

Groundbreaking California-Civica Rx Partnership Will Increase Access to Low-Cost Insulin

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Peterson Center on Healthcare Supports Growing National Movement Towards Lower Costs and Improved Outcomes in Healthcare

NEW YORK (March 23, 2023)— A first-of-its-kind partnership between the state of California and Civica Rx will help increase access to low-cost insulin for Californians. This partnership supports a growing movement towards improving availability, affordability and outcomes in healthcare. The Peterson Center on Healthcare, a founding partner, funder and governing member of Civica Rx, is pleased to support this significant step, which will reduce out-of-pocket costs for this life-saving drug.

Under the new 10-year partnership, the state of California will invest \$50 million in CalRx, which will manufacture and distribute affordable, high-quality biosimilar insulin. As part of the contract, Civica will produce three insulin biosimilars under the CalRx label—glargine, lispro and aspart. They will be available in vials and pre-filled pens. Contingent on FDA approval, the first insulin (glargine) will be available for purchase at an expected cost of \$30 per vial—a significant savings for many patients.

“As healthcare costs continue to soar to record highs, this important initiative couldn’t come at a better time,” said Michael Peterson, CEO of the Peter G. Peterson Foundation. “The Civica-California partnership will vastly improve access to life-saving insulin in California, adding to Civica’s broader efforts to help lower drug costs for patients around the country.”

“Americans should never have to choose between paying for their medication and meeting other basic needs, especially when it comes to life-saving drugs like insulin,” said Caroline Pearson, Executive Director of the Peterson Center on Healthcare. “The innovative partnership between Civica Rx and California can serve as a shining example for how we can strengthen the supply chain for essential medications to lower costs and improve outcomes.”

In 2018, the [Peterson Center on Healthcare](https://petersonhealthcare.org) joined the Laura and John Arnold Foundation, and Gary and Mary West Foundation as founding philanthropic partners of Civica Rx, along with seven U.S. hospital systems representing more than 500 facilities. Civica Rx works to address critical risks posed to patients from chronic shortages and rising prices of life-saving medications. The Peterson Center on Healthcare has committed \$15 million to date in support of [Civica Rx](https://civica.com) initiatives.

The [rising cost of drugs](https://www.brookings.edu/research/rising-cost-of-drugs/) has contributed to the growth in U.S. healthcare costs, which reached a [record-high 20% of GDP in 2022](https://www.brookings.edu/research/rising-cost-of-drugs/), with per capita spending at [nearly three times the average of other developed countries](https://www.brookings.edu/research/rising-cost-of-drugs/)

The importance of affordable access to insulin cannot be overstated. Insulin is a life-saving medication that millions of Americans depend on to help regulate blood sugar levels. However, the cost of insulin has skyrocketed in recent years, making it increasingly difficult for many people to afford. This has led to a growing number of Americans rationing their insulin or skipping doses, which can have serious health consequences.

Civica’s partnership with California is a key part of its efforts to improve overall drug affordability and access nationwide, and works in concert with recent momentum for reducing the cost of insulin for Americans. Provisions within the Inflation Reduction Act, enacted in 2022, cap out-of-pocket spending on insulin for Medicare beneficiaries at \$35 per month, and the three largest U.S. insulin manufacturers recently announced significant price reductions in their insulin products.

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About the Peterson Center on Healthcare

The Peterson Center on Healthcare is a non-profit organization dedicated to making higher quality, more affordable healthcare a reality for all Americans. The organization is working to transform U.S. healthcare into a high-performance system by finding innovative solutions that improve quality and lower costs, and accelerating their adoption on a national scale. Established by the Peter G. Peterson Foundation, the Center collaborates with stakeholders across the healthcare system and engages in

grant-making, partnerships, and research.



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