

An Independent Licensee of the Blue Cross and Blue Shield Association.

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For Immediate Release

## Blue Cross and Blue Shield of Vermont partners with Civica Rx<sup>™</sup> to Reduce the Cost of Prescription Drugs in Vermont

This solution ensures access to important medications and more affordable options for Vermonters

Blue Cross and Blue Shield of Vermont today announces a new partnership with a non-profit organization Civica Rx (Civica Inc.). Civica was formed in 2018 by three philanthropies and numerous health care organizations to develop inpatient generic medications. This new partnership, in conjunction with 18 Blue Cross Blue Shield companies across the nation, as well as other key partners, is to address generic medications outside of the hospital setting. Through this vital relationship, Vermonters will have greater access to essential medications at more affordable prices and will ensure access to lifesaving drugs.

Today, prescription drug prices make up, on average, 20 percent of every dollar of health insurance premiums, which is the same amount that's spent on physician medical care. Additionally, prescription drug price increases are the main driver of health care premium increases in recent years, both nationally and in Vermont. This crisis is compounded further by shortages of generic drugs and substantial price increases. Civica's mission is to ensure that essential generic medications are accessible and affordable. These are drugs that have emerged from the patent-protection period and are in the public domain. The company will work to ensure they remain that way.

Don George, president and CEO of Blue Cross and Blue Shield of Vermont shares, "It is imperative that we disrupt the for-profit drug manufacturer supply chain when it comes to prescription drugs. This investment in Civica, a company that will put patients and their needs first, ensures our members have access to important medications and curbs the price increases."

Mark Hage, Laura Soares, and Bobby-Jo Salls, the management team of the Vermont Education Health Initiative (VEHI), which serves 43,500 school employees, active and retired, and their dependents, state, "This initiative benefits real people locally by responding to the shortages and high costs of generic medications. All Vermonters deserve reliable, generic drugs at an affordable price. Blue Cross and Blue Shield of Vermont is taking the lead to help make this a reality."

"Civica is already bringing value — in quality, supply, and price — to the in-patient hospital market and with BCBS will expand that mission to reach individuals and families buying generic prescriptions in hospital and pharmacies," said Dan Liljenquist, Civica Board Chairman. "Combining Civica's mission to make quality generic medicines accessible and affordable to everyone with the commitment BCBS companies show to their members places us in a powerful position to make a significant impact on lowering drug costs and improving the health of our nation.

Blue Cross and Blue Shield of Vermont anticipates this partnership will provide significant annual savings for Vermonters and increased transparency related to generic drug pricing and competition. BCBS companies currently participating in the Civica partnership include:



Blue Cross and Blue Shield of Alabama, Arkansas Blue Cross and Blue Shield, Blue Shield of California, Capital BlueCross, CareFirst BlueCross BlueShield\*, Excellus BlueCross BlueShield\*, Blue Cross and Blue Shield of Hawaii, Highmark Blue Cross Blue Shield, Horizon Blue Cross Blue Shield of New Jersey, Blue Cross of Idaho, Independence Blue Cross, Blue Cross and Blue Shield of Kansas, Blue Cross and Blue Shield of Kansas City, Blue Cross Blue Shield of Michigan, BlueCross BlueShield of Western New York and BlueShield of Northeastern New York, Blue Cross & Blue Shield of Rhode Island, BlueCross BlueShield of South Carolina, Blue Cross and Blue Shield of Vermont and the Blue Cross Blue Shield Association's Federal Employee Program.

\*Pending state regulatory approval.

## **Learn More**

To learn more or to find out how to join this partnership, visit <a href="https://bcbs.com/CivicaRx">bcbs.com/CivicaRx</a>

<u>Blue Cross and Blue Shield of Vermont</u> is Vermont's only local, not-for-profit health plan. For over 70 years, Blue Cross and Blue Shield of Vermont has been enhancing the health and well-being of the Vermonters by offering innovative plans to individuals, seniors and businesses. Blue Cross and Blue Shield of Vermont is dedicated to developing new ways to support high quality care and programs and events that promote wellness. Blue Cross and Blue Shield of Vermont is an independent licensee of the Blue Cross and Blue Shield Association. For more information, visit www.bcbsvt.com.

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## **About Blue Cross Blue Shield Association**

The Blue Cross and Blue Shield Association is a national federation of 36 independent, community-based and locally operated Blue Cross and Blue Shield companies that collectively provide health care coverage for one in three Americans. BCBSA provides health care insights through <u>The Health of America</u>

<u>Report</u> series and the national BCBS Health Index. For more information on BCBSA and its member companies, please visit <u>bcbs.com</u>. We also encourage you to connect with us on <u>Facebook</u>, check out our videos on <u>YouTube</u>, follow us on <u>Twitter</u> and check out our <u>blog</u>.

## About Civica Rx

Civica is a public asset founded in September 2018 and formed by three philanthropies and numerous health care organizations that now represent over 1,200 U.S. hospitals in 46 states. It is a nonprofit enterprise designed to reduce chronic generic drug shortages and predatory pricing. Led by an experienced team of health care and pharmaceutical industry leaders, Civica is making strides to ensure patients and their needs come first and that essential generic medications are accessible and affordable. To learn more about our mission and team, please visit CivicaRx.org.