



Blue Cross
Blue Shield
Blue Care Network
of Michigan

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Blue Cross and BCN join forces with other Blue plans, Civica Rx to lower costs of select generic medications

Blue Cross Blue Shield of and Blue Care Network joined the Blue Cross and Blue Shield Association and 17 other Blue plans to become majority partners in a nonprofit partnership with Civica Rx, a nonprofit generic drug company, to reduce costs of generic drugs for consumers.

This new subsidiary will acquire and develop abbreviated new drug applications, or ANDAs, for select generic drugs and work with Civica Rx and manufacturing partners to bring more affordable generic drugs to uncompetitive markets.

How it will help

Blue Cross and BCN are committed to ensuring our members have convenient access to safe, cost-effective medications when they need them. Since 2014, some drug prices have been rising at alarming, unsustainable rates – even for generic drugs. Prices on certain generics have doubled over the past five years. Some generic drug prices have increased by more than 10% in just one year.

The partnership will result in meaningful savings for customer groups, individuals and families. The generic medications will be available to all Americans who need the selected drugs.

Prescription drug spending makes up, on average, 22% of the insurance premium dollar — about the same percentage that's spent on physician services. Generic medications account for 90% of all prescriptions. Some of them, while less costly than brand-name alternatives, have increased in price and become less affordable, leading some people to ration or avoid filling their prescriptions. Research into the actual costs of manufacturing and distributing generic drugs suggests prices for select high-cost generic drugs can be reduced to a fraction of their current costs, saving patients hundreds of millions of dollars each year.

Civica Rx is an independent company that will provide select generic drugs to Blue Cross Blue Shield of Michigan and Blue Care Network members.

The partnership

We anticipate that more Blue plans and other health industry leaders will join this innovative partnership as it moves forward.

Civica Rx was founded in 2018. It's a nonprofit company whose mission is to ensure that essential generic medications are accessible and affordable. It's already seen success in helping to stabilize generic drug prices at participating hospitals.

The 18 Blue plans joining the partnership will together contribute a total of \$55 million. The cost is modest when compared to the billions of dollars health plans currently spend on generic drugs each year. We think it's a good investment for our group customers and our members.



"Our partnership with Civica Rx expands on our ongoing efforts to contain the escalating cost of prescription drugs, while ensuring patients have access to the essential medications they need. Together with the Blue Cross Blue Shield Association and other Blue Cross and Blue Shield companies, we're committed to taking this important step to help make generic drugs more affordable for consumers."

Daniel J. Loepp
President and CEO,
Blue Cross Blue Shield of Michigan



Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and an independent licensees of the Blue Cross Blue Shield Association.

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies and owner of the Blue Cross and Blue Shield service marks.