

Rx Matters

A newsletter created to assist our clients in learning about the many ways to achieve and sustain a convenient, coordinated and consistent healthcare solution, along with delivering a mix of news and trends in today's healthcare arena



Specialty Infusion Enhances Quality of Life, Delivers Cost-Effective, Specialized Care

“Whatever life gives you, your response is what matters. I appreciate life more every day,” said Montana resident Jodie DeLay, 38, and mother of two, Jackie, 15, and Dylan, 10. Jodie was diagnosed in 1995 with Crohn’s disease, an inflammatory bowel disorder. “Basic human functions—eating, going to the bathroom and holding my kids when they were babies—were difficult,” she said. After numerous hospitalizations from severe complications due to Crohn’s disease, Jodie now has her life back, thanks to her specialty medication.



In 2002, Jodie was prescribed Remicade®, a specialty medication that is administered intravenously. Each treatment typically takes from two to four hours and requires medical supervision. Every eight weeks, she would drive 90 miles to be treated at a hospital, where the combined costs to Jodie and her employer totaled more than \$10,000 per infusion. In addition, Jodie had to take off a full day of work to accommodate the travel and administration time required for each treatment.

“The agreement that the Montana University System has with Walgreens is a great example of how health-care management can be improved. It’s a win-win for all involved.”

— Jodie DeLay

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Specialty Infusion (continued from p. 1)

Now, thanks to Walgreens ability to support programs such as the Montana University System (MUS) and the state of Montana Quality Care Choices Infusion Therapy Program, Jodie has a better alternative to receive treatment. MUS developed the program to encourage active participation by members in their treatment of specific chronic conditions through incentives. Through the MUS Quality Care Choices Infusion Therapy Program, offered in partnership with Walgreens, Jodie now receives her Remicade infusion just a few blocks away from work.



“We chose Walgreens because of its unique, integrated care model for patients who need specialty infused medications,” said Paul Bogumill, director of benefits for MUS. “In addition, Walgreens offered a lower cost of care with quality programs, and is nationally accredited.”

“With Walgreens all I have to do is schedule my appointment—it’s much easier. I like the convenience and the exceptional care I get,” said Jodie. “Before, there were extra steps I needed to handle.”

Employees of MUS and the state of Montana who require specialty infusion therapies and are enrolled in the Quality Care Choices Infusion Therapy Program receive their treatment with no out-of-pocket charges—no deductibles, copays or coinsurance when administered at a Walgreens alternate treatment site (ATS). “This program is helping me save so much money,” she said. “Even with insurance, I’ve accumulated about \$80,000 in medical bills since being diagnosed.”

Specialty infusion refers to specialty medications that are administered intravenously under close medical supervision. These therapies—traditionally infused in a physician’s office or an acute care setting—can typically be infused in either a patient’s home or at one of Walgreens ATS, which are located throughout the country. Our specialized team of clinicians provides individualized care and clinical support, including monitoring of patients’ progress, communicating their status to prescribing physicians and educating patients, as well as their caregivers, about their therapy. Walgreens infusion services, along with our multiple points of care, provide a cost-effective alternative for the administration of infused medications.

The cost savings for MUS and the state of Montana are significant. For Remicade alone, the Quality Care Choices Infusion Therapy Program forecasts savings of approximately \$750,000 a year, with additional estimated annual savings for all specialty infused medications of \$3 million per year.

Positive Outcomes for Members Enrolled in the Quality Care Choices Infusion Therapy Program		
Economic	Humanistic	Clinical
Annual estimated cost savings of \$750,000 for members receiving Remicade	Improved quality of life	Reduced exposure to healthcare-associated infections
Annual cost savings of \$3 million for all specialty infused medications	Reduced absenteeism at work/school	Regular communication to prescribing physicians on patients’ response to therapy



Walgreens unique model provides the following benefits to payors, employers and patients:

- Broader access to a cost-effective alternative that offers best-in-class care and reduced costs associated with specialty infused medications
- Decreased risk of infection when compared with the acute care setting
- Reduced absenteeism at work/school
- Coordinated, consistent, convenient care to promote improved outcomes and enhanced quality of life

Jodie now enjoys a better quality of life, and ran her second half-marathon on December 6, 2009, in Las Vegas. “It’s hard to think that years ago, I couldn’t walk 13.1 feet, now I can run 13.1 miles.” Her condition has been in remission since 2003. Jodie recognizes this is just the beginning of her race. However, she realizes that life will only improve now that access to high-quality care is closer to home.

Increased Access to Immunizations Drives Improved Member Health

The importance of flu immunizations has never been more apparent than with the emergence of the novel H1N1 (swine flu) virus this past year. Walgreens has played an important role in helping protect our clients and their members from contracting the seasonal flu and the H1N1 virus through our nationwide flu immunization program. Since September 1, our more than 17,000 immunization-certified pharmacists and healthcare professionals have administered more than 5 million seasonal flu vaccines at our nearly 7,100 pharmacies, including Take Care ClinicsSM, as well as at employer worksite health centers across the country, enhancing our position as a convenient and affordable healthcare destination.

We also launched a large-scale national effort to provide an easily accessible way for members to receive the H1N1 vaccine. We are currently offering H1N1 immunizations at all of our pharmacies and Take Care Clinics nationwide. We’ve signed provider agreements in 50 states and have taken the steps necessary to receive and provide H1N1 vaccine at our pharmacies and Take Care Clinics.



Immunizations Can Help Maintain Productivity

Research shows getting immunized against influenza is the best way to avoid getting and spreading the flu, which from an employer’s cost-perspective helps improve the bottom line. According to the CDC, each year up to 20 percent of the U.S. population gets infected with influenza, more than 200,000 people are hospitalized from flu-related complications, and about 36,000 people die from flu-related causes. Nationwide, it’s estimated that influenza is responsible for 200 million days of diminished productivity and 75 million days of absence from work.

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Increased Immunizations (continued from p.3)

The good news, however, is that providing greater access to flu shots will help improve immunization rates and maintain productivity and absenteeism within any employee population. In fact, influenza immunizations have been shown to reduce both the number of visits to healthcare providers by up to 44 percent and lost workdays by up to 45 percent.

It's Not Too Early to Plan for Next Year

While it may be too late to provide additional resources to keep your workforce healthy and productive this flu season, it's the perfect time to look ahead to next year and contract with us for our 2010-2011 immunization program. Our program provides:

- Convenience – Walgreens is the only pharmacy retailer that has the ability to provide flu immunizations at every location throughout the flu season, maximizing member convenience. Other providers may limit flu clinics to certain locations on certain dates and times.
- Accessibility – Our more than 17,000 certified immunizers—more than any other pharmacy chain in the nation—offer vaccines seven days a week, and appointments or walk-ins are welcome. Walgreens and Take Care Clinics are also open evenings and weekends.
- Reduced administrative burden – Walgreens limits the need for multiple contracts and provides one point of contact across the country for contracting and billing. We also offer multiple billing options through the pharmacy or medical benefit, Medicare Part B or Medicare Advantage and a direct bill.

With employers struggling to keep their workforce healthy and productive and managed care clients trying to reduce increasing healthcare costs, there is no better immunization provider than Walgreens to assist in maximizing immunization rates within any member population. To sign up for our 2010-2011 flu immunization program, contact your strategic account executive.

Hospital's Utilization of Integrated Services Benefits Patients and Employees

Walgreens collaboration with Northwestern Memorial Hospital, one of the nation's premiere academic medical and referral centers located in Chicago, is the ideal example of how our integrated services improve patient care and significantly lower overall healthcare costs.

The relationship started in 1995 when Walgreens became one of their preferred infusion and respiratory service providers, expanded in 2005 when they contracted for our pharmacy benefit management (PBM) services, and was firmly established in 2007 when an on-site pharmacy was added.

These three integrated services together provide unparalleled convenience and quality of care. Through our infusion and respiratory services, specially trained pharmacy staff and clinical liaisons take care of virtually all the needs for the hospital staff as well as their patients. There is one central phone number for the entire campus, which makes it easy for referral sources to set up services for their patients. Infusion nurses and respiratory therapists actively train and educate patients on their infusion and respiratory

By adding the on-site pharmacy in 2007, GDR among Northwestern employees has increased from 54 percent to 68 percent.



needs before they leave the hospital. Walgreens pharmacists—who fill an average of 400 to 500 prescriptions per day—help manage patients by working closely with the physicians and nurses as a part of the healthcare team. Patients pick up their medications as they leave the hospital, and because our on-site pharmacy is electronically linked to Walgreens pharmacies nationwide, patients can refill their prescription at the Walgreens location of their choice. This convenience, combined with the high-quality care and one-on-one patient counseling, promotes patient adherence and is a key driver of reducing preventable healthcare costs.



As the hospital's PBM, we have been able to help them achieve significant savings by increased generic utilization through the addition of our on-site pharmacy. Because our pharmacists focus solely on the hospital's plan design, we are better able to increase its generic utilization rate. We've been able to effectively measure the direct cost savings, and it has proven significant. In fact, when Northwestern Memorial first selected us as their PBM in 2005, their generic

dispensing rate (GDR) was 46.2 percent. By adding the on-site pharmacy in 2007, GDR among Northwestern employees has increased from 54 percent to 68 percent. With more than 7,100 members and their families, those savings exponentially add up. According to our PBM book of business, for every 1 percent increase in generic utilization, a plan's overall savings is nearly 2 percent.

As one of many benefit design strategies, we were able to help Northwestern Memorial achieve a significantly low trend of 4.69 percent in 2008. Design solutions and clinical programs contributed to an annual savings of \$955,000.

On-site pharmacies, pharmacy benefit solutions, and infusion and respiratory services are just a few of the integrated services Walgreens can provide. We work with each client to identify priorities and create a customized fit for each organization. If you're interested in learning more about how our integrated service can help, contact your strategic account executive.

See How Walgreens Is “Reconstructing” the Specialty Pharmacy Industry

Walgreens is “reconstructing” the way specialty pharmacies deliver high-quality care to people with complex health conditions while helping to control costs. Payors, healthcare providers and pharmaceutical manufacturers can now view an online video to learn how this is being accomplished.

In the video, “Walgreens Specialty Pharmacy: Reconstructing the Industry,” Michael A. Nameth, divisional vice president and executive vice president for Specialty Pharmacy and Pharmacy Benefit Management, said Walgreens offers an alternative to an industry focused on centralized distribution for their products.

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Specialty Pharmacy (continued from p.5)

“We at Walgreens have developed a unique multichannel specialty pharmacy solution that is nationwide, convenient and consistent, and can be customized to meet payors’ needs,” he said.

Only Walgreens allows payors to use a single provider to offer their members access to medications and essential patient care through: central fulfillment, infusion and respiratory services, community pharmacies, alternate treatment sites, convenient care clinics, worksite health centers, senior living communities, and medical facility pharmacies.

Additionally, the four-minute video highlights several of Walgreens other specialty pharmacy solutions:

- Home infusion of specialty medications
- The ability to process specialty medication claims under a plan’s pharmacy benefit, medical benefit or both
- Oral chemotherapy monitored dispensing program
- Exceptional access to limited-distribution medications

To view the video, visit WalgreensHealth.com/specialty.

Heart Failure Program Reduces Hospitalization Rates and Associated Costs

Heart failure is a serious condition where the heart cannot pump enough blood and oxygen to meet the needs of other body organs. Common causes of heart failure include coronary artery disease, hypertension (high blood pressure), diabetes and other problems that damage the heart. There is no cure for heart failure at this time and, once diagnosed, close medical supervision and adherence to a specific plan of care is required to control symptoms and improve quality of life.

Hospitalizations Increase Costs

Around 5.7 million people in the United States suffer from heart failure, with about 550,000 new cases diagnosed each year. The estimated direct and indirect cost of heart failure in the United States for 2009 is \$37.2 billion.

One of the highest costs associated with heart failure is hospitalizations. For example, heart failure is the most common reason Medicare patients are hospitalized, with 50 percent of patients readmitted to the hospital within six months of their initial discharge. In 2005, beneficiaries with heart failure accounted for 37 percent of all Medicare spending and nearly 50 percent of all Medicare hospital inpatient costs, totaling \$24,000 annually per heart failure patient compared with about \$3,000 for a typical Medicare beneficiary’s inpatient costs.





Patient Education Reduces Rehospitalizations

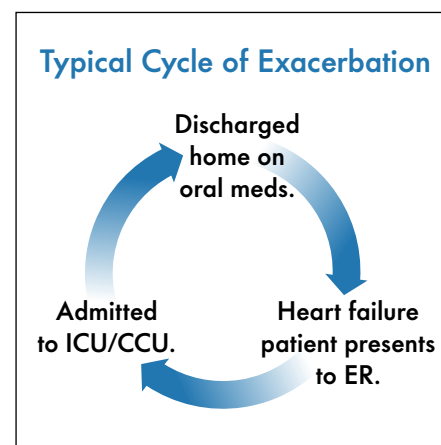
Our heart failure program helps reduce rehospitalizations through a focus on education and monitoring to improve outcomes. Our program is designed to manage the most costly Class III and IV heart failure patients, who are awaiting a heart transplant or receiving end-of-life care. These patients have progressed to requiring continuous inotropic therapy in their homes.

We have the only national inotropic therapy management program administered in the home with outcomes data to show our success at helping members meet their therapy goals and reducing hospitalizations. Our recent data reports that for the six months after initial discharge, we have a rehospitalization rate of just 18.4 percent compared with Medicare's 50 percent.* In terms of member outcomes, if you look at the last five years, an average of 94 percent of our patients have met their therapy goals (therapy goals include transplant, palliative care until death at home or weaned from medication).*

We help managed care companies reduce their expenditures on hospitalization of members with heart failure through a comprehensive suite of services, including pharmacy, nursing and educational support. The program includes:

- Predischarge teaching visits for member and caregivers that include instruction on the importance of self-monitoring of diet and fluid intake to identify and address complications before they require emergency medical attention
- Tools to support self-monitoring of fluid and diet
- Specially-trained infusion pharmacists and nurses experienced at working with patients receiving inotropic therapy at home
- Ongoing monitoring for adherence through in-home visits and telemonitoring

Failure of patients to fully understand the importance of adhering to their prescribed care plan can result in hospital readmission due to exacerbation. Oral medications, diet and fluid restrictions, use of respiratory support, and appropriate exercise are critical to the control of symptoms which lead to rehospitalization. Our program's focus on patient and caregiver education, along with monitoring for adherence, is key to helping managed care companies control their costs and improve their members' quality of life.



For more information on how the Walgreens in-home inotropic therapy management program can improve outcomes for you and your members, contact your strategic account executive.

* Based on Walgreens Inotropic Program book of business.

90-Day Prescription Initiative Launched at Community Pharmacies

Walgreens recently unveiled a broad initiative for 90-day prescriptions that promotes delivery of maintenance and chronic care medication through its national network of more than 7,000 community pharmacies and employer worksite health centers. As part of this program, Walgreens pharmacists will work with patients, physicians, insurers, employers and managed care organizations to implement a comprehensive 90-day at retail prescription program for maintenance medications including, where appropriate, the conversion of traditional 30-day chronic care prescriptions into 90-day prescriptions. Walgreens 90-day at retail provides cost-effective access to medications where patients prefer to receive their prescriptions—at their local Walgreens pharmacy.

Studies conducted by a range of healthcare professionals show that adherence to medications—one of the most critical components of any healthcare program—significantly increases through face-to-face interaction with trusted healthcare professionals, such as pharmacists. In fact, for many chronic conditions, Walgreens has seen an approximately 15 percent increase in adherence to medications for patients receiving a 90-day supply of their prescription obtained at a community pharmacy versus those receiving a 30-day supply.*



Walgreens has already seen significant success with 90-day at retail utilization in targeted Walgreens programs. Our PBM has been a leader in offering 90-day programs, introducing Advantage90® (available at a network of 45,000 pharmacies) in 2003 and Walgreens90™ a few years ago. Taking into account that each 90-day prescription fill equals three times the volume of a 30-day fill, more than 24 percent of our Medicare

Part D beneficiaries' prescription volume and 47 percent of our Prescription Savings Club members' prescription volume are filled as 90-day supplies at our retail pharmacies.*

Many insurers and managed care organizations offer a 90-day retail benefit at a lower cost than the traditional 30-day retail prescriptions, realizing that increased adherence reduces overall health plan costs. Walgreens consumer research indicates that patients prefer to use their local pharmacy for prescriptions, due in part to the opportunity to consult with a trained community pharmacist to answer questions and obtain support for managing their condition. Taking it a step further, obtaining a 90-day supply at a conveniently located pharmacy encourages these benefits, resulting in better health outcomes.

Walgreens is currently in meaningful discussions with insurers, managed care companies and employers about the cost-saving benefits of our program. We are encouraging our clients to extend this 90-day at retail benefit to their members and employees and pass on the savings through reduced copays. Many are already doing so, and we applaud them. Walgreens believes that a 90-day supply program combined with access to local community pharmacist care can greatly reduce overall health spend, along with helping patients manage their own costs and care.

* Based on Walgreens book of business.



One Name Says It All: Walgreens

In the last issue of *Rx Matters* we shared the plans for the restructure of our sales organization and the change in our branding. By now, you've likely spoken with your strategic account executive and are already realizing the benefits from the changes we've made.

Concurrently, we realized that our existing brand architecture doesn't support Walgreens position as a provider of integrated pharmacy and related healthcare services. To help achieve this, all of our individual businesses will transition to one brand, unifying us under one industry-leading name—**Walgreens!**



What You'll See

Beginning February 2010, the Walgreens brand will replace the sub-brands listed below:

- SeniorMed, A Walgreens Company (our long-term care pharmacy)
- Walgreens Health Initiatives (our pharmacy benefit manager)
- Walgreens Home Care (includes all acquisitions)
- Walgreens Mail Service
- Walgreens Specialty Pharmacy (includes all acquisitions)

Changes Will Occur Over Time

The change will occur over a wide variety of items, including sales material, prescription vial labels, forms, newsletters, checks—the list is endless! So, to ensure a smooth transition, the change in branding will be implemented in three phases: clients, healthcare providers and plan members. We anticipate that all phases of rebranding will be fully implemented by August 2010.

Be assured that a full communication plan for your members, when appropriate, is scheduled to help avoid any confusion. In most cases, the only differences they'll see are a change in the logo on their prescription vials, forms and educational materials and how our phones are answered—our high-quality service remains the same.

Our rebranding is much more than a name change. It's a visual representation of our commitment to be the one provider you can rely on for a wide range of high-quality, affordable healthcare services. This more unified structure allows us to provide you with the right blend of products and services that create the customized solution to your unique needs, helping you to better manage costs and provide the local access to care so necessary in achieving positive outcomes.

Walgreens, it's the only healthcare name you'll need to know.

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MyWHI.com and WalgreensMail.com Provide Members With Access to Valuable Tools

With the start of a new year, it's always important to remind your new and existing members that MyWHI.com and WalgreensMail.com are valuable tools to find a wide range of information about their plans, prescription history and account management.

Walgreens Mail Service Prescription Claims

Members don't need to visit their local Walgreens pharmacist to request copies of their 2009 Walgreens mail service prescription records. They can simply log in, view and print their records at home. As a privacy measure, we ask each member to enter a valid recent prescription number to "unlock" online access to their records. They only have to do this once to gain permanent access to their online information.

Secure Access to Personal Records

As a reminder, members who create a secure Web account can access their personal health information, refill mail service prescriptions and view their balance through the web site.

New Plan Information on MyWHI.com

PBM members can log in to review their drug formulary guide to see which drugs are covered by their plan and view costs. Members can also find local pharmacies in their network, print temporary ID cards and confirm eligibility for their families via the web site.





Mark Your Calendar

Stop by the Walgreens booth to learn more about the innovative solutions we can offer our managed care clients:

33rd Annual National Labor & Management Conference (NLMC)	Pharmacy Benefit Management Institute (PBMI) Drug Benefit Conference	Florida Health Care Coalition (FHCC) 17th Annual National Conference
February 11-16, 2010 Hollywood, FL Westin Diplomat Resort & Spa www.laborandmanagement.org	February 17-19, 2010 Phoenix, AZ Pointe Hilton Tapatio Cliffs Resort www.pbmi.com	February 23-24, 2010 Orlando, FL Orange County Convention Center www.flhcc.com
National Association of Children's Hospitals and Related Institutions (NACHRI) Creating Connections Conference	6th Annual 2010 Health Care Benefits New York	North Carolina Association of Health Underwriters (NCAHU) 21st Annual Symposium
March 9-12 San Diego, CA Manchester Grand Hyatt www.nachri.org	March 22, 2010 New York, NY Roosevelt Hotel www.flagmgmt.com/ben	April 12-14, 2010 Winston-Salem, NC Benton Convention Center www.ncsymposium.org
State and Local Government Benefits Association (SALGBA) 2010 Annual Conference	Heartland Healthcare Coalition (HHCO) Annual Conference	
April 18-21, 2010 Indianapolis, IN Hyatt Regency Indianapolis www.salgba.com	April 30, 2010 East Peoria, IL Embassy Suites www.hhcc.org	

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