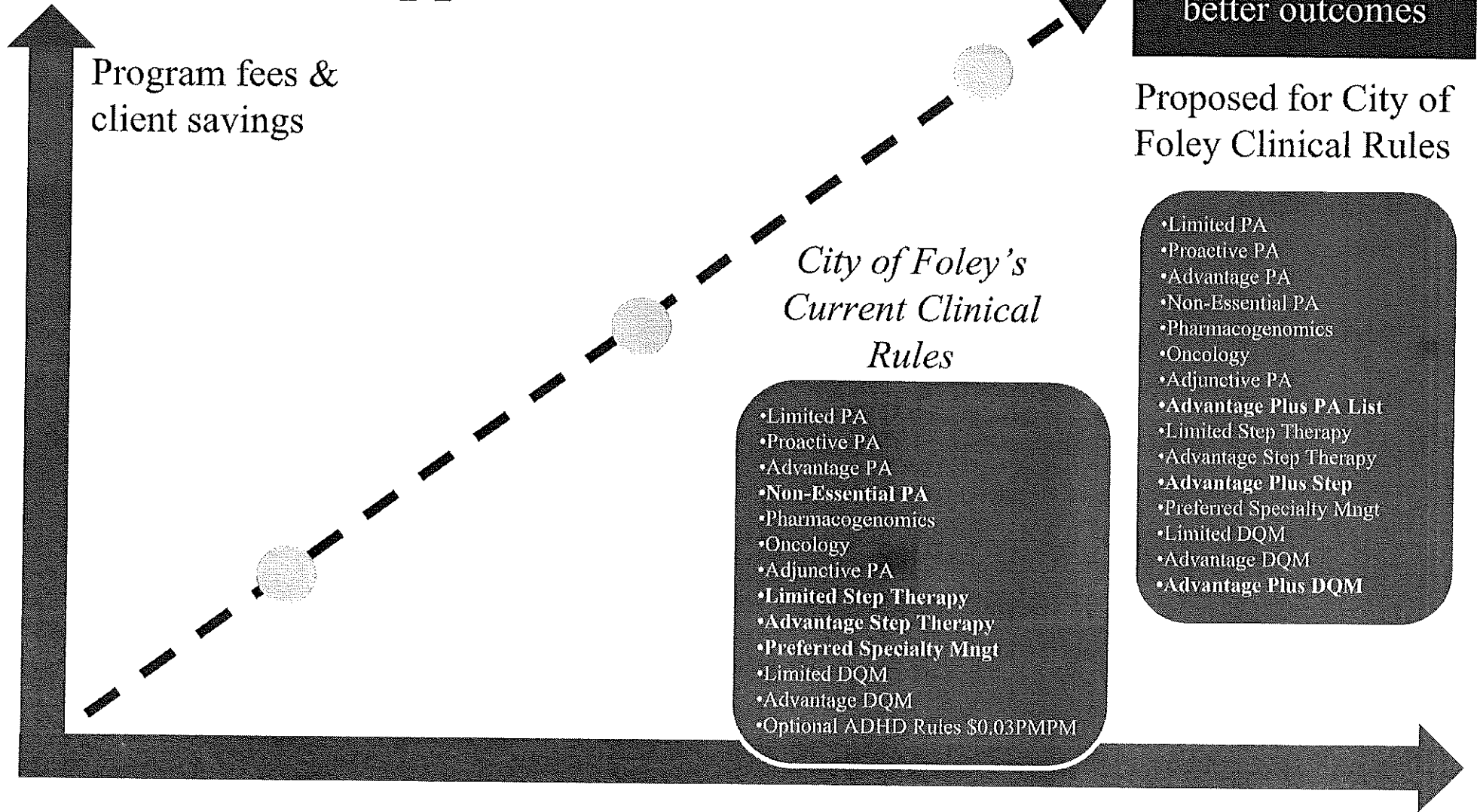


A stepwise approach



Client tolerance for member impact & targeting undermanaged disease states



2017 Clinical and Formulary Savings

Step Therapy	Promotes the safe and effective use of a less expensive, yet clinically effective, therapeutic alternative medication.	\$99,470
Prior Authorization	Promotes the safe and effective use of medications per their FDA approved uses.	\$24,255
Drug Quantity Management	Manages drug costs by aligning the dispensed quantity of medication with FDA-approved dosage guidelines.	\$31,733
AUM Program Fees*	Total PMPM fee related expenses for clinical programs	(\$5,314)
National Preferred Formulary	Optimized formulary that delivers savings <u>and</u> appropriate clinical options	\$125,698

Net Savings in 2017:\$275,842

*Program fees calculated based on \$0.60 PMPM fee for an average monthly membership of 738.
Time Frame: 01.01.17 -12.31.17



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2018 Clinical and Formulary Savings

Step Therapy	Promotes the safe and effective use of a less expensive, yet clinically effective, therapeutic alternative medication.	\$78,674
Prior Authorization	Promotes the safe and effective use of medications per their FDA approved uses.	\$23,290
Drug Quantity Management	Manages drug costs by aligning the dispensed quantity of medication with FDA-approved dosage guidelines.	\$59,138
AUM Program Fees*	Total PMPM fee related expenses for clinical programs	(\$5,623)
National Preferred Formulary	Optimized formulary that delivers savings <u>and</u> appropriate clinical options	\$41,129

Net Savings in 2018: \$196,608

*Program fees calculated based on \$0.60 PMPM fee for an average monthly membership of 781.
Time Frame: 01.01.18 -12.31.18



Plan savings summary

ESI Managed Rules

Package	Price PMPM	Estimated Net Plan Cost Savings PMPM	Estimated Member Impact
 RxBenefits Super Advantage Plus Package	\$0.75 year 1		
	\$0.78 year 2	\$55,746	86
	\$0.81 year 3		

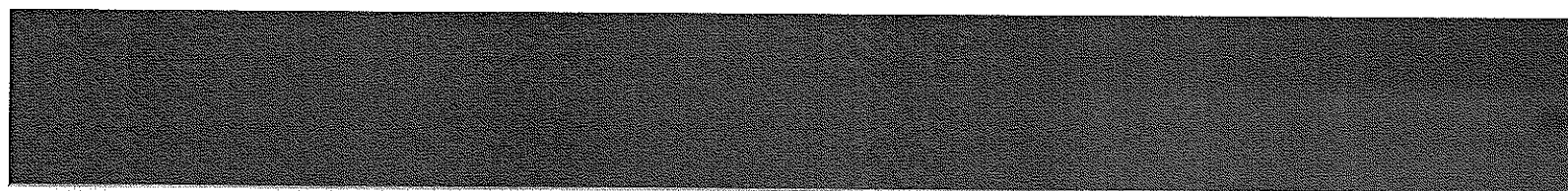
63% of clients enrolled in the program are in Super Advantage Plus
On average, clients saw a 10:1 return on investment.

*Savings estimates without grandfathering.
Savings are net of program cost and rebate impact.*



Advanced Utilization Management

Savings Detail: **RxBenefits Super Advantage Plus Package**



Step Therapy – Requires members to try a different medication before the plan will pay for those in the highest classes.	22
--	----

Prior Authorization – Requires the physician to provide documentation as to the condition before the medication is dispensed. Ensures it is the right drug for the diagnosis.	60
---	----

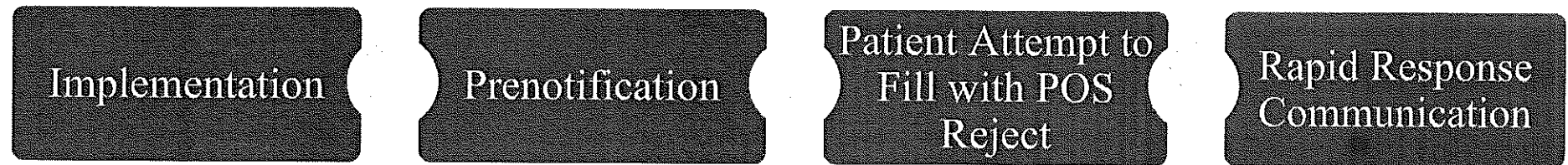
Drug Quantity Management – Limits the amount of medication dispensed to the FDA guidelines. If members have a medical need for additional quantities there is a process their physician can follow.	4
---	---

Total	86
-------	----

Savings estimates include Step Therapy without grandfathering, when available.
Packages include Step Therapy, Prior Authorization, and Drug Quantity Management.



Member Communication Process



Auto updates allow new-to-market drug utilization changes to be added *before* it impacts members



Sent 30 days prior to implementation

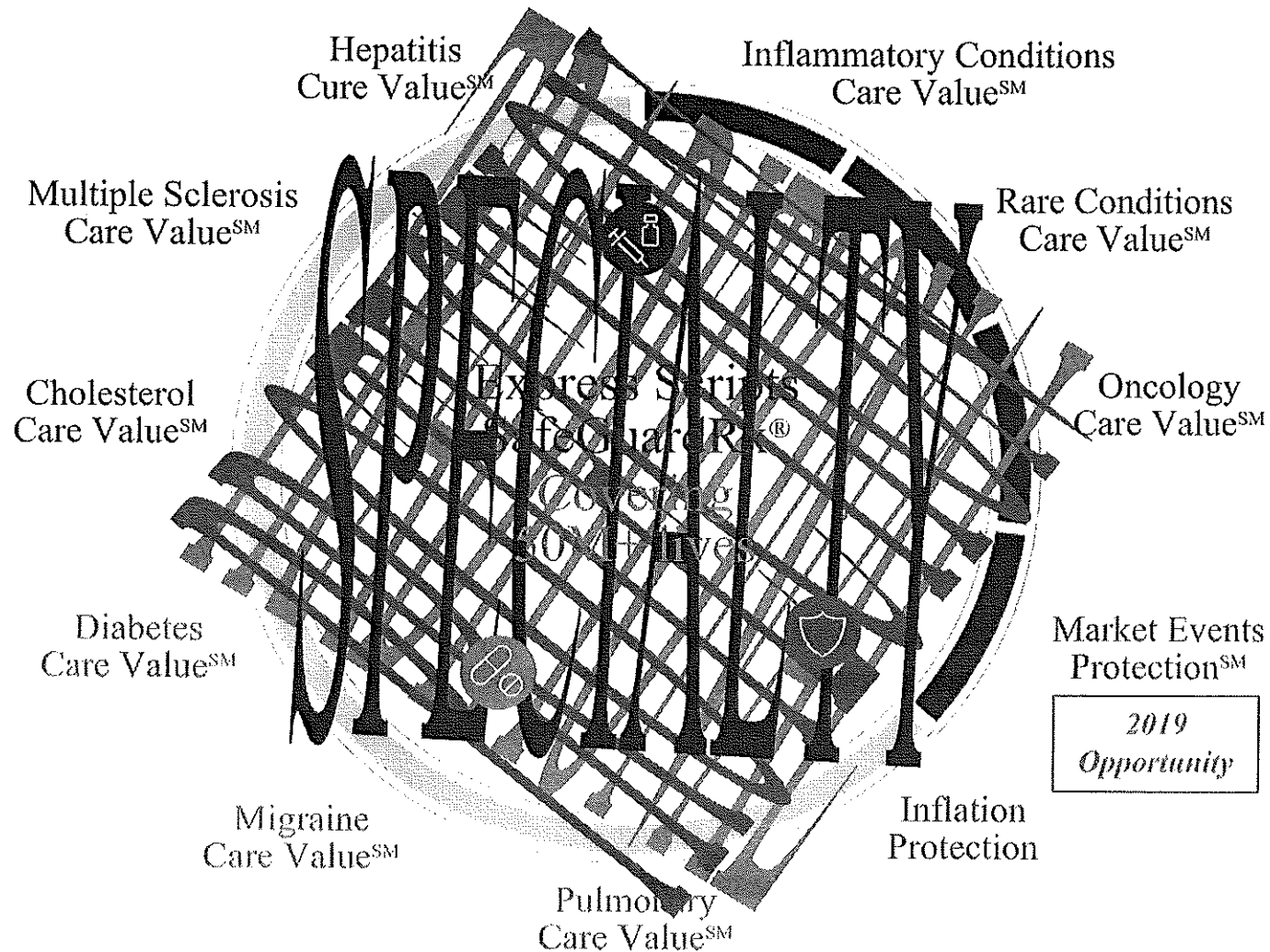
Coverage Authorization Prenotification
(*Prior Authorization, Drug Quantity Management*)

Preferred Step Therapy Prenotification
(*Implementation of step edits without grandfathering*)

- Letters to members with dropped claim after step therapy reject at retail or mail
- Program sends both member and physician letters
- Letters provide alternative medications and explain step therapy process



For the most critical and complex challenges



2019
Opportunity



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EXPRESS SCRIPTS™

MARKET EVENTS PROTECTIONSM PROGRAM

Quick action for unanticipated events

\$34M in client savings in 2017 with only 0.5% member impact

RAPID RESPONSE ADDRESSES

Excessive price
increases

New generics
launches

Unwarranted price
discrepancies

PBM TOOLS MITIGATE RISK



Changing therapy



Managing utilization



Moving channel*

ACTIONS TO DATE

EpiPen[®]

Alcortin A[®], Novacort[®]

Auvi-Q[®]

*Channel change will be implemented at a later date. Additional detail will be provided prior to that time. Program terms and conditions apply.



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Appendix



Prior Authorization: The Right Patient

1.

- Prior Authorization ensures the clinically appropriate use of medications.

2.

- Prior Authorization ensures that medications are used safely.

3.

- Prior Authorization asks the question: “Is this the right medication for this patient?”



Prior Authorization – sample template member letter



You may need to talk with your doctor about your prescriptions.

<<Patient Name Prefix>> <<Patient First Name>> <<Patient Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

<<Month Year>>

Dear <<Patient Name Prefix>> <<Patient First Name>> <<Patient Last Name>>:

We're writing because **you need to take action** if you want the following medication(s) to be covered under your plan:

<<Drug name>>	<<Drug name>>
<<Drug name>>	<<Drug name>>

<Client Name and >Express Scripts, the company chosen to manage your prescription benefit, want(s) you to know about an important change. Beginning <<Effective Date>>, your plan's coverage for the above medication(s) will change, and Express Scripts will need to review the prescription with your doctor **before** it can be filled and covered under your prescription benefit. During this review, your doctor can provide us with more detailed information on your prescription so we can make sure its use falls within your plan's rules. These rules are based on FDA-approved prescribing and safety information, clinical guidelines and uses that are considered reasonable, safe and effective.

If you're taking the above medication(s) and want it to be covered by your plan, **here's what you can do to help make sure your medication is reviewed:**

- 1) Please ask your doctor to call Express Scripts at 800.417.1764 to arrange a review.
- 2) Let your doctor know we're available Monday-Friday, from 8 a.m. to 9 p.m., Eastern Time.

If your doctor doesn't call and get approval, you'll be responsible for the full cost of the medication(s). So, please have your doctor contact us on or after <<Effective Date>>.

Thank you for your assistance. If you're no longer taking the medication(s) listed above, or no longer eligible under this plan, please disregard this letter.

Sincerely,

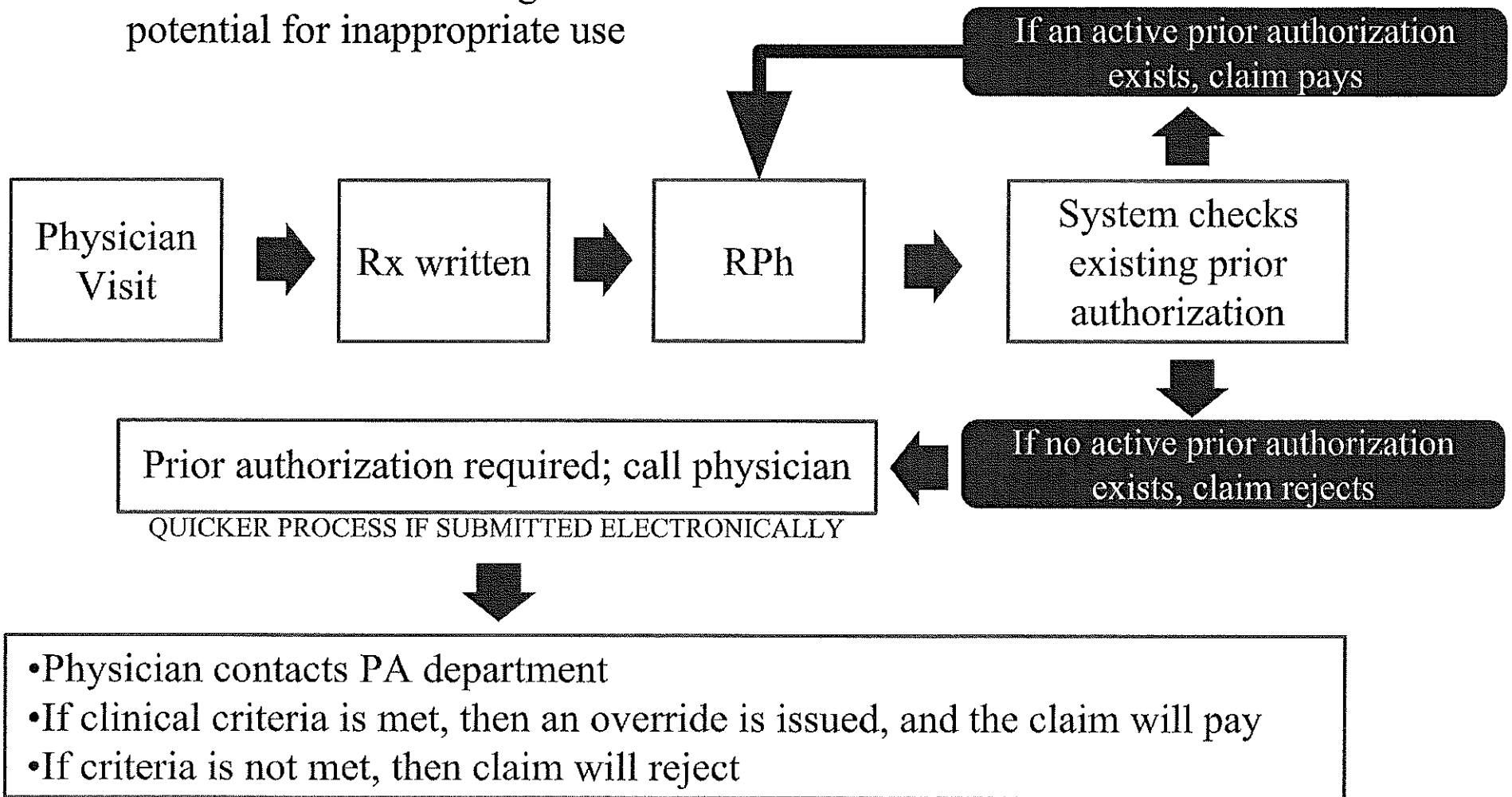
A handwritten signature in cursive script that reads 'Andrew R. Behm'.

Andrew R. Behm, Doctor of Pharmacy
Vice President of Pharmacy Services
Express Scripts



How Prior Authorization Works

- Drives savings and patient safety through monitoring:
 - Targeted, high-cost medications
 - Medications with the highest potential for inappropriate use



Step Therapy: The Right Drug

1.

- **Step Therapy** encourages members and physicians to try clinically effective, front-line medications (usually generics) before trying second-line (usually brand name) medications.

2.

- Step Therapy asks the question “What other medications has this patient taken for this condition?”



Step Therapy – sample template member letter

Preferred Step Therapy Pre-Notification

Co-Branded Logo



If you have questions, please call the number on your member ID card. And your doctor can call <800.417.1764> with any questions. We look forward to helping you save!

<Date>

<Member First and Last Name>

<Member Address 1>

<Member Address 2>

<Member Address 3>

<Member City State, Zip>

<Member First Name>:

Avoid Paying More for
Your Medication

Sincerely,

Andrew R. Behm

Andrew R. Behm, Doctor of Pharmacy
Pharmacy Director
Express Scripts

Dear <Member First and Last Name>:

<Client Name and >Express Scripts, the company chosen to manage your prescription-drug benefit, want<s> you to know about an important change. As of <effective date>, the medication you currently take, (<current brand-name drug>), will no longer be covered and will cost you more. There are similar medications preferred by your plan that are covered at a lower copayment.

You'll save when you choose a preferred generic or lower-cost brand medication instead of the costlier brand-name medication you currently take.<*> Your preferred drugs work just as well for most people and they typically cost a lot less. Why pay more if you don't get more?

Start saving today – it's easy!

- (1) Share this letter with your doctor and ask if one of the preferred alternatives listed to the right could work for you.
- (2) If a preferred alternative is appropriate, your doctor can write a new prescription, indicating that it will replace your prescription for <current brand-name drug>.
- (3) Fill your new prescription for a safe, effective preferred drug and avoid paying the full cost of your current medication.

Take Action Today!

Your current medication will no longer be covered and will cost you more as of <effective date> unless you try or have already tried a preferred alternative.

Non-Preferred Drug
You Currently Take:

<CURRENT BRAND-NAME DRUG>

Preferred
Alternatives



To Save
You Money

<PREFERRED ALTERNATIVE #1>

<PREFERRED ALTERNATIVE #2>

<PREFERRED ALTERNATIVE #3>

<PREFERRED ALTERNATIVE #4>

<PREFERRED ALTERNATIVE #5>

<PREFERRED ALTERNATIVE #6>

<PREFERRED ALTERNATIVE #7>

<PREFERRED ALTERNATIVE #8>

<PREFERRED ALTERNATIVE #9>

<PREFERRED ALTERNATIVE #10>

<*> In certain states, controlled substances such as sleep aids may only be available in supplies of up to 30 days, and prescriptions for these medications may not be filled. If you live in one of those states, please call the number on your member ID card to obtain the mailing address for your prescriptions.>

(Continued)

If your doctor and you agree that the preferred medications are not right for you, your doctor may request a coverage review by calling <800.417.1764> on or after <effective date>.



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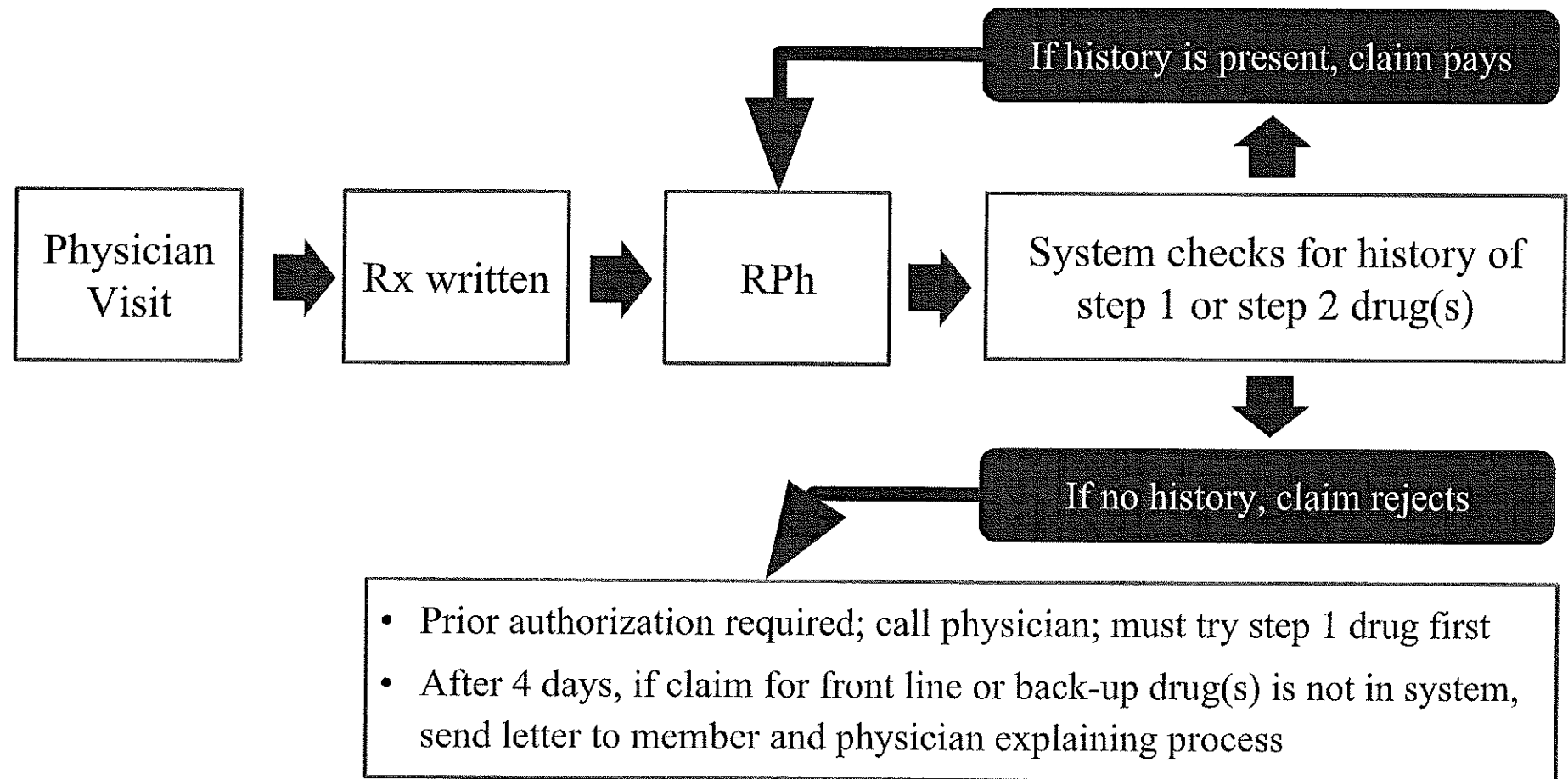
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How Step Therapy Works

- Step therapy reduces waste by promoting the use of generics



Drug Quantity: The Right Amount

1.

- **Drug Quantity Management** aligns the quantity dispensed with FDA-approved dosage guidelines and other supportive evidence.

2.

Drug Quantity Management asks “Is this the correct quantity (tablets/capsules) of this medication?”



Drug Quantity Management – sample template member letter



\\product ID\\Marketing\\D Codes\\01
\\Center Number\\\\File Creation Date\\

<First Name> <Last Name>
<Address 1> <Address 2>
<City>, <State> <Zip>

<DATE>

Dear <First Name> <Last Name>:

<Client Name> and Express Scripts, the company managing your prescription benefit, want you to know that beginning <<DATE>>, your plan will limit the quantity of medication that you can get at one time. A list of the medication affected by this change is on the reverse side.

Why is this change happening?

It's due, in part, to updated dosage safety information and guidelines from the Food & Drug Administration (FDA), along with supporting medical studies. It is also to help manage, control and lower overall drug costs by reducing drug waste.

What does this mean to me?

It means your plan will only cover the new, recommended dosage amount. For example, if your medication comes in different strengths, you could take one dose of a higher strength instead of two (or more) at a lower strength. The amount of medication is the same, but you pay for fewer doses – which saves money. If your doctor feels differently, he or she may call Express Scripts to request a prior authorization, which may allow you to get a larger quantity.

What should I do?

To meet your plan's limit with fewer copayments, you may:

Have your pharmacist ask your doctor to change your prescription to a higher strength when one is available;

OR

Ask the pharmacist to give you the amount your plan covers and you'll pay the appropriate copayment each time;

OR

Speak with your doctor. If he or she doesn't agree with the limit, your doctor can call Express Scripts to request a prior authorization, which may allow you to get a larger quantity.

Please read this important information about your prescription benefit.

Beginning <<DATE>>, your plan will limit the quantity of medication you can get at one time. Here is a list of the medication(s) that will be affected:*

NAME	LIMIT ¹
<Drug Name #1>	<LIMIT>
<Drug Name #2>	<LIMIT>
<Drug Name #3>	<LIMIT>
<Drug Name #4>	<LIMIT>

*May not represent all medications you are taking.

¹ Represents the per month quantity allowed (unless otherwise noted). [90 day retail and home delivery are typically 3 times the per month quantity (unless otherwise noted)].

If you have any questions, please call Express Scripts at the number on your member ID card.

Sincerely,

Andrew R. Behm

Andrew R. Behm, Doctor of Pharmacy
Vice President of Pharmacy Services
Express Scripts

See other side for important information >>



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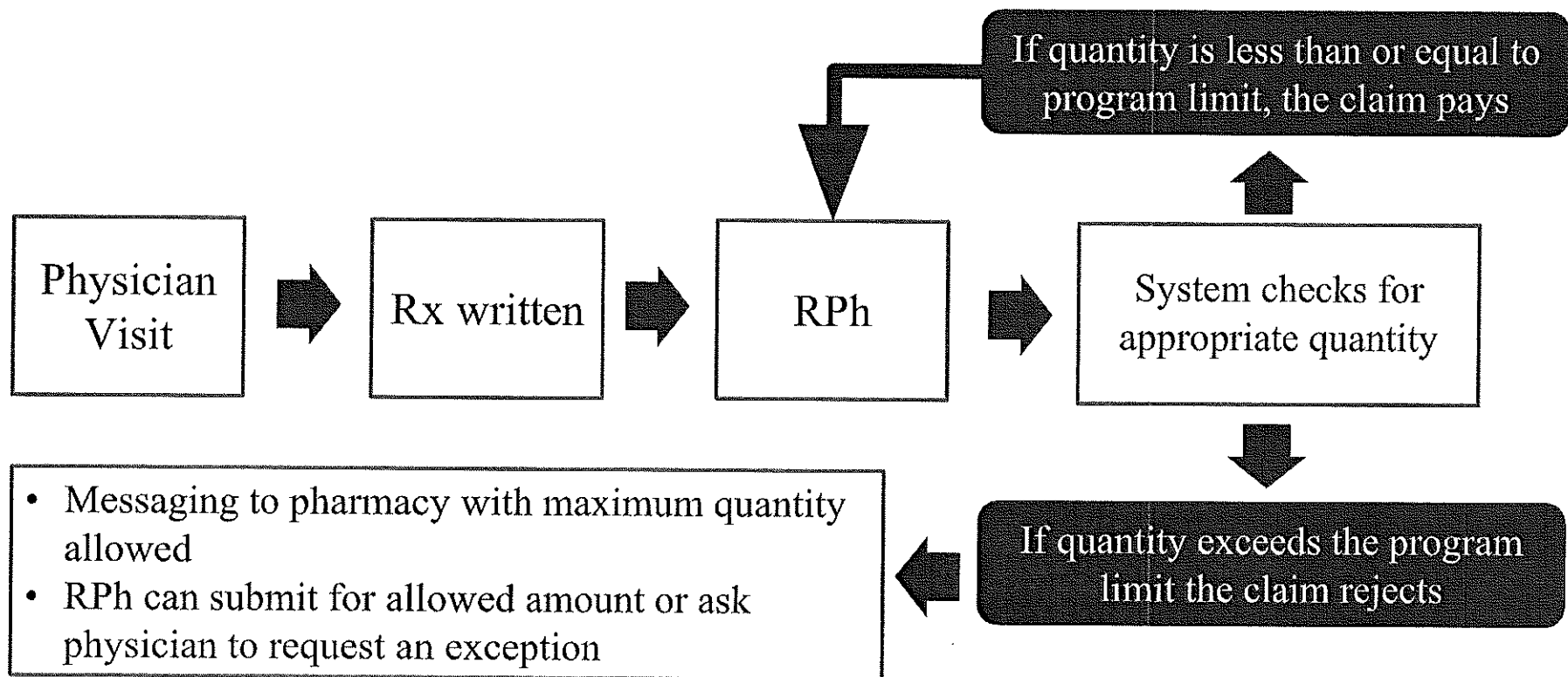
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EXPRESS SCRIPTS®

How Drug Quantity Management Works

- Aligns the dispensed quantity of prescription medication with FDA-approved dosage guidelines
- Ensures that the most cost-effective product strength is dispensed
- Helps reduce waste in the pharmacy benefit





City of Foley's Current Package

Advantage Super Package (Package B)

Limited PA	Limited PA
Respiratory Miscellaneous	Respiratory Miscellaneous
Multiple Sclerosis	Multiple Sclerosis
Asthma/COPD	Asthma/COPD
Blood Cell Deficiency	Blood Cell Deficiency
Growth Deficiency	Growth Deficiency
Endocrine Disorder	Endocrine Disorder
Sleep Disorder	Sleep Disorder
Osteoarthritis	Osteoarthritis
Metabolic, Immune disorders or Inherited Rare Disease	Metabolic, Immune disorders or Inherited Rare Disease
Neurological Disorders	Neurological Disorders
Hormone supplementation	Hormone supplementation
Eye Conditions	Eye Conditions
Gout	Gout

Proactive PA

Targets new high-cost drugs with a low or know potential off-label use

Proactive PA

Targets new high-cost drugs with a low or know potential off-label use

Advantage PA	Advantage PA
Allergies	Allergies
Asthma Specialty	Asthma Specialty
Bone Conditions	Bone Conditions
Diabetes	Diabetes
High Blood Cholesterol	High Blood Cholesterol
Inflammatory Conditions	Inflammatory Conditions
Narcolepsy	Narcolepsy
Pain	Pain
Sexual Disorders	Sexual Disorders
Skin Disorders	Skin Disorders
Skin Conditions	Skin Conditions
Weight Loss	Weight Loss

Pharmacogenomics

A list of drugs that require lab results to determine if the drug is being used appropriately

Pharmacogenomics

A list of drugs that require lab results to determine if the drug is being used appropriately

Oncology

Targets existing and new high-cost oncology medications with the potential for inappropriate use

Oncology

Targets existing and new high-cost oncology medications with the potential for inappropriate use

Adjunctive PA

Adjunctive PA

Proposed Package for City of Foley

Advantage Plus Super Package (Package A)

A list of specialty PAs that do not current fit the philosophy of the other lists.

A list of specialty PAs that do not current fit the philosophy of the other lists.

Limited DQM

Allergies
Anaphylaxis
Anti-infective
Anti-infulena
Antifungal
Asthma/COPD
Contraceptives
Eye Conditions
Hormone supplementation
Impotence
Inflammatory Conditions
Migraine Headaches
Nausea/Vomiting
Sleep Disorder
Ulcer

Limited DQM

Allergies
Anaphylaxis
Anti-infective
Anti-infulena
Antifungal
Asthma/COPD
Contraceptives
Eye Conditions
Hormone supplementation
Impotence
Inflammatory Conditions
Migraine Headaches
Nausea/Vomiting
Sleep Disorder
Ulcer

Advantage DQM

Anti-infective Specialty
Asthma - Specialty
Blood Cell Deficiency
Bone Conditions
Diabetes
Endocrine Disorder
Fertility
Hepatitis C
High Blood Cholesterol
High Blood Pressure
Inflammatory Conditions - Specialty
Multiple Sclerosis
Overactive Bladder
Pain
Pulmonary Hypertension
Wound Care

Advantage DQM

Anti-infective Specialty
Asthma - Specialty
Blood Cell Deficiency
Bone Conditions
Diabetes
Endocrine Disorder
Fertility
Hepatitis C
High Blood Cholesterol
High Blood Pressure
Inflammatory Conditions - Specialty
Multiple Sclerosis
Overactive Bladder
Pain
Pulmonary Hypertension
Wound Care

Preferred Specialty Management

Reduces Specialty spend while continuing to promote clinically appropriate, cost-effective therapies

Preferred Specialty Management

Reduces Specialty spend while continuing to promote clinically appropriate, cost-effective therapies

Optional ADHD Rules

Non-Essential PA

Targets drugs with significant utilization for lifestyle indications and off-label inappropriate use

Optional ADHD Rules

Non-Essential PA

Targets drugs with significant utilization for lifestyle indications and off-label inappropriate use

Limited Step Therapy

Antifungal

Limited Step Therapy

Antifungal

Anti-infective	Anti-infective
Depression	Depression
Diabetes	Diabetes
Gout	Gout
Migraine Headaches	Migraine Headaches
Neurological Disorders	Neurological Disorders
Pain	Pain
Skin Conditions	Skin Conditions

Advantage Step Therapy	
Blood Cell Deficiency	Blood Cell Deficiency
Bone Conditions	Bone Conditions
BPH	BPH
Fertility	Fertility
Growth Hormone	Growth Hormone
Hepatitis C	Hepatitis C
High Blood Cholesterol	High Blood Cholesterol
High Blood Pressure	High Blood Pressure
Inflammatory Conditions	Inflammatory Conditions
Mental/Behavioral health	Mental/Behavioral health
Metabolic, Immune disorders or Inherited Rare Disease	Metabolic, Immune disorders or Inherited Rare Disease
Multiple Sclerosis	Multiple Sclerosis
Oncolgy	Oncolgy
Pulmonary Arterial Hypertension	Pulmonary Arterial Hypertension

Advantage Plus PA List	
Cardiovascular	Cardiovascular
Heart Failure	Heart Failure
Hepatitis C	Hepatitis C
HIV	HIV
Oncology	Oncology
Pain - Narcotic	Pain - Narcotic

Advantage Plus Step Therapy	
Allergies	Allergies
Asthma/COPD	Asthma/COPD
Eye Conditions	Eye Conditions
Overactive Bladder	Overactive Bladder
Pain - Narcotic	Pain - Narcotic
Sleep Disorder	Sleep Disorder
Ulcer	Ulcer
Advantage Plus DQM	
Depression	Depression
Mental/Neurological Disorders	Mental/Neurological Disorders
Oncology	Oncology