



NEWS RELEASE

Premier Inc. Celebrates a Year of Success in Eliminating Drug Shortages

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- Drug shortage programs now represent nearly 1,600 hospitals, aggregating \$676M in generics spend
- Partnerships in place with 25 manufacturers supplying nearly 150 shortage drugs
- Added 18 new products to the portfolio in 2019 and shipped 11.4 million units of shortage drugs nationwide

CHARLOTTE, N.C.--(BUSINESS WIRE)-- **Premier Inc.** (NASDAQ: PINC) today released an **annual report** on its national drug shortage programs, detailing key accomplishments and successful outcomes that have been achieved in collaboration with nearly 1,600 member hospitals.

Premier's comprehensive approach to addressing drug shortages includes partnerships with 25 leading manufacturers to reliably supply its members with nearly 150 shortage drugs by National Drug Code (NDC). Annually, Premier's programs ship approximately 11.4 million units of shortage drugs to facilities across the nation.

"Our ability to take action and alleviate shortages of lifesaving drugs speaks to the core strengths of Premier and the differentiated value provided by our group purchasing organization," said Premier President Michael J. Alkire. "Guided by our member health systems, Premier's multi-faceted approach is eliminating drug shortages with both short- and long-term solutions that are increasing competition and improving the economic health of the market. Our unique partnership with our members gives us the nimbleness to act quickly when market events require it, thereby improving access and raising the bar for the entire drug supply chain. We're also insulating these products from price spikes that historically plague drugs in shortage, while giving manufacturers the assurances needed to make investments for a consistent, long-term supply."

Premier identifies safe, high-quality supply sources for drugs that are or may be at risk of being added to the national drug shortage list. In doing so, Premier protects its members from supply fluctuations that may affect the

market at large. Recognizing the varied issues that lead to drug shortages, Premier has a successful record of remediating the flaws in the generic drug economic model, most recently with the creation of its **ProvideGx program in 2019**.

Built on the backbone of Premier's 15-year experience creating solutions to shared drug sourcing challenges, ProvideGx's sole mission is to ensure health systems have continuous and affordable access to shortage medications, as well as those in categories that lack competition. In 2019 alone, ProvideGx added 18 new drugs to its portfolio, almost all of which were on the shortage list at the time of launch, including **metoprolol; cysteine hydrochloride; sodium bicarbonate; diphenhydramine; hydromorphone; lidocaine; morphine; thiamine; phytonadione injection; vincristine**; and emergency, pre-filled syringes of **calcium chloride, epinephrine, sodium bicarbonate, atropine sulfate, dextrose and lidocaine**.

Other key accomplishments highlighted in the report include:

- **Providing Safer Care for Newborn Babies:** Seriously ill or premature babies often have difficulty absorbing nutrients through their gastrointestinal tract. In these cases, total parenteral nutrition (TPN) is required. One of the critical components of TPN is cysteine hydrochloride, an amino acid that was supplied by a single manufacturer since 2015, leading to widespread shortages. The formulation available at the time was not approved by the U.S. Food and Drug Administration (FDA) and contained aluminum levels that were 30 times higher than recommended. Through ProvideGx, Premier contracted with Exela Pharma Sciences, LLC, to market a new, FDA-approved formulation of cysteine hydrochloride with dramatically reduced aluminum levels. As a result of the ProvideGx partnership, cysteine hydrochloride was removed from the FDA's drug shortage list just two months after it entered the market via ProvideGx.
- **Ensuring Survival After Heart Surgery:** In 2019, Richard Wilson received open heart surgery at Atrium Health's Sanger Heart & Vascular Institute (Charlotte, N.C.). After his operation, Richard experienced atrial fibrillation (or an irregular heartbeat), a common complication for cardiac patients. Left untreated, a. fib can lead to blood clots, stroke, heart failure and other complications. The best medicine to treat a. fib in this case was metoprolol – but had Richard been diagnosed a year earlier, that drug may not have been available. In 2018, the drug was in shortage after Baxter Healthcare withdrew from the market. However, after Premier approached the company with a guaranteed volume commitment and a long-term contract to supply thousands of member hospitals, Baxter re-entered the market, making metoprolol available to save patients like Richard.
- **Speeding Emergency Response Times:** Pre-filled syringes are the standard for emergency care because they offer the precise adult dose in a ready-to-use formulation, **speeding response times and minimizing the potential for dosing errors**. Unfortunately, across the country, emergency syringes used to treat allergic reactions, manage trauma and reverse the effects of poisonings are hard to come by. Without them, first

responders are forced to waste precious time during a medical emergency administering drugs using vials or turning to substitutes. In response, ProvideGx partnered with Amphastar Pharmaceuticals to increase the supply of seven front-line drugs clinicians routinely use in emergency department crash carts. With creative financing and group purchasing options, ProvideGx created a remedy to the emergency syringe shortage problem.

- **Ensuring Availability Before, During and After Pandemic Events:** Between 80-90 percent of all raw ingredients used for U.S. drugs are located in China. Given the recent outbreak of the coronavirus in China, closures of seaports or restrictions on exports could compromise supply and lead to shortages. To address this, ProvideGx requires that manufacturers disclose plant locations, as well as the country of origin for all active pharmaceutical ingredients. Manufacturers with an undue concentration of facilities in a single region are passed over in favor of those that source from multiple countries or continents. None of the drugs currently on ProvideGx contracts contain ingredients sourced from China, and all have diverse supply chains to ensure a continuous supply life-saving products before, during and after an outbreak.
- **Giving Kids With Cancer a Fighting Chance:** Acute lymphoblastic leukemia (ALL) is one of the most common childhood cancers, affecting approximately 3,000 children each year. With the right chemotherapy, 98 percent of children with ALL go into remission within weeks after treatment begins. This is thanks to a drug called vincristine, the “gold standard” for treating ALL. Vincristine went into shortage in October 2019 after one of just two drug companies producing it exited the market. Upon learning of the shortage, Premier contacted Pfizer Inc. to increase production through the ProvideGx program. Just six weeks later, the product was placed on a ProvideGx contract and made available to program participants.

After a period of decline, drug shortages in America increased significantly in 2018, according to the FDA's drug shortage list. With wide-ranging effects on patient care, drug shortages can add time and expense as providers search for therapeutic alternatives and manage supplies, potentially delaying certain elective hospital procedures.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,000 U.S. hospitals and health systems and approximately 175,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on www.premierinc.com; as well as **Twitter**, **Facebook**, **LinkedIn**, **YouTube**, **Instagram** and **Premier's blog** for more information about the company.

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