collaborating with the American Hospital Association’s (AHA) newly formed *AHA Center for Health Innovation* to address inquiries about the initiative. Health systems and hospitals may call [800-242-4677](tel:800-242-4677) with questions, or visit [www.civicarx.org](http://www.civicarx.org) for information.

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**ABOUT CATHOLIC HEALTH INITIATIVES:** Catholic Health Initiatives, a nonprofit, faith-based health system formed in 1996 through the consolidation of four Catholic health systems, expresses its mission each day by creating and nurturing healthy communities in the hundreds of sites across the nation where we provide care. One of the nation’s largest nonprofit health systems, Englewood, Colo.-based CHI operates in 18 states and comprises 100 hospitals, including two academic health centers, major teaching hospitals and 29 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; living communities; and other facilities and services that span the inpatient and outpatient continuum of care. In fiscal year 2017, CHI provided more than \$1.2 billion in financial assistance and community benefit for programs and services for the poor, free clinics, education and research. Financial assistance and community benefit totaled approximately \$2.1 billion with the inclusion of the unpaid costs of Medicare. The health system, which generated operating revenues of \$15.5 billion in fiscal year 2017, has total assets of approximately \$22 billion. Learn more at [www.catholichealthinitiatives.org](http://www.catholichealthinitiatives.org)