SelectHealth Prescriptions™

PHARMACY BENEFIT MANAGEMENT PROGRAM
SelectHealth Prescriptions is a full-service Pharmacy Benefit Manager (PBM) that offers transparent pricing, clinically based programs, and top-ranked customer service. A strong commitment to evidence-based pharmacy management allows us to control costs without compromising quality.

**High Quality at a Low Cost**
With over 26 years of experience in the healthcare industry, we’ve developed efficient ways to manage pharmacy benefits.

The following elements contribute to our success:

- Industry-leading generic dispensing rates and programs
- Evidence-based formularies
- Superior specialty pharmacy pricing
- Clinically based pharmacy edits
- Proven prescription drug management programs
- Top-ranked customer service

**Transparent Pricing**
We don’t employ pricing “spreads” or generate revenue through mail order prescriptions. Using a pass-through pricing model ensures that what you pay for pharmaceuticals and what we pay for pharmaceuticals is the same amount—no hidden fees or marked up rates. All expenses are disclosed, and we’ll share our pricing information with you.

**Benefit Consultation**
We can help you evaluate your pharmacy expenses and identify opportunities for improvement. We can also recommend ways to improve generic utilization and lower overall expenses.

**Meaningful Use of Generics**
Generics are an effective way to lower costs without compromising quality—we have an average generic dispensing rate of 79 percent. As indicated in the chart below, our Maximum Allowable Cost (MAC) provides pricing that is 31 percent less than national competitors.

![Average Generic Ingredient Cost Chart](chart)

*National Average Ingredient Cost for Commercial/Group plans as reported in The Novartis Pharmacy Benefit report; 2010/2011 Facts, Figures & Forecasts. 18th ed. Average Generic Cost reported is for Calendar Year 2009.
Proven Numbers

The following case studies demonstrate the results of our approach to reducing total net cost. A low generic ingredient cost and high generic dispensing rate combine to create substantial savings.

Case Study #1

A self-funded employer with 1,100 members

- Generic dispensing rate of 80 percent, 8 percent higher than the national average\(^1\)
- Specialty pharmacy trend 5.2 percent, negative overall trend

<table>
<thead>
<tr>
<th></th>
<th>Traditional PBM Model(^2)</th>
<th>SelectHealth Prescriptions</th>
<th>Dollar Savings</th>
<th>Percent Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ingredient Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-Day Brand Name</td>
<td>$212,823</td>
<td>$219,157</td>
<td>-$6,334</td>
<td>-3%</td>
</tr>
<tr>
<td>30-Day Generic</td>
<td>$107,834</td>
<td>$77,389</td>
<td>$30,445</td>
<td>28%</td>
</tr>
<tr>
<td>90-Day Brand Name</td>
<td>$16,657</td>
<td>$18,655</td>
<td>-$1,998</td>
<td>-12%</td>
</tr>
<tr>
<td>90-Day Generic</td>
<td>$26,083</td>
<td>$16,542</td>
<td>$9,541</td>
<td>37%</td>
</tr>
<tr>
<td><strong>Rebates</strong></td>
<td>$36,977</td>
<td>$20,329</td>
<td>-$16,648</td>
<td>-45%</td>
</tr>
<tr>
<td><strong>Generic Dispensing Rate</strong></td>
<td>72%</td>
<td>80%</td>
<td>$82,000(^3)</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Total Plan Savings**\(^4\)  $97,006  29%

We can review your data to identify opportunities for improvement.

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\(^1\) Based on an average generic dispensing rate of 72%. The 2010-2011 Prescription Drug Benefit Cost and Plan Design Report published by PBMI reports average generic dispensing rate for 2010 at 65.2%.

\(^2\) Traditional PBM rates were calculated using $4.50 per Rx for both brand name and generic 30-day prescriptions and $11.00 per Rx for brand name and generic 90-day prescriptions.

\(^3\) Based on a 6% shift to generics with generic savings per Rx at $173.94.

\(^4\) Actual client savings may vary depending on plan demographics and programs implemented.
A self-funded employer with 6,200 members

• Generic dispensing rate of 77 percent, 5 percent higher than the national average

• 2010 prescription trend = negative 7.8 percent

### Ingredient Cost

<table>
<thead>
<tr>
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<th>Traditional PBM Model²</th>
<th>SelectHealth Prescriptions</th>
<th>Dollar Savings</th>
<th>Percent Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30-Day Brand Name</strong></td>
<td>$1,912,414</td>
<td>$1,957,948</td>
<td>-$45,534</td>
<td>-2%</td>
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<tr>
<td><strong>30-Day Generic</strong></td>
<td>$872,193</td>
<td>$678,372</td>
<td>$193,821</td>
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<tr>
<td><strong>90-Day Brand Name</strong></td>
<td>$625,164</td>
<td>$668,612</td>
<td>-$43,478</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>90-Day Generic</strong></td>
<td>$326,711</td>
<td>$319,038</td>
<td>$7,673</td>
<td>2%</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th></th>
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<th>Percent Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rebates</strong></td>
<td>-$41,819</td>
<td>-14%</td>
</tr>
</tbody>
</table>

**Generic Dispensing Rate**

- 72%
- 77%

**Total Plan Savings**

- **$450,693**
- 12%

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1 Based on an average generic dispensing rate of 72%. The 2010-2011 Prescription Drug Benefit Cost and Plan Design Report published by PBMI reports average generic dispensing rate for 2010 at 65.2%.

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3 Based on a 6% shift to generics with generic savings per Rx at $173.94.

4 Actual client savings may vary depending on plan demographics and programs implemented.
Pharmacy Programs
Successful, easy-to-use pharmacy programs optimize your savings.

GenericSample℠ Generic medications are just as safe and effective as brand-name drugs, and they can significantly reduce prescription costs for members and employers. Our GenericSample program encourages members to try lower-cost generics by eliminating any applicable copay or coinsurance amounts for the first 30-day fill of select generic prescriptions.

Retail90℠ When it comes to filling prescriptions, convenience is important. With Retail90, members can fill 90-day prescriptions of maintenance medications at their local pharmacy. Mail-order pharmacy options are available.

Specialty Pharmacy Customized benefit designs and utilization management helps employers manage specialty and injectable medications.

Disease Management In addition to the refill reminders and tools available on our website, care managers and pharmacists are available to answer questions and coordinate services between members and providers.

State-of-the-Art Technology Complete e-prescribing capabilities, including eligibility, formulary, and prescription histories, increase safety and efficiency during the prescription-filling process. Claims are processed in real time, so there’s less waiting at the pharmacy.

Online Pharmacy Tools Our online tools are designed to empower members with the information they need to save money and manage their prescription drugs. Member-specific information includes the following:

- Pharmacy claims history
- Tier statuses of prescription drugs
- Copay and benefit information
- Advanced drug lookup
- Drug prices and lower-cost alternatives
- Potential drug interactions
- Pharmacy locator

Developed by physicians and pharmacists with years of clinical expertise, our formularies and pharmacy edits effectively reduce prescription costs and encourage the use of generics. SelectHealth Prescriptions has an average generic dispensing rate of 79 percent.
SelectHealth Prescriptions is part of SelectHealth, Utah’s top-ranked health plan according to NCQA’s Health Insurance Plan Rankings 2010-2011.\(^5\) NCQA evaluated over 300 private health plans and ranked 227 of those based on clinical performance, member satisfaction, and NCQA Accreditation. SelectHealth has been recognized as the highest-ranked plan in Utah each year since 2005, when the rankings were first introduced.\(^6\) As a subsidiary of Intermountain Healthcare, SelectHealth is part of one of the nation’s top-ranked integrated health systems.\(^7\)

**Network**
Our nationwide pharmacy network makes it easy to fill prescriptions no matter where members live.

**Customer Service**
A dedicated team of pharmacy benefit specialists is available to answer questions, weekdays from 7:00 a.m. to 8:00 p.m., and Saturdays, from 9:00 a.m. to 2:00 p.m.

**Contact Us**
To contact SelectHealth Prescriptions, call 801-442-3117 (Salt Lake area) or 800-442-3117, e-mail us at prescriptions@selecthealth.org, or visit selecthealthprescriptions.org.

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\(^5\) According to NCQA’s Health Insurance Plan Rankings 2010-11 – Private.
\(^7\) As noted in Modern Healthcare magazine January 2011.