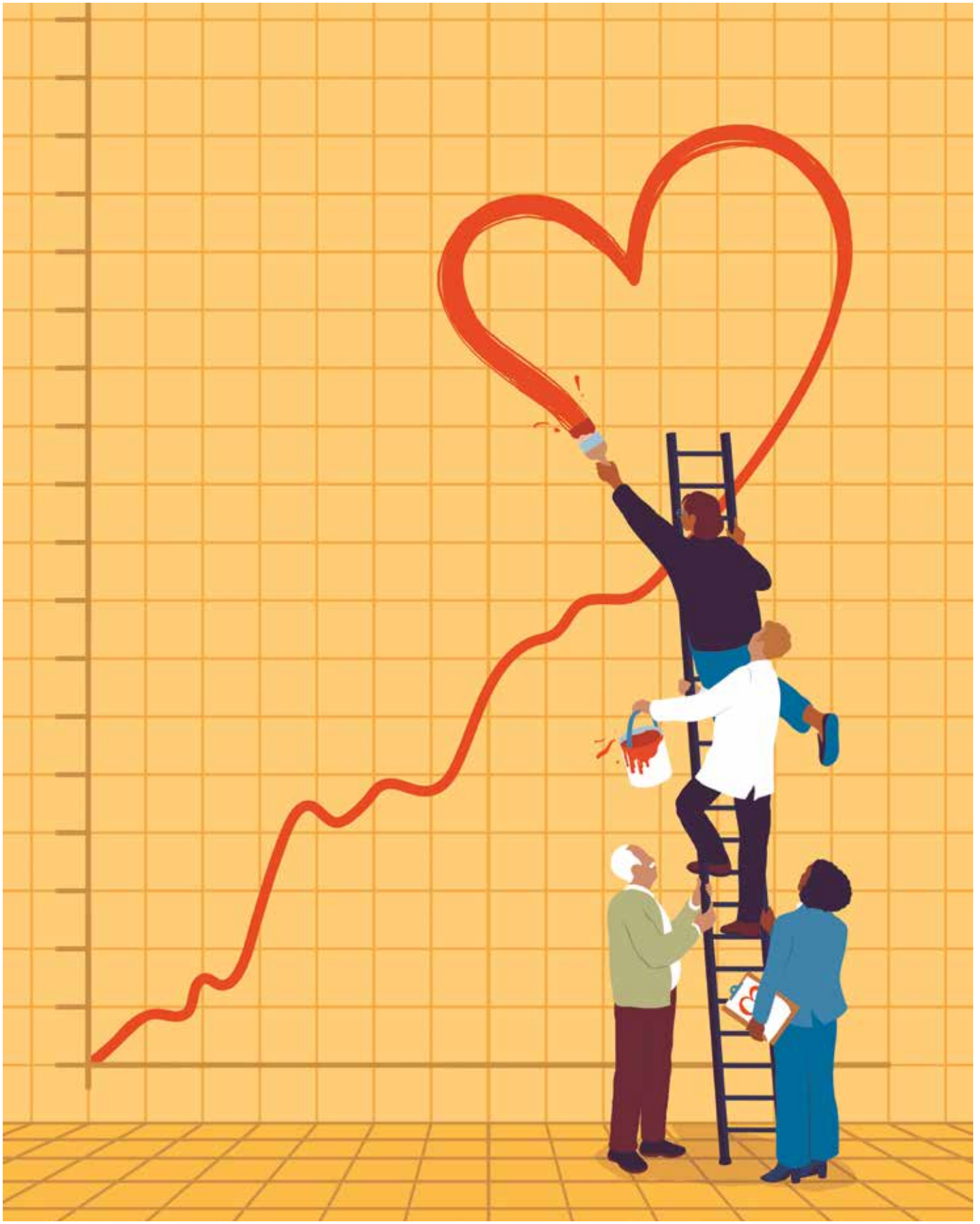

Where Mission Meets the Market: Solving Health Care Failures That Hurt People

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My first health care encounters came at an early age, not because of a single illness, but because constant medical intervention was woven into the fabric of my childhood. I grew up in a four-generation home comprised of my great-grandmother, my grandfather, my mother, my twin brother and myself.

My great-grandmother, born in 1899, was legally blind, had heart problems and was homebound. My grandfather suffered from a series of ministrokes. My mother was also homebound for many years, having been paralyzed in a car accident before I was born, which also killed her mother. Given my family's significant health challenges, my early years were shaped by the rhythms of countless doctor appointments, hospital visits, home care visits and phone calls from specialized care teams.

I was greatly impressed by the good-naturedness of many individuals who chose to work in health care — selecting it not just as a job, but as a vocation — and I frequently saw people go beyond their regular duties to perform heroic acts of care and compassion. Health care also hosts magnificent innovation, from advanced imaging and genomics to life-extending therapies that would have been unimaginable a single generation ago.

Despite the goodness of its people and the brilliance of its science, American health care has a fundamental flaw: It still hasn't figured out how to make what's truly essential sustainably affordable and available. This is not a failure of compassion or intelligence; it's a market failure. We believe the best solution to this type of market failure involves the creation of new structures within the market — structures that achieve dramatically new levels of competition-driven improvements through the market rather than despite it.

MISSION AND MARKET MISALIGNMENT

After picking a health care career and spending a significant portion of my time in the Catholic health ministry, I became immersed in the structures associated with delivering, financing and regulating health care. I was astonished by its complexity, inspired by its aspirations, and unfortunately saddened by its many flaws and contradictions.

While the system wanted people to be well, it got paid more when people were sick. Some aspects were highly technologically advanced, while others still relied on faxes and paper. One of the most harrowing contradictions of all was that even when something was truly essential, it didn't mean that it was available.

This *essentiality-availability* contradiction was particularly troubling given that essentiality is one of the most critically defining characteristics of health care. Health care is not a business that provides consumer-preferred luxuries or entertainment; it's about alleviating suffering and sustaining life itself. For those of us in Catholic health care, it's much more than a business; it's a ministry. It's not just about the market; it's about the mission.

No one knows when they will need health care most, and when that moment comes — whether for ourselves or someone we love — availability and affordability become far more important to us than ensuring we have the newest and shiniest toys. Where American health care struggles most is not in inventing what is novel. In fact, it excels at creating breakthrough innovations through its vast and highly mature network of entrepreneurs and investors. Where it fails is in making the *old, proven, essential* resources reliably available at a price people and communities can sustain.

This is where the health care utility model comes in — and where the work of the Mindshare Institute begins.

WHAT IS A HEALTH CARE UTILITY AND WHY IT MATTERS

A health care utility[1] is defined as a self-sustaining nonprofit, nonstock corporation, formed by health care institutions to provide essential products and services at the lowest sustainable cost, using a focused, transparent and scalable business model.[2] Health care utilities are not about luxury or preferred items, but about essentials: medicines, core services and infrastructure that everyone should be able to access.

The health care utility model is necessary as essential health care goods behave differently from traditional consumer products because 1) you cannot defer them when prices spike, 2) you cannot substitute them when supply disappears and 3) you often need them urgently, under stress, and without choice. When essentials are treated like discretionary goods, market predictability fails, prices rise, shortages emerge and people get hurt. Health care utilities correct this failure not by replacing markets, but by changing how competition works within them.

CHANGING THE SCRIPT ON PHARMACEUTICALS

The first health care utility was established in 2018 with the launch of a nonprofit pharmaceutical company called Civica Rx,[3] created to address chronic shortages and price instability in essential hospital medicines.

Leading up to Civica Rx's formation, the pharmaceutical market repeatedly demonstrated examples of value being extracted from vulnerable patients through extreme price increases on long-established generic drugs and persistent shortages of basic therapies. One infamous example was in 2015, when Turing Pharmaceuticals increased the price of Daraprim, a drug to treat toxoplasmosis, by more than 5000% in a single day. Another example was when Mylan Pharmaceutical increased the price of the EpiPen, injectors to treat allergic reactions, from about $100 in 2007 to more than $600 in 2016.[4]

Beyond price exploitation, there were also tragic shortages of essential medicines. In a particularly heart-wrenching account, a health system that later helped create Civica Rx shared a story about a patient who was admitted to the hospital for a treatable condition that required medication that was frequently on shortage. The hospital was unable to access the drug and, when faced with uncertainty about future access to the essential drug, the patient tragically committed suicide after being discharged from the hospital.[5]

Civica Rx was created to avoid the continuation of heartbreaking decisions like this.

Founded by seven health systems and three major philanthropies, Civica Rx took an approach to address market failures called disruptive collaboration, where multiple institutions come together to disrupt an entire subindustry, in this case hospital-use generic pharmaceuticals.[6] To ensure the mission would not drift, this collaboration scaled using a nonprofit, nonstock structure, in this case the newly created health care utility.

And it worked.

Civica Rx's novel mission-oriented strategy took root — and grew rapidly — improving access and reducing costs for millions of patients.[7] As of June 2025, the company has grown to nearly 60 health systems, more than 1,400 hospitals, and has helped treat an estimated 90 million patients.[8]

When essentials are treated as shared infrastructure rather than profit-maximizing assets, markets can heal themselves. Competition increases, efficiency and agility still matter, bona fide novel innovation in the market is left unharmed, and the end objective is the lowest sustainable cost as opposed to highest achievable margin.

EXPANDING THE MODEL

In 2020, two years after the formation of Civica Rx, the same mission-oriented collaborators who started it wanted to help even more people beyond those in the hospitals. They partnered with a large group of payers — representing

approximately 100 million covered lives — to create a second health care utility, CivicaScript,[9] helping people have better access to more affordable retail pharmaceuticals.

As a proof-of-concept drug, CivicaScript selected abiraterone acetate (abiraterone), a high-cost treatment for metastatic prostate cancer. Even though abiraterone had been off patent for approximately four years, it was still prohibitively expensive, often costing more than $2,000 per patient per month. In August 2022, CivicaScript launched its generic version of abiraterone, pricing a bottle of 120 250-mg tablets — typically a month's supply — at $160, which generated significant cost savings for patients (64% lower amounts paid) and payers (92% lower amounts paid).[10]

Since the launch of abiraterone in 2022, CivicaScript has continued to expand its portfolio of low-cost generics and biosimilars to provide reliable, affordable medications directly to consumers. Additional medications include medicines that treat multiple sclerosis, neurogenic orthostatic hypotension (a nerve issue that causes dizziness upon standing), cancer, chronic inflammatory conditions, and a long-acting insulin for people with diabetes at the lowest list price available.[11]

With Civica Rx and CivicaScript established at the national scale — serving millions of patients and saving millions of dollars — other questions began to get asked: Can this model be replicated beyond pharmaceuticals? And if so, what is the best approach to get even more health care utilities started?

CREATING THE HEALTH CARE UTILITY PLAYBOOK

In the summer of 2020, during the intensity of the global COVID-19 pandemic, my wife, Rachel, and I moved with our four children from St. Louis to Cambridge, England, in search of answers. I was serving as SSM Health's senior vice president and chief strategy officer, working for Laura Kaiser, president and CEO. Kaiser had been instrumental in the establishment and growth of both Civica Rx and CivicaScript, bringing problem-solving vision and a steadfast commitment to mission-driven innovation to address complex problems. We had been discussing the industry's need to better understand these new utilities and the additional problems they might solve.

Rachel and I had identified a unique doctoral program at the University of Cambridge Judge Business School designed for senior executives who had built national-scale companies and wanted to develop new research grounded in their experiences. We saw an opportunity to leverage this program to codify the learnings from Civica Rx and CivicaScript into a more replicable business model. We also identified a leading researcher at Judge Business School, Stefan Scholtes, director of Cambridge's Centre for Health Leadership and Enterprise, whose background and experience were ideally suited to help develop the new model.

I consulted with Kaiser about the challenges and the potential impact of the work. With support from her and SSM Health's board, I applied and became the first American to be accepted.

For the next four years, I simultaneously served as an SSM Health senior executive, cofounder and board member of both Civica Rx and CivicaScript, and as a Cambridge doctoral student. This work focused on defining the language, structures and metrics needed to describe, access and guide this new business model, ultimately resulting in what is now known as the health care utility model.[12]

FROM LEARNING TO SCALING

After completing my doctorate in 2024, my colleagues and I focused on scaling the health care utility model beyond its initial applications. I reconnected with Rob Allen, Intermountain Health's president and CEO, whom I previously worked with. Together with Kaiser, we had a strong foundation of trust. After several conversations, we agreed I would return to Intermountain to help establish an institute dedicated to addressing health care market failures through large-scale collaborative businesses. We shared a clear conviction that meaningful change in U.S. health care required collaboration.

In January of 2025, that commitment became a reality with the formation of the Mindshare Institute[13], created to solve market failures that hurt people. Mindshare would accomplish this purpose primarily by building "winner-benefit-all" businesses — organizations designed to create broad societal benefits and improve entire markets, not just individual company financial gains.

Mindshare's business model differs materially

from other business creation or investment organizations, such as venture capital. Mindshare focuses on the essential more than the experimental. One distinction is that venture capital helps create new products and services, pushing the boundaries of what's possible. Mindshare helps democratize the essential, pushing the boundaries of what's sustainable.

Mindshare also uses nonprofit structures and debt financing as opposed to for-profit structures and equity. Overall, these factors flip the business strategy from asking "What's the highest price that the market will bear?" to "What's the lowest sustainable price that we can deliver to the market?"[14] It is not charity, although it is charitable. It is not governmental, although it provides market intervention. It is capitalism and compassion.

LAUNCHING A MEDICAL TRANSPORT NONPROFIT

In its inaugural year in 2025, Mindshare began to prove that the health care utility approach can be replicated effectively in a systematized manner. In November 2025, five nonprofit organizations (Advocate Health, Flight For Life Wisconsin, HealthNet Aeromedical Services, Intermountain Health and MedFlight of Ohio), coordinated through Mindshare, joined together to improve the area of medical transport through Aeroterra Health. Covering 16 states, the utility will leverage its collective breadth and capabilities to share resources aimed at solving long-standing, systemic problems in the medical transport industry.

This is only the beginning.

Health care utilities represent a practical, proven way to ensure that the things everyone depends on — medicines, transport, infrastructure — are there when needed and affordable when used.

Health care will always have heart and compassion because of its caregivers. It will always need innovation at the frontier. And if we can collectively harness the power and ingenuity of markets to not only create the novel, but also democratize the essential, that will improve the system for everyone.

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NOTES

1. The term health care utility is currently in the trademark process to preserve the integrity of its meaning: a nonprofit organization designed to operate without an exit strategy.
2. Carter Dredge, Dan Liljenquist, and Stefan Scholtes, "Disruptive Collaboration: A Thesis for Pro-Competitive Collaboration in Health Care," *NEJM Catalyst Innovations in Care Delivery* 3, no. 2 (2022): https://catalyst.nejm.org/doi/full/10.1056/CAT.22.0057 (login required to access).
3. Civica, https://civicarx.org.
4. Lydia Ramsey Pflanzer, "The Days of the 'Pharma Bro' Have Come to an End—but We Haven't Made Much Progress on Drug Pricing," Business Insider, March 10, 2018, https://www.businessinsider.com/why-prescription-drug-prices-are-so-high-and-whats-being-done-about-it-2018-3.
5. Carter Dredge, "Structural Transformation in Health Care: Disruptive Collaboration Through Health Care Utilities," Apollo–University of Cambridge Repository, 2024, https://www.repository.cam.ac.uk/items/ac847655-467c-4718-97b7-36e3595e8eae.
6. Dredge, Liljenquist, and Scholtes, "Disruptive Collaboration."
7. Carter Dredge and Stefan Scholtes, "Vaccinating Health Care Supply Chains Against Market Failure: The Case of Civica Rx," *NEJM Catalyst Innovations in Care Delivery* 4, no. 10 (2023): https://catalyst.nejm.org/doi/full/10.1056/CAT.23.0167 (login required to access).
8. Civica, https://civicarx.org.
9. CivicaScript, https://civicascript.com.
10. Carter Dredge and Stefan Scholtes, "Changing the Script on Drug Pricing: A New Type of Supplier Creates Savings for Patients and Plans," *NEJM Catalyst Innovations in Care Delivery* 6, no. 6 (2025): https://catalyst.nejm.org/doi/full/10.1056/CAT.24.0417 (login required to access).
11. "BCBS Companies Expand Lower-Cost Insulin," Blue Cross Blue Shield, January 5, 2026, https://www.bcbs.com/news-and-insights/article/new-era-of-lower-cost-insulin.
12. Carter Dredge and Stefan Scholtes, "The Health Care Utility Model: A Novel Approach to Doing Business," *NEJM Catalyst Innovations in Care Delivery* 2, no. 4 (2021): https://catalyst.nejm.org/doi/pdf/10.1056/CAT.21.0189 (login required to access).
13. Mindshare Institute, https://mindshareinstitute.org.
14. Dredge, Liljenquist, and Scholtes, "Disruptive Collaboration."

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