Excellus BlueCross BlueShield prescription drug management
Promoting healthy employees, controlling cost
Excellus BlueCross BlueShield prescription drug management best-in-class, nationally recognized leader in pharmacy management

• Competitive Rates
• Integrated Rx and Medical benefit management
• Experienced Account Support

Excellus BlueCross BlueShield (BCBS) prescription drug management combines all the services of a pharmacy benefits management company with the advantages of an integrated health care organization to provide practical pharmacy programs to help you manage benefits and trends.

With more than 70 percent of plan participants using a prescription drug, the pharmacy benefit is the most highly utilized benefit. Drug utilization is one of the top cost and trend drivers for plan sponsors, making cost management essential.

Our award-winning programs are designed to assure safe and appropriate drug therapy to help reduce costs for plan sponsors without compromising employee care.

Excellus BCBS tailors prescription drug benefit programs to meet the unique goals of our commercial employer group, Medicare Part D, and safety net plans.

Competitive rates = savings

The Big Picture
When it comes to pharmacy network discounts, it’s important to look at the big picture. Promises of deep brand discounts alone won’t provide you with the greatest opportunity for savings - you need to consider the overall discount rate.

Excellus BCBS aggressively manages network discounts on brand, generic and specialty drugs, resulting in some of the most competitive overall discount rates in the industry. We provide full transparency, passing 100 percent of discount savings directly to you.

Generics:
Pharmacy industry professionals find our proprietary MAC pricing program for generics to be one of the most aggressive in the nation. We apply MAC pricing to nearly 93 percent of all generic drugs.

Specialty:
We contract directly with specialty pharmacies resulting in deeper discounts than those available through non-participating specialty pharmacies or retail pharmacies. With more than $100 million in specialty drug cost, our discounts provide savings in the millions.

Mail:
Our transparent pricing, careful oversight of reimbursements and contacting result in mail-order rates that yield best-in-class savings.

Rebate:
Through effective rebate management, we return additional value to you - without compromising quality of care.

Integration = improved outcomes and value
We help you balance your concern for cost and people.

Combining medical and pharmacy benefits with Excellus BCBS results in improved employee health and lower total health care costs.

Unlike a stand-alone pharmacy benefit management company whose sole focus is on pharmacy benefits, Excellus BCBS incorporates real-time pharmacy data into your medical benefit management. This provides a more complete picture of your Rx spending and allows you to make the most of your health care dollars.

Generics are REAL

Our generics are REAL campaign raises awareness about the benefits of generic drugs. Since the campaign launched in 2006, the generic fill rate increased 17 percentage points – saving more than $870 million.
Pharmacy and medical integration helps us identify and reach at-risk employees before they develop costlier, higher-risk conditions. Integrated care programs provide opportunities to increase quality of care, reduce prescription costs and help lower productivity loss due to absenteeism.

An innovative, national employer group dedicated to improving employee health recognized the value of making medications affordable and adopted our Generics are Real campaign. As a result, over a three-year period, the group’s generic fill rate grew by 11.9 percentage points – higher than the national average.

Benchmark generic fill rates
Promoting generic drug use is a principle focus of our drug management strategy and can help moderate the drug trend in the years ahead. Nearly 75 percent of our prescriptions are filled with a generic, saving plan sponsors $110-$120 per month for each prescription that is filled with a generic instead of the brand. A 4.6-point increase in the generic fill rate for this group = $51,900 in savings. Every one point increase in the generic fill rate for this group = $51,900 in savings.

<table>
<thead>
<tr>
<th>Year</th>
<th>Excellus BCBS Employer Group</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>57.1%</td>
<td>51.0%</td>
</tr>
<tr>
<td>2006</td>
<td>61.3%</td>
<td>51.0%</td>
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<tr>
<td>2007</td>
<td>64.4%</td>
<td>54.5%</td>
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<tr>
<td>2008</td>
<td>69.0%</td>
<td>60.4%</td>
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National pharmacy network
More than 63,500 retail pharmacies participate in the broad FLRx pharmacy network, including all national chains and most independents. Your employees can locate a participating network pharmacy anytime, anywhere by checking our Web site at excellusbcbs.com.

Home delivery
Our participating mail-service pharmacy, PrimeMail®, delivers quality pharmaceuticals to your employees’ doors with free standard delivery. We make access to mail service easy – by Web, phone or mail.

Specialty medication management
The rapidly growing specialty drug market presents challenges: to provide employees with needed medications and manage the extremely high cost associated with them. Specialty drug therapies can range from $18,000 - $300,000 per year and often require precise dosing and administration, factors that contribute to the increased potential for patient noncompliance.

Specialty medications are covered under both the medical and pharmacy benefits, making a significant impact on benefit costs. Our unique specialty drug program manages the complicated clinical and administrative aspects of specialty pharmacy regardless of site of service. Coordinated care helps reduce inappropriate cost shifting between medical and drug therapies to achieve true savings and optimal employee health.

Our ability to integrate point-of-service pharmacy data and medical claims data contributes to safe, appropriate drug therapy for your employees.

Through personalized patient care and trend management tools, Excellus BCBS helps to maximize the value of the benefit, while improving health outcomes.
Specialty pharmacy network
Our specialty pharmacy network offers patient and physician support services to improve patient compliance, manage the escalating costs of specialty medications and provide the convenience of home delivery. More than 98 percent of patients surveyed are satisfied with the services provided through our specialty pharmacy network.

Experienced account support
We work with you every step of the way, offering consultation and guidance so that you can administer the prescription benefit easily and efficiently. We provide tools to help make smart pharmaceutical care decisions.

Information – the key to smart health care decisions
- **Employers**: Detailed reporting monitors plan performance and highlights ideas to help you rein in costs. More than 95 percent of employers surveyed find our reports beneficial in managing their prescription drug benefit.
- **Employees**: Innovative programs and targeted communications encourage your employees to choose value. User-friendly Web tools empower employees to make informed health care decisions and prescription choices. All of our materials are available for your use.

Direct-to-member mailings produce results.
Up to 22 percent of the members who receive informational mailings voluntarily switch from their brand-name medication to a cost-saving generic. The result: Plan sponsors save an average of $110 to $120 for each 30-day generic prescription filled - and members save by lowering their out-of-pocket cost.

Physicians: We keep participating physicians and clinical staff informed of optimal prescribing strategies. Prescribing summaries provide detailed individual performance and highlight lower-cost options.

Pharmacists: Our real-time, point-of-sale system alerts pharmacists to potential medication dangers before the drug is dispensed.

**Excellus BCBS—information at your fingertips**
Our Web site gives you easy access to pharmacy services and prescription drug information day or night – at your convenience.
- Check our formularies
- View drug claims
- Easy-to-use tools to calculate savings, compare drug costs and find drug options
- Order prescriptions for home delivery – and track their status
- Locate participating FLRx network pharmacies
- Send questions to our clinical pharmacists via “Ask the Pharmacist”

**At your service**
Our dedicated customer service representatives are specially trained to handle and resolve prescription drug questions or issues. Our toll-free customer service telephone lines are open seven days a week with extended hours, and representatives are available via the Web.

Specialty drugs used to treat rheumatoid arthritis/psoriasis are covered under the medical benefit when administered in a professional setting and under the pharmacy benefit when self-administered by the patient and cost approximately $60 million dollars annually to the health plan, our employer groups, members and community.

Managing these therapies across both benefits, in one year resulted in a 10 percent savings – more than $6 million in one drug class alone!

<table>
<thead>
<tr>
<th>Specialty Drug Management</th>
<th>$5.5 million</th>
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<tbody>
<tr>
<td>Specialty Network</td>
<td>$1.3 million</td>
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<tr>
<td><strong>Total Savings:</strong></td>
<td><strong>$6.8 million</strong></td>
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**Rheumatoid Arthritis / Psoriasis Category = $60 Million Annual Drug Spend**