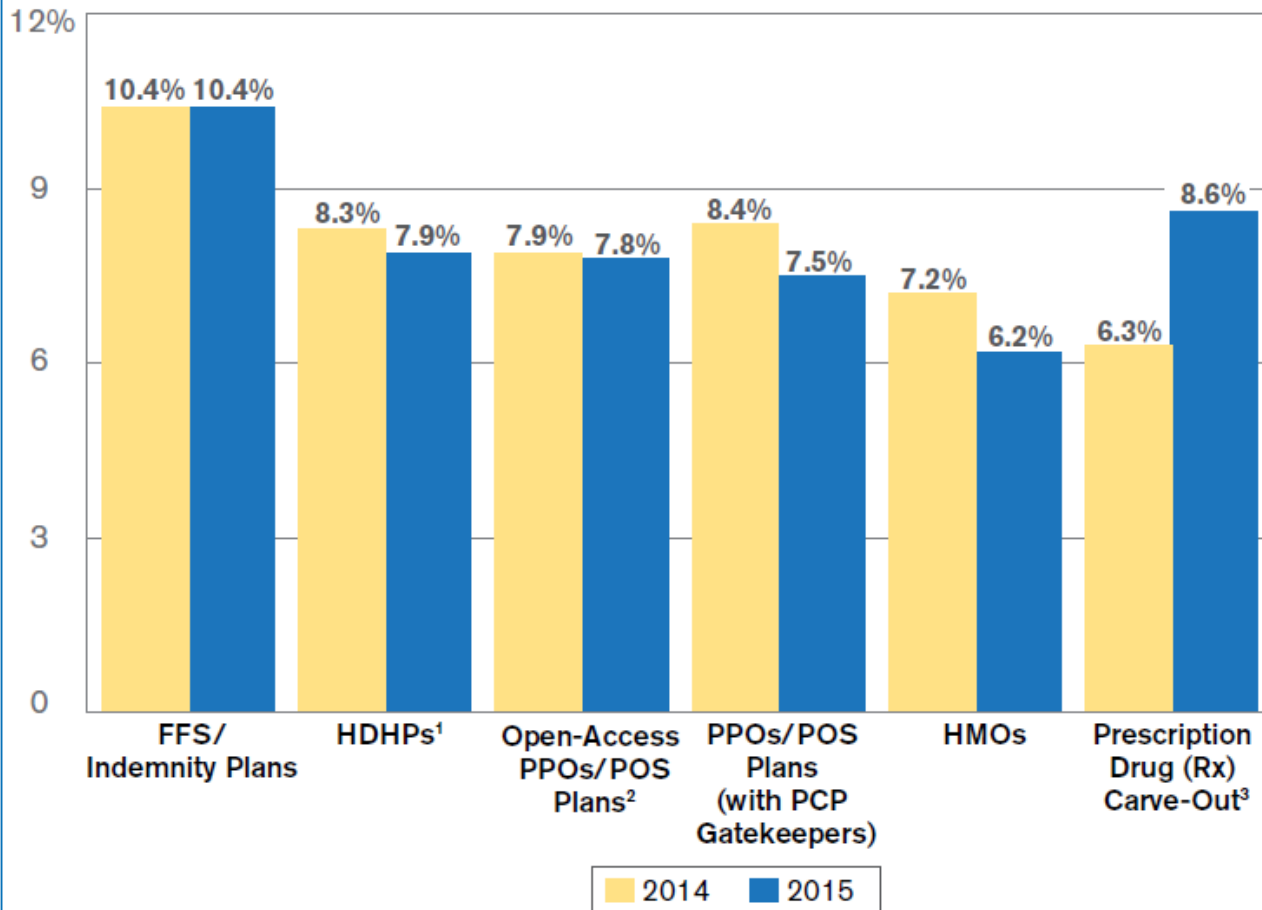




Employee Benefits
Population Health
Retirement Services

Improving Investment in Pharmacy

Graph 1: Projected Medical and Prescription Drug Trends for Actives and Retirees Under Age 65: 2014 and 2015



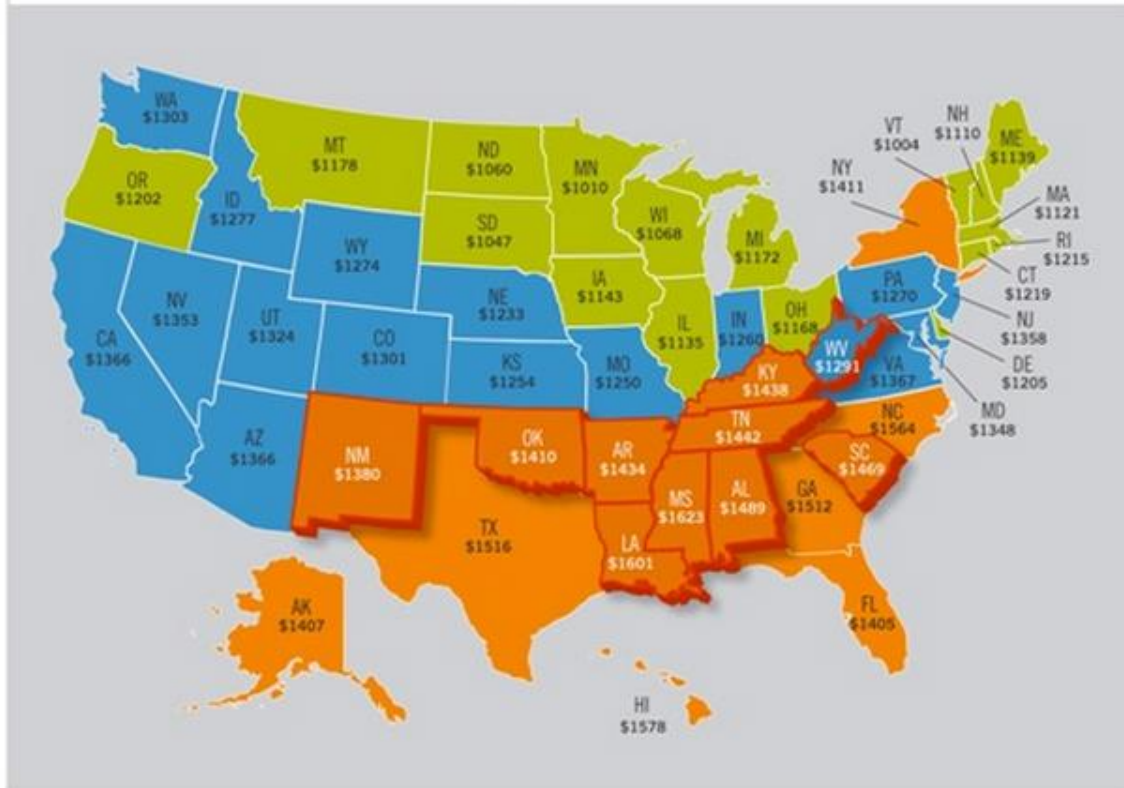
¹ HDHPs with an employee-directed, tax-advantaged health account — a health savings account (HSA) or a health reimbursement account (HRA) — are referred to as account-based health plans and are designed to encourage consumer engagement, resulting in more efficient use of health care services.

² Open-access PPO/POS plans are those that do not require a primary care physician (PCP) gatekeeper referral for specialty services.

³ Prescription drug carve-out data was captured for retail and mail-order delivery channels combined.

Waste by State

9 of 10 Poorest States Rank Among Most Wasteful in Medication-Related Costs



Dollars represent 2012 per capita medication-related waste*

- States ranking in highest one-third of waste
- States ranking in middle one-third of waste
- States ranking in lowest one-third of waste
- States with lowest median household income**

* Express Scripts Research, 2012 National Data
 ** U.S. Census Bureau, 2011 American Community Survey

Note. From MAP: Bad Rx Decisions Cost Poor US States, April 2013, Express Scripts.

Improving Medical Spend Waste

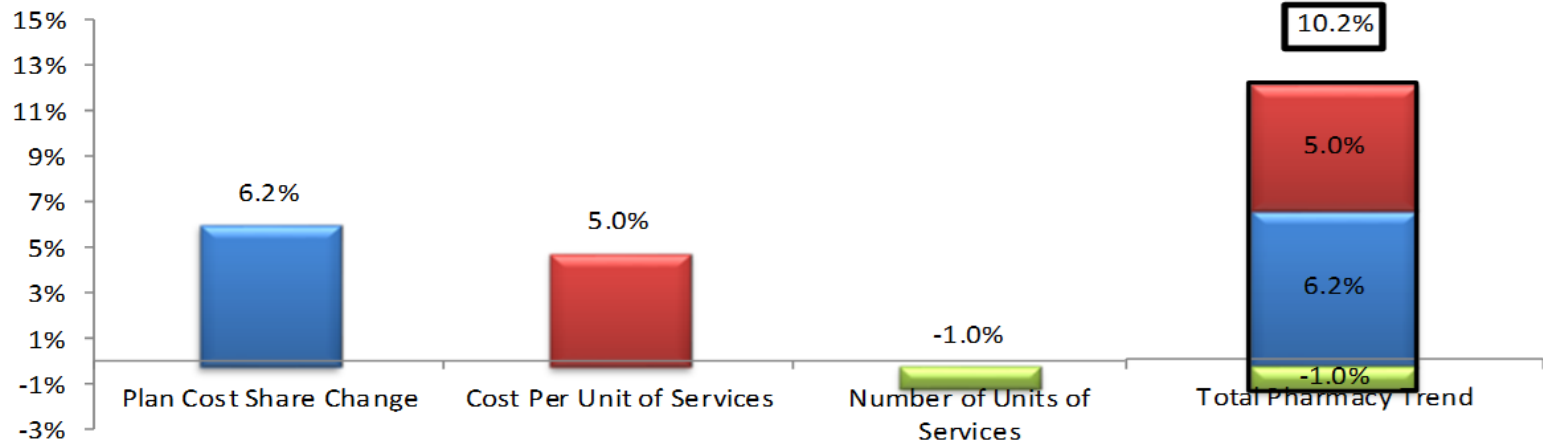
- High-priced prescriptions vs. clinically equivalent alternative
 - \$55.8 B in 2012
- Utilization of the most cost-effective and clinically appropriate pharmacies
 - \$93.1B
 - \$59.6B in avoided medical cost
 - \$33.5B in lower drug costs
- Avoidable medical and pharmacy costs with medication adherence
 - \$269.4 B

Quality Outcomes

- Rx Gaps
- Uncontrolled Chronic Diseases
- Polypharmacy
- Clinically Equivalent Alternative Option

Pharmacy Expense Trends

**Pharmacy Plan Trending (PMPM) Components Analysis
May12-Apr13 to May13-Apr14**



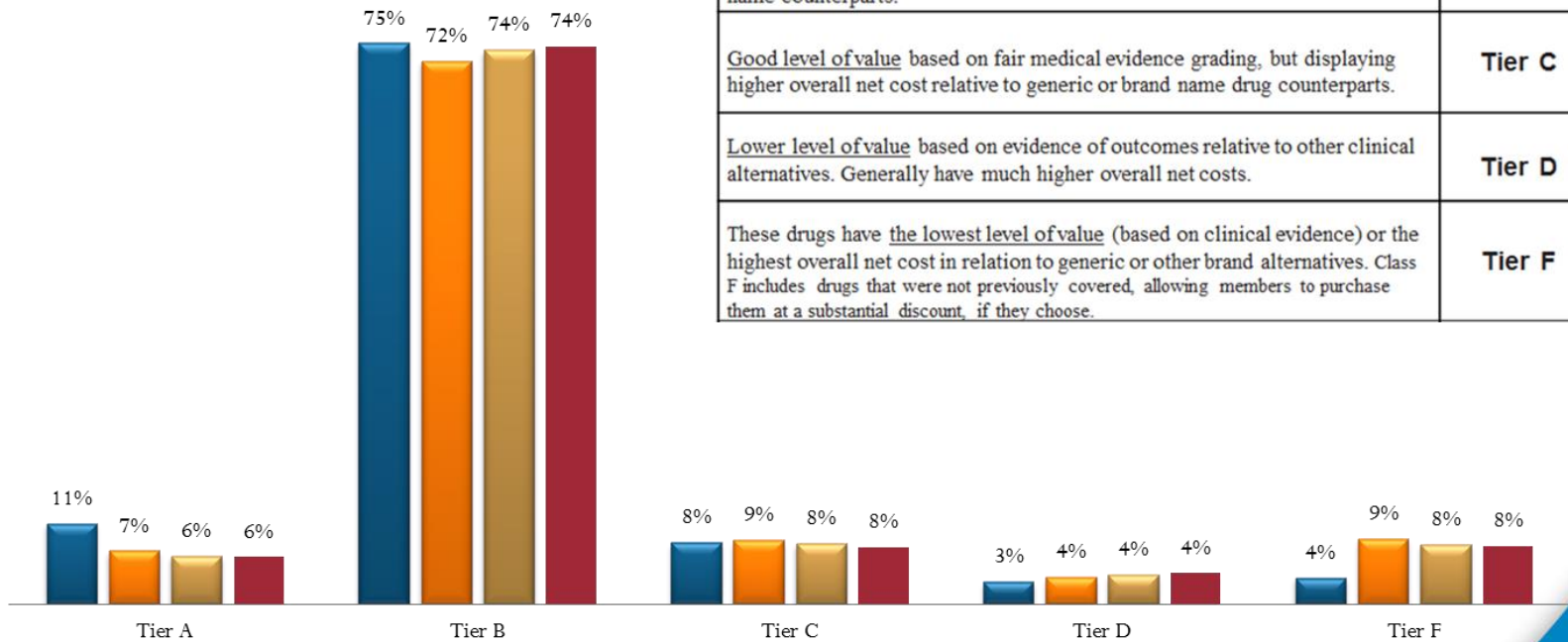
Pharmacy Clinical Value Analysis

■ Benchmark
 ■ 2012
 ■ 2013
 ■ 2014YTD

TIER F DRUGS By COSTS	TOTAL PLAN PAID
NEXIUM	\$86,628
MODAFINIL	\$27,400
CHANTIX	\$24,125
VYVANSE	\$17,955
FOCALIN XR	\$16,277

TIER F DRUGS By UNITS	TOTAL UNITS
NEXIUM	385
CHANTIX	169
DICLOFENAC SODIUM	122
VYVANSE	121
PRISTIQ	100

Drug Classification (Based on medical evidence of impact to health and overall net cost)	Drug Class
<u>Excellent level of value</u> based on best medical evidence, best opportunity for improved health outcomes, and best overall net cost.	Tier A
<u>High level of value</u> based on medical evidence of outcomes and lower overall net cost. Includes generic and brand drugs compared to higher cost brand name counterparts.	Tier B
<u>Good level of value</u> based on fair medical evidence grading, but displaying higher overall net cost relative to generic or brand name drug counterparts.	Tier C
<u>Lower level of value</u> based on evidence of outcomes relative to other clinical alternatives. Generally have much higher overall net costs.	Tier D
These drugs have <u>the lowest level of value</u> (based on clinical evidence) or the highest overall net cost in relation to generic or other brand alternatives. Class F includes drugs that were not previously covered, allowing members to purchase them at a substantial discount, if they choose.	Tier F



Data Tells a Story

Data on Individuals 21 years and older	# of Ind.	% of Population	Client of Interest
Active Ingredient Count > 4	3,943	16.7%	127 (40.3%)
Active Ingredient Count > =8	1,954	8.3%	76 (24.1%)
>= 8 and No Generalist Seen	655	33.5% (of those w/ > = 8 ingredients)	37 (48.7%)
Active Ingredient Count > = 14	533	1.7%	25 (7.9%)
Total Population Size= 23,550			315