Outstanding Results
The Walgreens Health Initiatives Medication Therapy Management (MTM) Program’s first-year results were outstanding, producing an overall client return on investment of 2.5:1 for MTM interventions throughout 2006. Pharmacy savings shared between members and clients were an estimated $52 per member per month (PMPM) for members receiving interventions. An extrapolation of this data from the commercial clients studied for a 100,000 life group, showed an annualized net prescription savings of $408,000 for the polypharmacy program. Patients who qualified for MTM interventions represented only 5 percent of the total membership but were 29 percent of the total prescription costs. This shows that our MTM program targets high utilizers.

Three Examples
Three examples, analyzed in the summer of 2006, illustrate our polypharmacy intervention process, a key MTM component that our clients most commonly use, and its effect on healthcare expenditures. (See chart on next page.) All three cases resulted in shared member and client savings: These were estimated for year 1 at $4,413 in prescription savings only for Case 1; $1,019 in prescription savings only for Case 2; and $6,305 in prescription and medical savings for Case 3.

In each case, the member was taking multiple maintenance medications for chronic conditions, inferred from the medication history. Our MTM pharmacists intervened with prescribers and made therapy recommendations such as:
• Decreasing the number of medications a patient takes (decreasing “pill burden”)
• Substituting expensive medications with less expensive alternatives
• Adjusting medications or dosages to be safer for elderly patients
• Eliminating duplicate therapies
• Promoting proper prescribing in accordance with national guidelines
• Increasing patients’ adherence to medication therapy

Impact on Overall Healthcare Spend
Case 3 is also an example of how additional savings on overall healthcare spend may result from improved medication management and its impact on member health. In this example, an MTM pharmacist recommended adding an additional HIV medication for this HIV-positive patient in accordance with national guidelines. The MTM pharmacist also recommended encouraging adherence with a cholesterol lowering therapy that the patient had not been taking regularly. The total annual added drug cost from these recommendations would be $3,695. However, since incorporating the HIV medication into the medication therapy could result in $10,000 per year savings in medical cost, the net savings in overall healthcare expenditures could be $6,305 per year.
These recent outcomes illustrate the program’s effectiveness at promoting appropriate medication therapy, improving patient therapeutic outcomes, and managing overall healthcare costs.

In addition to polypharmacy, our MTM services also include any or all of these components:
• Appropriateness of therapy (AOT)
• Inappropriate medications in the elderly (IMIE)
• Compliance and persistency (C&P)

MTM has the flexibility to customize intervention type and volume per plan-specific parameters: the number of chronic disease states and maintenance medications, and annual drug spend.

Our MTM interventions are also designed to promote proper physician prescribing in accordance with national guidelines and help patients understand and adhere to their medication regimens. Patients receive individualized counseling on their medications from their neighborhood pharmacist or an MTM pharmacist in our Clinical Care Center. Optimizing medication therapy in this way can increase patient care and decrease overall healthcare costs.


<table>
<thead>
<tr>
<th>Case</th>
<th>Number of Medications Intervened Upon</th>
<th>Intervention Types Accepted by Prescriber</th>
<th>Estimated Annual Savings*</th>
</tr>
</thead>
</table>
| Case 1 | 10 | • Combining multiple medications to a single medication  
  • Generic substitution  
  • Reduce dosage for elderly patient  
  • Stop duplicate medications | $4,413 |
| Case 2 | 6 | • Combining multiple medications to a single medication  
  • Stop duplicate medications | $1,019 |
| Case 3 | 2 | • Add HIV medication according to national guidelines  
  • Education on compliance with cholesterol lowering therapy | $10,000 in potential medical savings  
  -$3,695 in added drug costs  
  $6,305 net savings |

*Cases 1 and 2 report estimated annual total prescription cost savings. Case 3 combines prescription costs with estimated medical cost savings based on medical literature.

For more information, call 800-926-6779, e-mail whi@walgreens.com, or visit us at www.mywhi.com.