

Hospital groups creating company to make cheap generic drugs

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Several major not-for-profit hospital groups are trying their own solution to drug shortages and high medicine prices: creating a company to make cheaper generic drugs.

The plan, announced Thursday, follows years of shortages of generic injected medicines that are the workhorses of hospitals, along with some huge price hikes for once-cheap generic drugs. Those problems drive up costs for hospitals, require significant staff time to find scarce drugs or devise alternatives, and sometimes mean patients get suboptimal medications.

The not-for-profit drug company initially will be backed by four [hospital](#) groups—Intermountain Health, Ascension and two Catholic [health](#) systems, Trinity Health and SSM Health—plus the VA health system.

Together, the five groups include more than 450 hospitals and many other health facilities. More health systems could join soon.

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