Rx Matters

A newsletter created especially for managed care clients, delivering a mix of news and trends in healthcare, and up-to-date information about our products and services.

Specialty Pharmacy State of the Industry Report Available
Walgreens Specialty Pharmacy is pleased to announce the release of its State of the Industry Report, *Outlook*. The report was developed to provide an overview of today’s complex specialty pharmacy industry, presents national industry trends, and delineates how Walgreens Specialty Pharmacy can help manage this growing component of healthcare.

Section highlights of the report include:
• Industry landscape: overall drug spend and what makes specialty medications different, update on generic medications
• Leveraging strategic direction: reducing costs through benefit design, our patient-focused care process, our multi-point distribution model
• Three compelling case studies: our variety of successful cost-saving strategies
• Current and future influences that will affect specialty pharmacy, including detailed information on the pipeline

While it is difficult to put a hard number on the size of the overall specialty pharmacy market, we estimate the market today to be approximately $60 billion. With a projected annual growth rate of 20 percent in the coming years, specialty medications could top $100 billion by 2010 and represent more than 25 percent of total drug spend.

The key to successfully managing this growing component of your pharmacy benefit is working with a specialty pharmacy that can manage specialty medications under

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both the pharmacy or medical portion of your plan. It is also important to choose a specialty pharmacy that can offer flexibility in its distribution model, providing greater choice to your members as to how they receive their medication. Since acquiring Medmark Specialty Pharmacy Solutions and Schraft’s, A Specialty Pharmacy, Walgreens is well-positioned to help you meet the challenges of this complex and dynamic area of pharmacy. For a copy of Outlook, contact your account manager or visit walgreensspecialtyrx.com/report.

Walgreens to Exhibit at AHIP Annual Meeting
America’s Health Insurance Plans (AHIP) will host its annual meeting, Institute 2007, June 20 - 22 at the Wynn Hotel in Las Vegas, Nev. and Walgreens will be there! Stop by Booth 1137, and learn about the many products and services we have available for you and your members. Available at our booth will be three case studies that demonstrate how we have helped reduce clients’ specialty pharmacy drug spend.

Continuing the Fight Against Breast Cancer
Throughout the past 10 years, Walgreens has raised more than $12 million for the American Cancer Society as a national participant in the fight against breast cancer. This year, from April 29 through May 31, Walgreens offered its customers at more than 5,500 stores nationwide the opportunity to support the fight against breast cancer by purchasing paper blooms for $1 each. Walgreens will donate every dollar collected throughout the month of May to the American Cancer Society. Additional information on breast cancer is available at www.cancer.org.

In addition, as part of its on-going commitment to help fight the disease, on Mother’s Day, Sunday, May 13, Walgreens teamed with the Y-ME National Breast Cancer Organization™ as a national presenting sponsor of its Race to Empower™. Walgreens employees, their family members, and friends participated in walks and races throughout the United States and raised thousands of dollars that will go toward the programs and services offered free of charge to those seeking information and support when facing breast cancer. Visit the Y-ME National Breast Cancer Organization web site at www.y-me.org.

New Breast Cancer Drug
Your members now have access to a new medication approved by the U.S. Food and Drug Administration to treat breast cancer. Walgreens Specialty Pharmacy was named one of a select number of distributors of the limited-distribution medication Tykerb® (lapatinib).
Tykerb is a drug shown to delay the progression of breast cancer when used in combination with Xeloda® (capecitabine) for the treatment of advanced or metastatic human epidermal growth factor receptor 2 (HER2, ErbB2) positive breast cancer. GlaxoSmithKline reports that in patients who were treated with combination therapy, the median time for disease progression was 36.7 weeks compared with patients who were treated with Xeloda alone, which was 19.1 weeks.

Our specialty pharmacy program was chosen as one of the providers for Tykerb because our capabilities allow us to help people living with breast cancer receive this important medication efficiently and get the support and information they need to use it successfully. This is due to our:

- Expertise in serving patients with complex pharmaceutical needs
- Medication management programs that encourage appropriate utilization
- Commitment to thorough and ongoing patient education
- Confidential counseling for compassionate member support and empowerment

Tykerb is available through the Walgreens Specialty Pharmacy centralized distribution center.

**New Division President Named**

Walgreen Co. announced on April 12 that Trent E. Taylor, executive vice president and chief information officer of Walgreen Co., would replace Gregory D. Wasson as president of Walgreens Health Services effective May 1.

Taylor joined Walgreens in 1992 as manager of information systems. He was promoted to director of Infrastructure and Architecture in 1995 and to divisional vice president and chief information officer (CIO) in 1999. He was named corporate vice president and CIO in 2000, senior vice president in 2002, and executive vice president in 2005.

“Our Walgreens Health Services division has come a long way since it began as a mail service pharmacy in the early 1990s, Taylor recently said.

“As Walgreens chief information officer, I’ve enjoyed getting to know the managed care side of our business better in the last few years through the development of its healthcare systems. Walgreens Health Services’ role will only get larger as we further integrate our mail, specialty pharmacy, PBM, and home care service systems with our drugstores to provide better health outcomes at a lower cost. This will benefit both patients and payors with the most cost-effective and well-rounded pharmacy offerings available,” continued Taylor.
Gregory D. Wasson, a 27-year Walgreen employee, assumes the position of president and chief operating officer of Walgreen Co. Jeffrey A. Rein, former president and chief operating officer, will become chairman, effective July 2007, replacing David W. Bernauer, who is retiring at that time from the board of directors. Rein will retain his CEO title.

Flu and Pneumonia Clinics at Walgreens Benefit Your Members

Beginning in October, Walgreens will offer flu and pneumonia vaccines at more than 5,000 of our retail locations throughout the country. As an added advantage, the pharmacists your members have come to know and trust will administer the vaccines in more than 30 states. Each has been trained and certified in Pharmacy-Based Immunization Delivery, a national training program that provides the skills necessary to become a primary source for vaccine advocacy, education, and administration.

By offering these vaccines to your members, you potentially decrease their medical costs and prescription drug utilization, saving money for them and you. Additionally, by enhancing the range of benefits you offer, goodwill and satisfaction among members is increased.

Many plans absorb the cost of administering these vaccines which helps to increase the number of members participating and can result in improved productivity in the workplace. If you choose this option, Walgreens will work with you to create a program for your members. We will even provide electronic communication materials that can be distributed to members prior to the beginning of the vaccine program in October.

Adults 18 years of age and older can receive the flu and pneumonia vaccines. Adolescent vaccines are subject to state laws. Please advise your Walgreens representative by August 30, 2007, of your desire to lower your overall healthcare spend by taking part in this program.

Helping Those Who Help Others™—Support for Caregivers

There are more than 44 million Americans who are caregivers, providing care for an ill or disabled family member or friend. To help make the lives of caregivers and those they care for easier and less stressful, Walgreens has built walgreens.com/caregiver—a new support center on walgreens.com.

Visitors to the site will find a range of information on diseases and conditions in our Health Library, home care issues, helpful resources, and pharmacy services targeted to caregivers and their care recipients including medication consultation and a Medication Manager chart to download, print, and fill out. The support center also provides a direct link to Walgreens Health Corner™ TV’s “Caregiving with Leeza Gibbons,” where a complete archive of segments can be viewed.

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As a benefit of our alliance with AARP, links to information such as dealing with grief and loss, financial and legal matters, and online courses and personal message boards are provided. Caring for a sick or disabled loved one can be quite stressful and can take a challenging toll on the caregiver. At Walgreens, we’re happy to offer this new support center and encourage you to inform your caregiving members about walgreens.com/caregiver. They’ll be happy that you care, too.

**Walgreens Mail Service Launches Personal Secure Messaging**

Walgreens Mail Service enhanced its web site and online communication capabilities for walgreensmail.com members by adding personal, secure messaging technology. The technology enables us to electronically send mail service members confidential messages relative to their prescription orders.

With a number of capabilities available through this technology, Walgreens Mail Service initially began using this new feature to notify members when they try to refill their prescription too soon. Prior to secure messaging, we contacted members by mail. Now we can contact members electronically as soon as the refill exception occurs. Members benefit because they can quickly and securely receive detailed information about their orders. Their wait time to learn about the refill exception and any necessary action is significantly decreased.

Members first receive an e-mail advising that a message is waiting for them. They log on to our site to access their secure mailbox where the message is waiting. If the member does not log into walgreensmail.com and read their secure message within three days, we will mail the exception information in letter format.

In the months ahead, we plan to expand our use of secure messaging technology with additional mail service exception letters and other communication regarding members’ mail service benefits. In addition to the benefits of personal secure messaging, registered members of walgreensmail.com can manage their online accounts, check account balances, and review and print their mail service prescription records as well as their families’ transaction records. They can also make payments online 24 hours a day, seven days a week.

Walgreens Mail Service prides itself on being convenient. Your members will appreciate and enjoy the convenience of our mail service pharmacies to order and then receive their prescriptions in the comfort of their own homes.

**Walgreens Acquires Take Care Health Systems™**

Walgreens announced on May 16, 2007, that it will acquire Take Care Health Systems™, a leading operator of convenient care clinics. The clinics, combined with our more than 5,500 pharmacies across
the country, will form the core for the future rollout of a variety of patient-focused healthcare services. Take Care Health Systems currently operates the Health Corner Clinics™ in select Walgreens retail locations. The clinics are located adjacent to the pharmacy departments.

“We’re excited to team with the pre-eminent leader among convenient care clinic operators,” said Gregory D. Wasson, president of Walgreen Co. “Together, we’ll create a new model of how healthcare is provided across America. That includes additional health and wellness services such as immunizations, and senior and diabetes services through partners like Joslin Diabetes Center.”

With the acquisition, Walgreens expects to have more than 400 Health Corner Clinics operating within its stores by the end of 2008. Currently, there are 59 Health Corner Clinics in Atlanta, Chicago, Kansas City, Las Vegas, Milwaukee, and St. Louis. For more information about our Health Corner Clinics, visit www.walgreens.com/healthcornerclinic.

The following article, written for your members, can help them learn how to safely dispose of medications.

**Proper Disposal of Prescription Medications**

While spring cleaning for some includes emptying their medicine cabinets of expired and unused prescription medications, the importance of their safe disposal cannot be stressed enough.

Traditionally, patients were advised to flush unused medications down the toilet or to put them in the trash. Active ingredients in some prescription medications can kill helpful bacteria in some septic systems and survive sewage treatment filtration. Municipal sewage treatment plants are not engineered for pharmaceutical removal, and environmental scientists have discovered everything from aspirin to Zoloft® in our lakes, rivers and streams. Careless disposal of prescription medications in the trash threatens the safety of children and animals, and in landfills can contaminate groundwater. So what are the best ways to dispose of unused prescription medications?

Many communities have hazardous waste collection centers where citizens can bring household hazardous waste products for proper disposal: from drain cleaners and old paint to batteries and personal computer hardware. Many of these centers also accept expired and unused prescription medications.

People who must dispose of expired or unused prescription medications in the trash should keep them in their original and childproof, watertight containers with the label intact. Scratch out the patient’s name and other personal information to protect privacy. Add water to pills and flour to liquids. Place the container inside another container, i.e., an old margarine tub or milk carton that is also being disposed. Doing so will help conceal the medication.

Dispose of prescription medications in a toilet only when the prescription label or accompanying patient information specifically instructs doing so. Local city or state government offices, as well as the Environmental Protection Agency’s web site (www.epa.gov) can provide additional information on the proper disposal of prescription medications and locations of local hazardous waste collection centers.
Rx Drug Update
The Food and Drug Administration (FDA) recently approved the following new medications:

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Company/Availability</th>
<th>Indication(s)</th>
<th>Dose Form(s)</th>
<th>Regimen</th>
<th>AWP as of April 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vyvanse™ (lisdexamfetamine) capsules</td>
<td>Shire, New River Pharmaceuticals</td>
<td>Treatment of attention deficit hyperactivity disorder</td>
<td>30 mg, 50 mg, and 70 mg capsules</td>
<td>One capsule daily</td>
<td>Not available</td>
</tr>
<tr>
<td>Tekturna® (aliskiren) tablets</td>
<td>Novartis</td>
<td>Treatment of hypertension</td>
<td>150 mg and 300 mg tablets</td>
<td>One tablet daily</td>
<td>$2.44 per 150 mg tablet $3.08 per 300 mg tablet</td>
</tr>
</tbody>
</table>

New Rx Indications
The following medications have been approved by the Food and Drug Administration for new or expanded indications:

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Original Indication</th>
<th>New or Expanded Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yaz® (drospirenone and ethinyl estradiol) tablets</td>
<td>Prevention of pregnancy and treatment of symptoms of premenstrual dysphoric disorder in women who elect to use an oral contraceptive</td>
<td>Treatment of moderate acne in women who desire an oral contraceptive for birth control</td>
</tr>
<tr>
<td>Cymbalta® (duloxetine HCl) capsules</td>
<td>Treatment of major depressive disorder and management of neuropathic pain associated with diabetic peripheral neuropathy</td>
<td>Treatment of generalized anxiety disorder</td>
</tr>
<tr>
<td>Sutent® (sunitinib) capsules</td>
<td>Treatment of gastrointestinal stromal tumor</td>
<td>Treatment of advanced renal cell carcinoma</td>
</tr>
<tr>
<td>Humira® (adalimumab) injection</td>
<td>Treatment of rheumatoid arthritis, psoriatic arthritis, and ankylosing spondylitis</td>
<td>Treatment of moderately to severely active Crohn's disease in adults</td>
</tr>
</tbody>
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Mark Your Calendar
You and your members may be interested in this list of health-related observances for June. For more information, log on to the sponsoring organization's web site. For a complete observance list for the entire year, visit the National Health Information Center’s web site at www.healthfinder.gov/library/nho.

<table>
<thead>
<tr>
<th>Observance</th>
<th>Date</th>
<th>Web Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Safety Month</td>
<td>June 1 - 30</td>
<td><a href="http://www.homesafetycouncil.org/homesafetymonth">www.homesafetycouncil.org/homesafetymonth</a></td>
</tr>
<tr>
<td>Myasthenia Gravis Awareness Month</td>
<td>June 1 - 30</td>
<td><a href="http://www.myasthenia.org">www.myasthenia.org</a></td>
</tr>
<tr>
<td>National Scleroderma Awareness Month</td>
<td>June 1 - 30</td>
<td><a href="http://www.scleroderma.org">www.scleroderma.org</a></td>
</tr>
<tr>
<td>National Aphasia Awareness Month</td>
<td>June 1 - 30</td>
<td><a href="http://www.aphasia.org">www.aphasia.org</a></td>
</tr>
<tr>
<td>Vision Research Month</td>
<td>June 1 - 30</td>
<td><a href="http://www.preventblindness.org">www.preventblindness.org</a></td>
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Walgreens Specialty Pharmacy Pipeline Report Available

The Walgreens Specialty Pharmacy Pipeline Report focuses on drugs that are newly approved—or being tested by the Food and Drug Administration. To access the 2007 Second Quarter report, go to walgreensspecialtyrx.com and click on Specialty Rx Pipeline Report under Reports on the left side of your screen.

Safely Enjoying the Sun

As the weather warms and your members find themselves enjoying the outdoors, encourage them to learn how to best protect themselves from melanoma, or skin cancer. The Health Library on walgreens.com offers a range of informative materials about the disease, including how to prevent it. In addition, more than 200 cosmetic and skincare products specifically designed to block the sun’s ultra-violet (UV) rays with varying levels of sun protection factors (SPF) are available for online purchase. Visitors to walgreens.com can simply enter “SPF” in the search engine to view the available products that protect against UV rays.

Let Us Hear From You

Your comments, questions, and suggestions are always welcome. If there is a topic you would like us to address in a future issue of Rx Matters, please advise your account representative.

References