



**FedEx**<sup>®</sup>  
Express

Health  
in motion,  
care at every  
altitude

 **carelon**<sup>®</sup>  
Rx

# Meet your Anthem crew



PILOT

**Andrew Davis**

Regional Vice President,  
CarelonRx



COPILOT

**Alex Bolorchi,  
PharmD**

Vice President,  
Clinical Pharmacy Services,  
CarelonRx



HEAD FLIGHT  
ENGINEER

**Katie Brennan**

Senior Director,  
CarelonRx



AIR TRAFFIC  
CONTROLLER

**Vincent Voisin**

Strategic Account Manager,  
National Accounts,  
Anthem



FLIGHT  
OPERATIONS  
DIRECTOR

**Dr. Samrat  
Ambewadikar**

Regional Vice President,  
Medical Director,  
Anthem

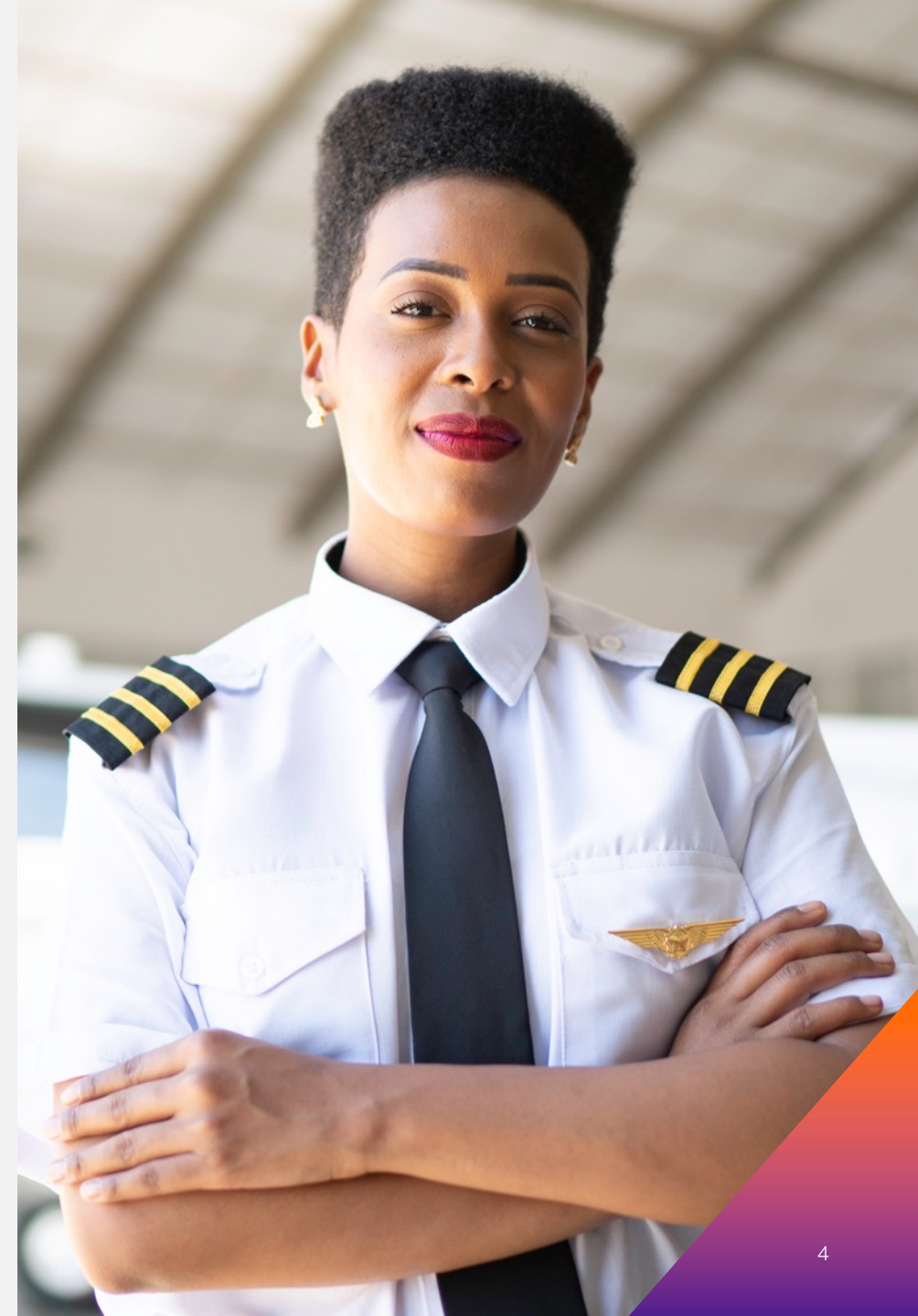
# Agenda



# Your flight deck is calling

We understand that as FedEx pilots, your commitment to precision, reliability, and exceptional service is unparalleled. Just as you ensure every package reaches its destination on time, we strive to deliver outstanding health support, tailored specifically to meet your unique needs.

Our connected care approach encompasses whole-health solutions that put you and your pilots at the forefront. By simplifying access to your benefits and offering consistent, integrated support, we empower you to focus on what you do best — soaring to new heights. Together, let's navigate toward a future where your well-being is as streamlined and efficient as your flight path.



# Priority... you

Digital solutions



Streamlined processes

Connected care



Whole-health solutions

Simplified, consistent experience



Clinical and financial expertise

# Charting new courses in health for today's PBM market

## Key market trends

1. The legislative environment is dynamic with **high scrutiny on value delivered by pharmacy benefits managers (PBMs)**
2. **New companies are emerging** with alternative business models and value propositions
3. Current and upcoming innovative yet **high-cost drugs are impacting affordability** and total cost of care

## CarelonRx strategy

Managing **whole health** and driving **lower total cost of care** by delivering integrated services across pharmacy, medical, and behavioral.



Create member value through **cost savings, better clinical outcomes, and top-tier consumer experiences**



Provide an innovative and differentiated set of **integrated pharmacy services and products** across the pharmacy value chain



Leverage the **power of Blue** and other key partnerships to create scale and provide **optionality and flexibility**

# Flight pattern to success

PBM strategic  
roadmap and  
hot topics



# Navigating PBM regulations

	Federal activity	State activity
<b>ERISA/Part D preemption (Mulready litigation)</b>	Mulready appeal	33 bills in 22 states proposed
<b>Spread pricing bans</b>	Congress considering a spread pricing ban in both the commercial and Medicaid markets	Currently 23 bills in 16 states that would either prohibit spread or require disclosure of spread
<b>Copay accumulator/ maximizer program bans</b>	Copay accumulator litigation	29 bills in 17 states proposed in 2024
<b>Pharmacy networks/ anti-steering</b>	Congress considering restrict reimbursement differentiation for PBM-affiliated pharmacies	<p>3 categories:</p> <ul style="list-style-type: none"> <li>• Prohibiting reimbursement differentiation for affiliate vs. non-affiliate pharmacies</li> <li>• Requiring any pharmacy to be considered “in-network” if they accept terms and conditions</li> <li>• Prohibiting accreditation and credentialing standards more stringent than federal requirements</li> </ul>
<b>Prior authorization state activity</b>		<p>Medical Utilization Management            Prescription Drug Utilization Management            MH/SUD Utilization Management</p>

# Three-year flight plan for pharmacy benefits

## Differentiated approach

We will navigate the key controls that enhance clinical outcomes, attract and retain customers, and elevate client service.

## Consumer experience

You and your team can expect us to **own every part of the consumer experience**, delivering top-tier service and clinical programs across mail delivery, specialty, and infusion.

## Specialty pharmacy

Our expertise in **specialty pharmacy** allows us to better manage costs and improve experience.



## Key partnerships

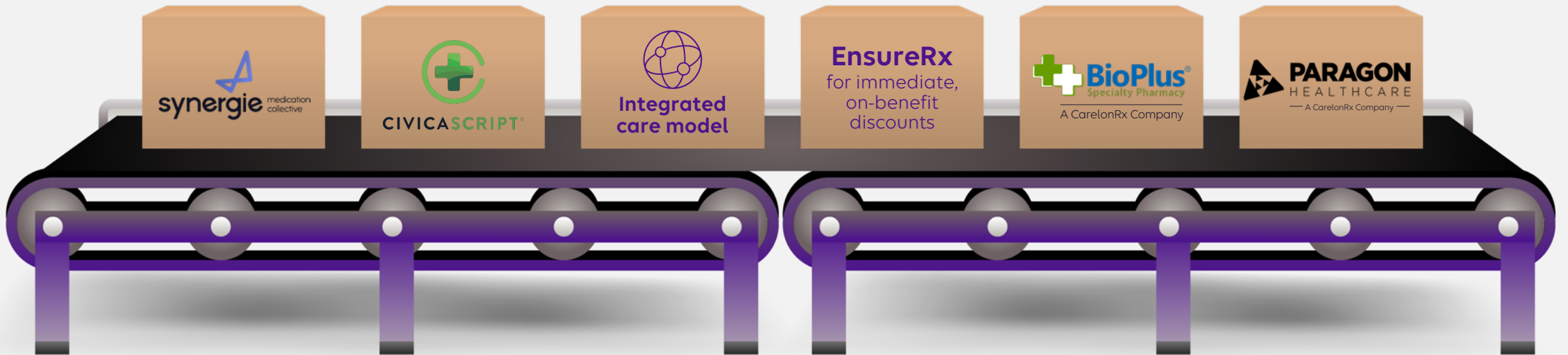
You and your team can benefit from the power of Blue and other key partners for **flexibility and affordability**.



## Digital solutions

We will **invest and partner in digital solutions**, including CarelonRx Pharmacy for home delivery.

# Elevating innovation across the pharmacy value chain





# CarelonRx: your strategic copilot for pharmacy benefits

## The right assets



We have acquired and built unique pharmacy assets, including CarelonRx Pharmacy, BioPlus, and Paragon, to provide a differentiated experience.

## Focus on affordability



As an independent PBM, we prioritize whole-person health, free from legacy supply chain constraints. We control critical elements to help ensure cost-effective solutions for your team.

## Flexibility

Our scale, combined with Blue partners and other large buying groups, provides cost-effective and flexible options in our pricing model, tailored to you and your FedEx teammates.

Delivering exceptional, differentiated, market-leading value to FedEx and your teammates

# Delivering experience and expertise

16+M  
Members served under CarelonRx<sup>1</sup>

\$34B  
pharmacy spend managed annually<sup>2</sup>

40%  
of clients had a negative drug trend<sup>3</sup>

310+M  
prescriptions managed annually<sup>4</sup>

34+  
years of experience

<sup>1</sup> 2024 internal data.

<sup>2</sup> CarelonRx total revenue, internal data, full year 2023.

<sup>3</sup> IngenioRx 2021 Drug Trend Report, June 2022.

Overall trend reflect pharmacy and medical drugs.

<sup>4</sup> CarelonRx adjusted annual claims, internal data, full year 2023.





At your service  
with personalized  
support

# Our Account Management philosophy

## **Flexibility**

We understand your objectives and goals to better anticipate the needs of your team

## **Partnership**

We build relationships across teams and partners to execute your vision and deliver quantifiable results

## **Collaboration**

We use data-driven decision-making to make a meaningful impact together

# Focusing on real lives, real people

FedEx's dedicated Account team



**Tricia Fringer**  
SVP, President, Anthem National Accounts and CarelonRx Integrated Business



**Pete Haytaian**  
EVP, President, Elevance Health, and President, Carelon

## Core team



**Vincent Voisin**  
Strategic Account Manager, National Accounts, Anthem



**Tony Kalal**  
Pharmacy Account Director

Tony works closely with our Sales and Account Management teams to implement, maintain, and renew prescription drug benefits for our National Accounts clients. He provides strategic plan design recommendations, utilization and trend analysis, forecasting, and consultation.

Clinical Account Director  
**Matt Moore**

Pharmacy Account Managers  
**Patrick Deehan**  
**Nicole Crawford**

Employer Service Representatives

### Success resources

Marketing

Eligibility and billing

Reporting and analytics

Underwriting

Legal and regulatory

Privacy and security

### Team leadership

**Bryce Canfield**  
Vice President, Client Management

**Sandy Tartol**  
Vice President, Pharmacy Management

**Lisa Morris, RPh**  
Vice President, Clinical Pharmacy

# Your flight crew for health



**Dedicated team of 50+** resources including ESRs, implementation, member services, executive member services, pharmacists and pharmacist technicians

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**Commitment to a transparent partnership** for FedEx with ongoing documentation critical to success

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**Relationship management** with executive accountability and collaboration on customized omnichannel communication

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**Enhanced reporting** illustrating impact across pharmacy and medical benefits, using FedEx data to drive customized predictive modeling



# First-class member experience



**Collaborative, consistent support** for FedEx with pro-active prior authorizations with Anthem or non-Anthem data



**The power of data** drives a cohesive member and FedEx experience



**Digital solutions** for wellness support and affordability confirmation in every member engagement



**EnsureRx**

for immediate, on-benefit discounts



**CarelonRx Pharmacy**

Digital first, personalized delivery system



**sydney**<sup>SM</sup>

Digital connectivity 

**4.5 stars**



A CarelonRx Company

# Providing connected experiences both online and on the go

## Easy to use

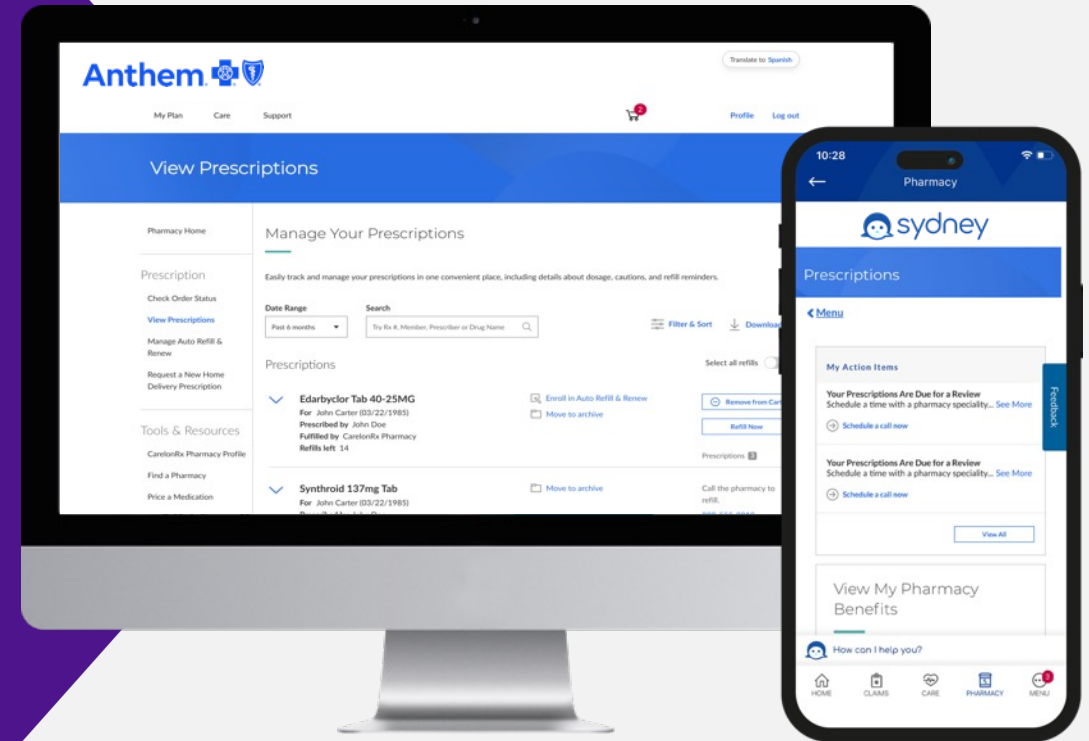
Intuitive navigation, “don’t make me think” design

## Always up-to-date

Real-time communication with pharmacy fulfillment systems

## Centralized pharmacy experience

Everything pharmacy in one location





# Flying forward

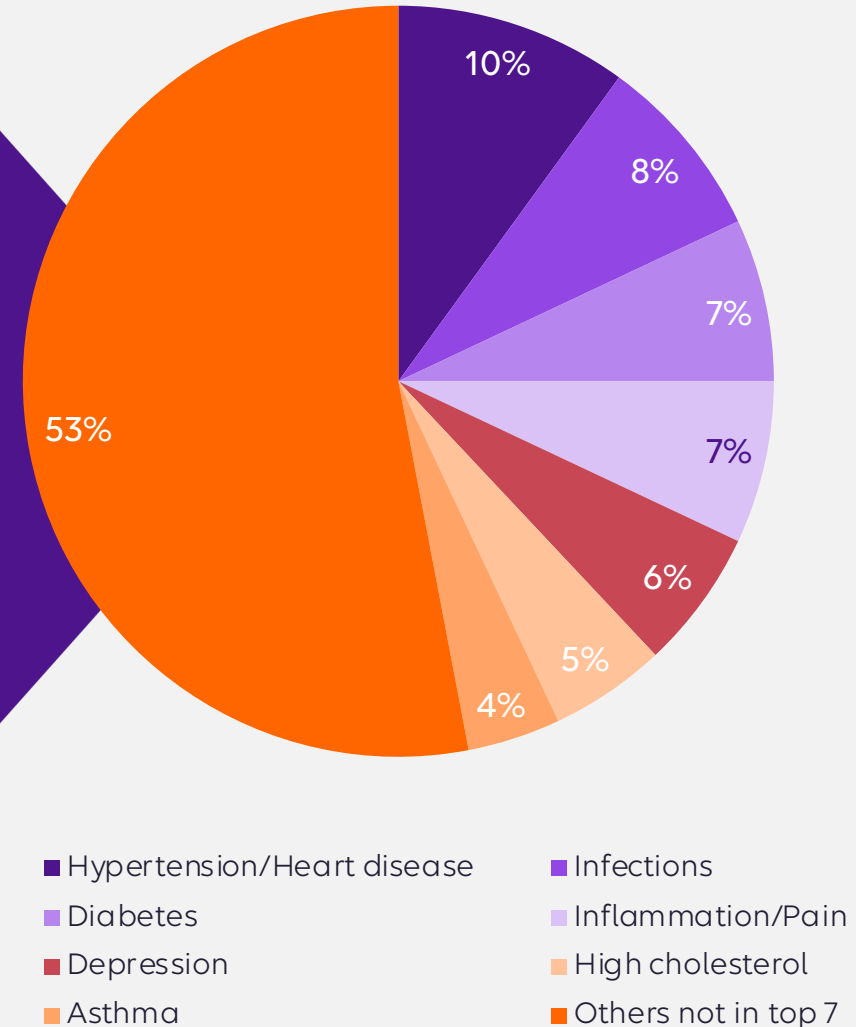
Improving outcomes, lowering costs

# Impacting clinical outcomes for FedEx

## Programs and solutions

- Patient adherence and engagement
- Formulary solutions
- Prescriber-Pharmacist engagement
- Super-charging the Value Based Care relationship

Top 7 indications by claims



# Pharmacy is the centerpiece of a connected care experience



1 CarelonRx: Value of integration study: *Diabetes carve-in vs. carve-out* (January 2022).

2 CarelonRx: Value of integration study: *Behavioral health carve-in vs. carve-out* (January 2024).

# Leveraging our pipeline management expertise to take your formulary to the next level

Delivering consultative advice as your partner

## CarelonRx's three-step model

1

### **Review**

the clinical evidence

2

### **Determine**

total view impacts

3

### **Develop**

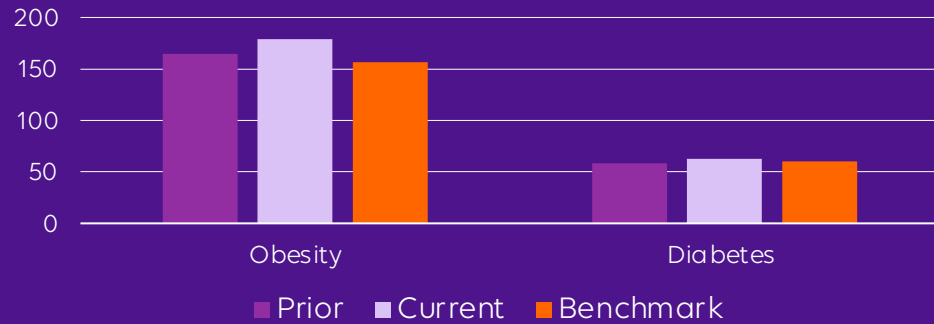
clinical criteria and policies

## Sharing our insights and resources for formulary management

- Total-net-cost modeling
- Medical cost offset analysis
- Cost-effective analysis
- Access to our clinical white papers and reports
  - CarelonRx Drug and Biologic Pipeline
  - CarelonRx Drug Insights

# Making sense of GLP-1 drugs

**Condition prevalence**  
Claimants per 1000



## Diabetes (Type 2)

- Ozempic
- Rybelsus
- Mounjaro
- Victoza
- Trulicity



## Weight loss

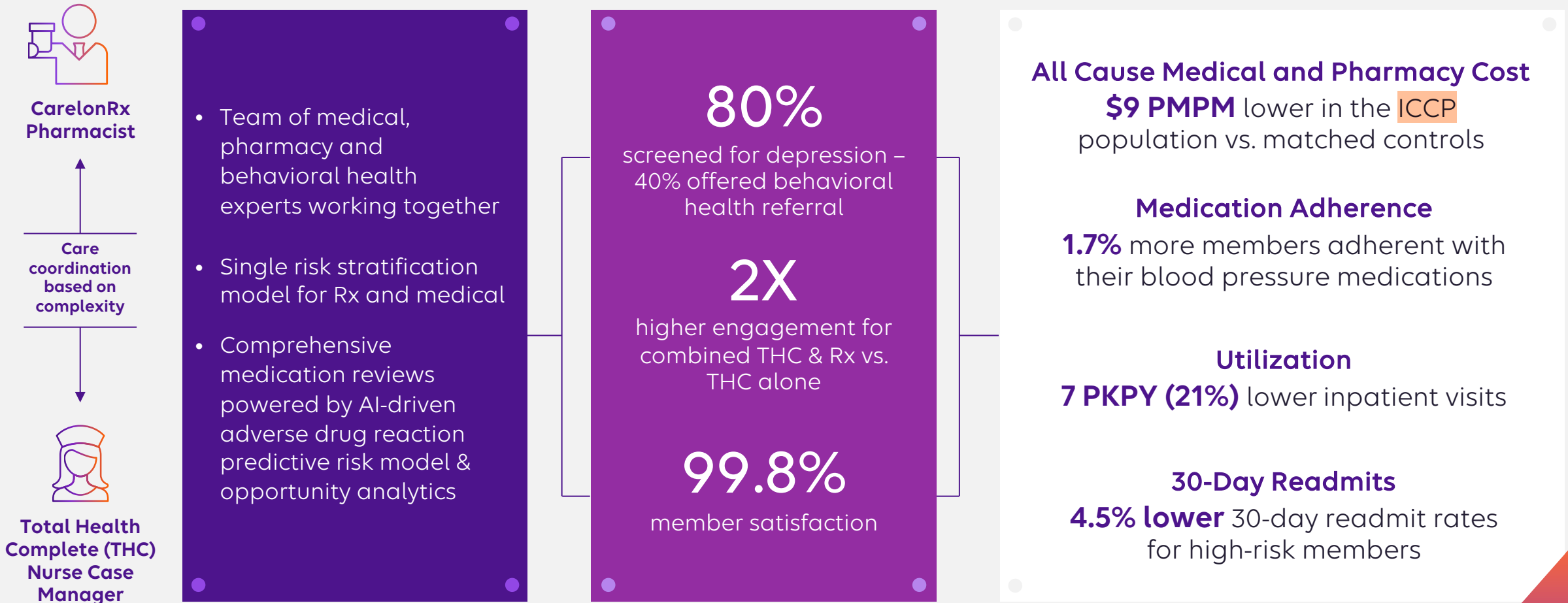
- Wegovy
- Saxenda
- Zepbound

## Cardiovascular

- Wegovy

- GLP-1 (glucagon-like peptide) drugs were created as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes
- Fast track status by FDA for treatment of adults with obesity or overweight with weight related comorbidities
- The FDA continues to review and approve for new indications

# Medical + pharmacy integrated care model showing results



# Integrated clinical care



## Meet George...

Recently hospitalized for uncontrolled seizure due to brain tumors. Referred to ICCP team by THTY nurse to assist member in obtaining medication that was on manufacturer backorder, and with medication prior auth/cost.

### Action steps

- Located the medication in a nearby city and arranged to have a new prescription sent by the provider.
- Worked with PA escalation team to facilitate a refund for \$3000K paid on initial fill while PA was in progress.

### Results

- Medication was refilled on time and the member didn't miss a dose.
- Follow-up scheduled with the family prior to next refill to make sure there are no issues.

“My husband is doing very well. Thanks to help from the pharmacist my husband has never missed a dose of any of his medications (even the rare one). I truly believe that without his help, my husband would have ended up back at the hospital and potentially back on a ventilator with more brain damage – or worse. He was so caring and humble... he actually thanked us for allowing him to help! I'm incredibly grateful to the pharmacist for helping me keep my husband safe.”



## Meet Mike...

Member with uncontrolled Type 2 Diabetes, complicated by multiple co-morbidities. CarelonRx outreached to the member for primary non-adherence with diabetes medications.

### Action steps

- Enrolled member in Personal Pharmacy Support to encourage adherence and lower A1C.
- Established dietician consult to help with weight loss.
- Offered solutions to help solve for neuropathy encouraged member to get diabetic foot exam regularly.
- Recommend evaluation for adding statin.

### Results

- A1C has steadily improved from >9 to 6.1
- Weight loss of 30Lbs and counting
- Statin therapy started and new start counselling completed

^ Integrated members of age  $\geq 18$  with continuous enrollment during the baseline, program implementation and evaluation periods. Difference in difference analysis comparing change from baseline to evaluation period for ICCP House Account membership vs matched Integrated members with THTY only during the study period^ (n=54,940 each group) 6-month baseline period, intervention period, and 5-month evaluation period were set based on index date which was decided specific to individual subject based on their study group and program outreach status

\* Statistically Significant

# Provider partnership is stronger with pharmacy



42.1% of members seeing Total Care Providers

## Before the patient visit

- Proactive prior authorization
- Care gaps sent to provider EMR via Health OS

## During the patient visit

- AI-enabled electronic prior authorization
- Real-time benefit check, with costs and alternatives

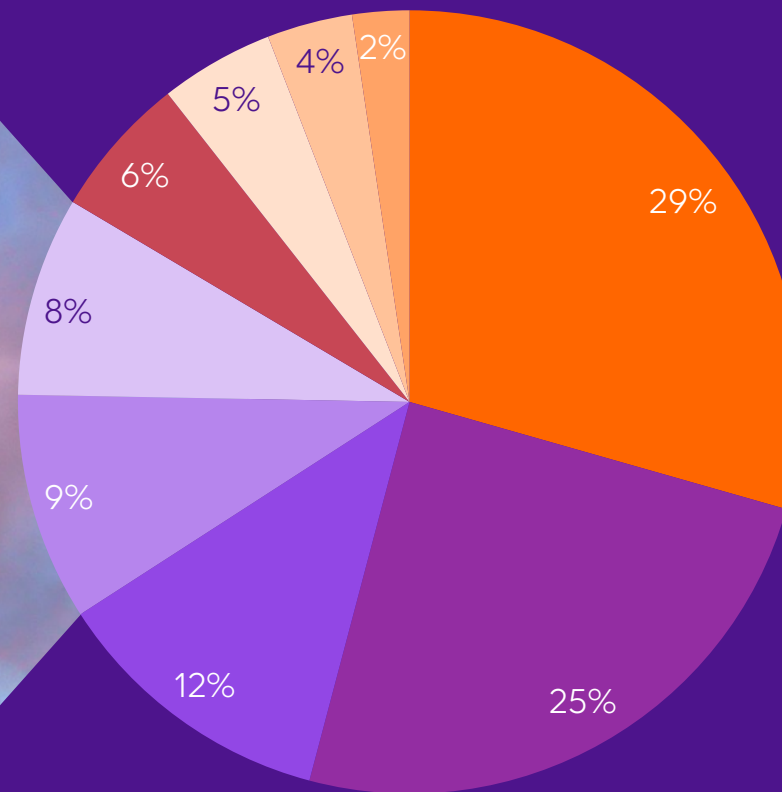
## After the patient visit

- Home delivery and specialty pharmacy dispensing
- Member cost and quality opportunity reports

# Specialty drug management is critical



Top specialty indications by claims



- Inflammatory disease
- Transplant
- Infertility
- Multiple Sclerosis
- HIV
- Dermatologic
- Cancer
- Asthma

# Driving results in specialty drug management across medical and pharmacy benefits

## \$212 PMPM

all-cause medical savings for members managed through our specialty solutions<sup>1</sup>

## 93%

member satisfaction with our specialty pharmacy services<sup>2</sup>

Cost management

High-touch care

## 18%

reduction in inpatient admissions and ER visits with our specialty pharmacy program participation<sup>1</sup>

Clinical expertise

Advanced analytics and forecasting

## 38%

of clients had a negative specialty trend in 2021<sup>2</sup>

Specialty dispensing pharmacy

<sup>1</sup> CarelonRx study: Specialty RX managed vs. unmanaged populations, CY2022 outcomes (October 2023).

<sup>2</sup> Drug trend summary (2022).

# We offer best-in-class member support for specialty pharmacy

## Clinical excellence

- **Clinical expertise and ongoing communication** ensure adherence and improve outcomes
- **High-touch care** through specialty care centers offer end-to-end disease management

## Access and affordability

- **Financial assistance** reduces member cost burden
- **Prescription discounts for non-covered drugs,<sup>1</sup>** regulated cost share strategy, and other financial assistance

## Member support

- Streamlined processes **expedite “time to therapy,”** reducing anxiety and improving satisfaction
- **Comprehensive offerings** and innovative digital tools support each phase of the member journey

## Actionable insights

- **Detailed analytics** lower costs and enable utilization management 
- **Real-time reporting** delivers insights on the member journey



A CarelonRx Company

## 2-hour

patient acceptance guarantee  
and 2-day ready to ship

## #1

ranked in  
provider satisfaction<sup>3</sup>

## 95%

oncology  
adherence rate<sup>4</sup>

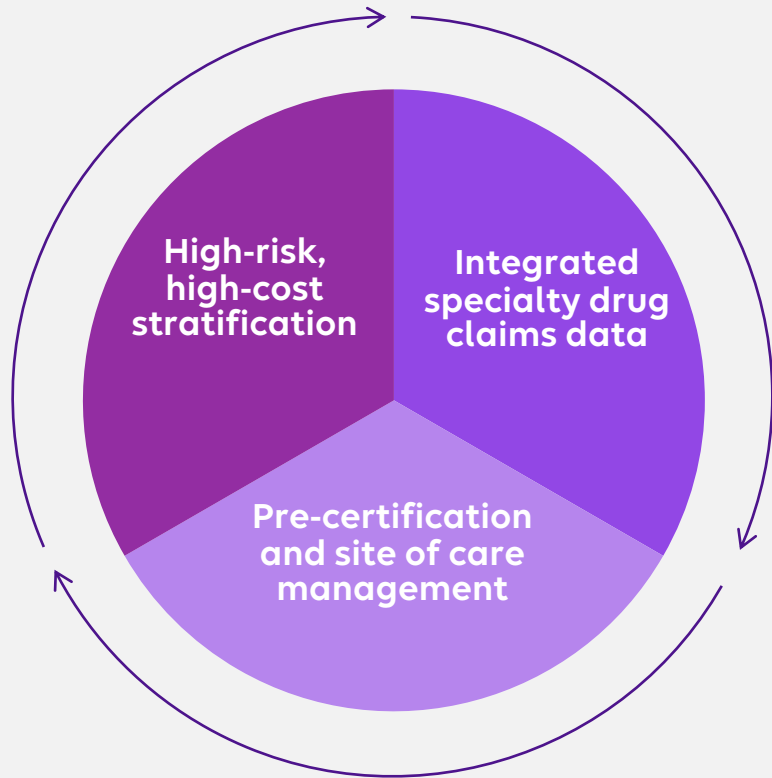
<sup>1</sup> "Non-covered" refers to drugs that are not covered through other financial assistance.

<sup>2</sup> BioPlus internal data, 2024.

<sup>3</sup> Specialty Pharmacy Office Staff Satisfaction Survey, MMIT (2022).

<sup>4</sup> Manufacturer retail price for oncology drugs.

# A comprehensive approach across pharmacy and medical



## Specialty population insights

**Client Specialty Population Insights**

**Financial Summary**

- Allowed cost for indications included in this modeling is projected to **increase by 32.10%** from **\$5,731,745** to **\$7,571,635** in 12 months
- The baseline Specialty PMPM allowed cost is **\$25.14** and projected to **increase 32.10%** to **\$33.21**
- CANCER** is projected to have the largest specialty PMPM allowed cost change, **Increasing 64.77%** from **\$4.05** to **\$6.67** PMPM
- BREAST CANCER** has the largest baseline allowed cost per specialty patient for **CANCER** at **\$20,358.09** and is expected to **increase to \$32,889.66**

**Population Summary**

- Specialty patient population for indications included in this modeling is projected to **increase by 26.01%** from **273** to **344** patients in 12 months
- CANCER** is projected to have the largest relative patient change, **Increasing 92.86%** from **14** to **27** patients
- LUNG CANCER** is projected to have the largest unique patient population for **CANCER**, **Increasing 40.00%** from **5** to **7** patients

Tip: Encouraging members to use preferred products and preferred sites of care will lead to impactful cost savings. CarelonRx will help you achieve this by intervening on opportunities to mitigate unnecessary specialty drug costs.

## Financial predictive detail

Indication Financial Predictive Detail													
INDICATION	BASELINE SPEC COST	PROJ SPEC COST	COST VARIANCE	COST TREND	BASELINE SPEC PMPM	PROJ SPEC PMPM	PMPM VARIANCE	PMPM TREND	BASELINE COST PER SPEC PT	PROJ COST PER SPEC PT	COST PER SPEC PT VARIANCE	COST PER SPEC PT TREND	
INFLAMMATORY CONDITIONS	\$4,061,733	\$6,395,238	\$2,333,505	57.45%	\$17.81	\$28.05	\$10.23	57.45%	\$79,641.82	\$87,606.00	\$7,964.18	10.00%	
CANCER	\$923,490	\$1,233,519	\$310,029	33.57%	\$4.05	\$5.41	\$1.36	33.57%	\$65,963.57	\$72,559.93	\$6,596.36	10.00%	
ASTHMA	\$269,358	\$444,440	\$175,082	65.00%	\$1.18	\$1.95	\$0.77	65.00%	\$26,935.76	\$29,629.33	\$2,693.58	10.00%	
DERMATOLOGIC CONDITIONS	\$241,069	\$362,873	\$121,804	50.53%	\$1.06	\$1.59	\$0.53	50.53%	\$12,687.87	\$13,956.65	\$1,268.79	10.00%	
PULMONARY ARTERIAL HYPERTENSION (PAH)	\$236,095	\$519,408	\$283,314	120.00%	\$1.04	\$2.28	\$1.24	120.00%	\$236,094.75	\$259,704.23	\$23,609.48	10.00%	

Sub-Indication Financial Predictive Detail – INFLAMMATORY CONDITIONS													
SUB-INDICATION	BASELINE SPEC COST	PROJ SPEC COST	COST VARIANCE	COST TREND	BASELINE SPEC PMPM	PROJ SPEC PMPM	PMPM VARIANCE	PMPM TREND	BASELINE COST PER SPEC PT	PROJ COST PER SPEC PT	COST PER SPEC PT VARIANCE	COST PER SPEC PT TREND	
PSORIATIC ARTHRITIS	\$2,680,744	\$3,825,000	\$1,144,256	42.68%	\$11.76	\$16.78	\$5.02	42.68%	\$95,740.84	\$103,378.38	\$7,637.53	7.98%	
CROHN'S	\$771,729	\$1,320,238	\$548,509	71.08%	\$3.38	\$5.79	\$2.41	71.08%	\$42,873.85	\$50,778.39	\$7,904.54	18.44%	
ULCERATIVE COLITIS	\$609,260	\$1,250,000	\$640,740	105.17%	\$2.67	\$5.48	\$2.81	105.17%	\$121,851.98	\$125,000.00	\$3,148.02	2.58%	

# Managing high-risk, high-cost specialty patients requires a comprehensive approach



## Market dynamics

- Networks
- Net cost
- Product availability
- Leverage competition

## Framework

- Clinical integrity
- Benefit design
- Formulary placement
- Cohesiveness with other programs
- Integrated strategy

## Connectivity

- Create awareness for members and prescribers on products
- Transition assistance to preferred product
- Cost savings

## Evaluating the biosimilar competitive landscape to achieve the lowest overall cost strategy

Projected to exceed **\$181 billion** in estimated savings through 2027<sup>1</sup>

**Over 100** biosimilars currently in development and approval process<sup>2</sup>

The FDA has approved **51** biosimilars, with **42** launched, with potential for **6** more by June 2024

# How will biosimilars impact the specialty market?

What does this mean for our clients?

Price competition



Expanded treatment options



Increased access



Improved health outcomes overall and greater cost management opportunities

**Biosimilars are projected to exceed**

**\$181B**

in estimated savings through 2027<sup>1</sup>

**+100**

biosimilars are currently in development and approval process<sup>2</sup>

**59**

FDA approved biosimilars

**42**

have launched as of September 2024



<sup>1</sup> [https://www.iqvia.com/insights/the-iqvia-institute/reports/biosimilars-in-the-united-states-2023-2027?utm\\_campaign=2023\\_BiosimilarsinUS\\_Institute\\_TC&utm\\_medium=email&utm\\_source=Eloqua](https://www.iqvia.com/insights/the-iqvia-institute/reports/biosimilars-in-the-united-states-2023-2027?utm_campaign=2023_BiosimilarsinUS_Institute_TC&utm_medium=email&utm_source=Eloqua)

<sup>2</sup> <https://www.fda.gov/about-fda/fda-track-agency-wide-program-performance/fda-track-center-drug-evaluation-research-pre-approval-safety-review-biosimilars-dashboard>

# Humira and the launch of biosimilars

## CarelonRx objectives:

- Lower net cost for patients and clients
- Promote lower cost products but being member and provider friendly

## Current landscape:

- The net cost of adalimumab, including Humira, has decreased significantly over the past year
- Many biosimilars are available at various prices
- More biosimilars are in the pipeline

## CarelonRx strategy:

- CarelonRx offers biosimilars and the reference product (i.e., Humira) on all our Commercial formularies
- Beginning 7/1/25, we will offer at least 2 new formularies with a biosimilar only option that excludes the reference product (i.e., Humira).

Advocating for our members and plan sponsors by evaluating:

Coverage



Choice



Cost

# U.S. pipeline of other key biosimilars\*

Reference product	Actemra (IV/SC)	Enbrel	Eylea	Neulasta OnPro	Prolia/Xgeva	Soliris	Stelara (IV/SC)	Tysabri	Xolair
Medical condition	Inflammatory conditions	Inflammatory Conditions	Ophthalmology	Hematology	Endocrinology/Hematology	Hematology	Inflammatory conditions	Neurology	Immunology/Pulmonology
Primary benefit coverage	Pharmacy	Pharmacy	Medical	Medical	Medical	Medical	Pharmacy	Medical	Pharmacy
# Biosimilars pipeline	2	1	4	0	17	0	3	0	4
# Biosimilars approved	3	2	5	1	2	2	5	1	0
# Biosimilars launched	3	0	0	1	0	0	0	0	0
Biosimilar launch date	Tofidence IV and Tyenne IV/SubQ (Launched)	Erelzi and Eticovo (anticipated 2029)	TBD	Launched	Jubbonti and Wyost (anticipated May 2025)	Bkemv (anticipated March 2025)	Wezlana, Otulfi, Pyzchiva, and Selarsdi (anticipated Jan-Feb 2025)	TBD	TBD

\*"Pipeline" is defined as biosimilar products in late stage (i.e., Phase III) clinical trials or those submitted to the FDA but pending a decision.



# Precision landing

Expert reporting  
and audit services

# Content placeholder for Reporting section

# Seamless connections

Integrating technology for improved health



PHARMACY CAPABILITIES

# CarelonRx is committed to the unique needs of FedEx and its teammates

Benefit customization to meet your unique needs



Point of sale rebates

Custom communication

Plan design administration capability



Direct connection to your diverse solutions



Carve-out capabilities

Data sharing

Vendor integration capabilities

# Beyond the basics for a smooth landing



# Pharmacy implementation timeline for FedEx

## EXPERTISE

Experienced, knowledgeable experts provide dedicated support to you and your teams.

## FLEXIBILITY

Implementation is adjusted to your needs and requirements throughout the entire process.

## CONTINUITY

Your implementation coordinator stays with you beyond your successful implementation.

T-420 DAYS

T-90 DAYS

T-60 DAYS

T-30 DAYS

JANUARY '26



- Customize communication strategy
- Launch member site for Rx price/tier check
- Requirements gathering
- Member communication material and integration discussions
- Finalize benefit design and clinical offerings

- Audit set up
- Ongoing member communication material and integration discussions
- Adjust benefit design and clinical offerings as needed
- Parallel claim runs

- Set up file feeds and connectivity
- Build benefits and clinical programs
- Finalize communication strategy
- Load production eligibility files
- Training for internal teams
- End to end testing

- Pharmacy transition files
- Welcome kits and ID cards mailed
- System audits conducted

**GO LIVE!**

# A track record of implementation success

CarelonRx understands the need for continuity, flexibility, and expertise. We have the people and the knowledge to get you there — and stay with you even after a successful implementation.

Completed one of **the largest PBM transitions in history.**

Built nearly **13,500 unique benefit plan designs** for Commercial.

1,400+ IT deliverables were built to **enhance pharmacy capabilities.**

99% of access to care issues **resolved within 24 hours.**

“Our commercial launch was an amazing example of how a PBM transition should be done, with practically no member disruption and while having a positive impact on our sales and retention efforts in the marketplace, as we work to lower the costs for our customers.

— **Drew Hobby**, Executive Vice President, Healthcare Economics, Blue Cross of Idaho



Questions?

# Thank you

Just as you ensure every package reaches its destination, we aim to deliver exceptional health support tailored to you and your team.

With our connected care approach and whole-health solutions, we simplify benefit access and provide consistent, integrated support. Let's soar to new heights, together, ensuring your well-being is as streamlined as your flight path.



Anthem Blue Cross and Blue Shield is the trade name of: In Colorado: Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc. In Connecticut: Anthem Health Plans, Inc. In Indiana: Anthem Insurance Companies, Inc. In Georgia: Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. and Community Care Health Plan of Georgia, Inc. In Kentucky: Anthem Health Plans of Kentucky, Inc. In Maine: Anthem Health Plans of Maine, Inc. In Missouri (excluding 30 counties in the Kansas City area): RightCHOICE® Managed Care, Inc. (RIT), Healthy Alliance® Life Insurance Company (HALIC), and HMO Missouri, Inc. RIT and certain affiliates administer non-HMO benefits underwritten by HALIC and HMO benefits underwritten by HMO Missouri, Inc. RIT and certain affiliates only provide administrative services for self-funded plans and do not underwrite benefits. In Nevada: Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc., dba HMO Nevada. In New Hampshire: Anthem Health Plans of New Hampshire, Inc. HMO plans are administered by Anthem Health Plans of New Hampshire, Inc. and underwritten by Matthew Thornton Health Plan, Inc. In 17 southeastern counties of New York: Anthem HealthChoice Assurance, Inc. and Anthem HealthChoice HMO, Inc. In these same counties Anthem Blue Cross and Blue Shield HP is the trade name of Anthem HP, LLC. In Ohio: Community Insurance Company. In Virginia: Anthem Health Plans of Virginia, Inc. trades as Anthem Blue Cross and Blue Shield, and its affiliate HealthKeepers, Inc. trades as Anthem HealthKeepers providing HMO coverage, and their service area is all of Virginia except for the City of Fairfax, the Town of Vienna, and the area east of State Route 123. In Wisconsin: Blue Cross Blue Shield of Wisconsin (BCBSWI) underwrites or administers PPO and indemnity policies and underwrites the out-of-network benefits in POS policies offered by CompCare Health Services Insurance Corporation (CompCare) or Wisconsin Collaborative Insurance Corporation (WCIC). CompCare underwrites or administers HMO or POS policies; WCIC underwrites or administers Well Priority HMO or POS policies. Independent licensees of the Blue Cross and Blue Shield Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc. CarelonRx is an independent company providing pharmacy benefit services on behalf of the health plan.

This used to be in Bank of America deck: Financial Commitment section, but it's not part of the new agenda

## Making sense of the dollars



# CarelonRx transparent pricing offerings

	Option A: pass through pricing structure Enhancements Coming!	Option B: Acquisition Cost – Rebate Driven Enhancements Coming!	Option C: Acquisition Cost – Low Net Cost NEW!
RETAIL	<ul style="list-style-type: none"> <li>• Full Pass Through of Reimbursement to Pharmacies based on Guarantees CarelonRx commands from CVS Caremark</li> <li>• Broad 68,000 retail network with Rx Maintenance 90 mail match at 90-day retail</li> </ul>		
MAIL	<ul style="list-style-type: none"> <li>• Discount guarantees disconnected from acquisition pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Full Pass Through of better of CarelonRx acquisition pricing from CVS Caremark and defined pricing guarantees</li> <li>• Defined dispensing fee to cover cost to fill and shipping</li> </ul>	
SPECIALTY	<ul style="list-style-type: none"> <li>• \$0.00 Dispensing Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Full Pass Through of better of BioPlus acquisition pricing and defined pricing guarantees</li> <li>• Defined dispensing fee and CarelonRx retention of pharmacy bonafide service fees</li> </ul>	
REBATES	<ul style="list-style-type: none"> <li>• Rebate Driven National Direct Plus Formulary</li> <li>• Aggressive rebate guarantees inclusive of investment</li> <li>• Prepay of greater of guarantees and collections</li> <li>• CarelonRx retention of PBM bonafide service fees</li> </ul>		<ul style="list-style-type: none"> <li>• Low Net Cost Essential Formulary</li> <li>• Aggressive rebate guarantees</li> <li>• Prepay of greater of rebate guarantees and collections</li> <li>• Formulary Savings guarantee</li> <li>• Overperformance guarantees above Rebate, Pricing, and Formulary Savings guarantees</li> <li>• CarelonRx retention of PBM bonafide service fees</li> </ul>

# Retail network pricing

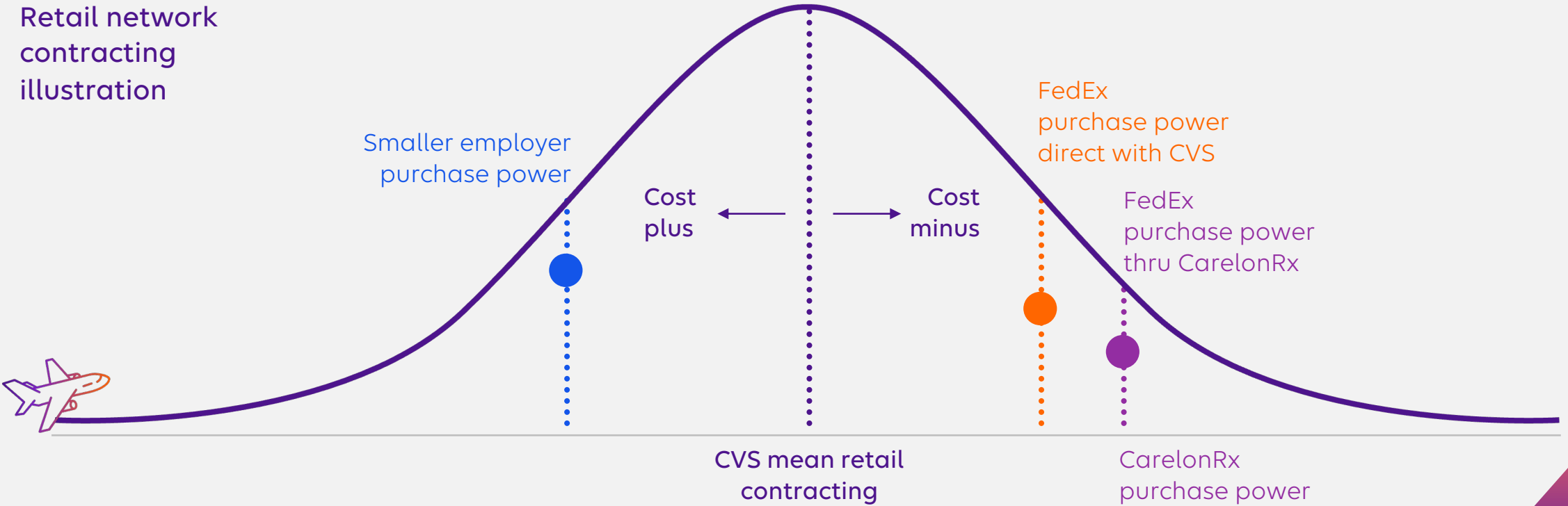
## RETAIL

- Full pass through of reimbursement to pharmacies based on guarantees CarelonRx commands out of CVS Caremark

- CarelonRx negotiation power leverages 17M pharmacy lives, backed by annual market check with CVS Caremark

- Defined flat PEPM administrative fee represents full CarelonRx retail gross margin

### Retail network contracting illustration



# Mail and Specialty acquisition cost structures

## MAIL

- CarelonRx Pharmacy handles all front-end member services

## SPECIALTY

- BioPlus handles full front and back-end services including shipping

## PATIENT JOURNEY



 CarelonRx Pharmacy scope

 Dispensing Pharmacy scope

# Rebates

## ESSENTIAL FORMULARY

- Low Net Cost Driven formulary used within CarelonRx fully insured business and CarelonRx employees

- Net Cost based on net of list price, member cost share, and rebates

- 13% lower rebates than National Direct Plus, but 4% lower net cost

Formulary	PMPM*			Relativity to ND+		
	Paid	Rebate	Net	Paid	Rebate	Net
National Direct Plus	\$100.00	\$39.46	\$60.55			
Essential	\$92.60	\$34.18	\$58.42	-7%	-13%	-4%

- + Low Net Cost driven approach and aligned incentives
- ✗ Lower Rebate Guarantees
- + Prepayment of greater of Rebate Guarantees and collections
- + Formulary Savings Guarantee representing paid spend difference between ND+ and Essential formularies
- + Overperformance credit of \$40M guaranteeing value beyond Pricing, Rebate, and Formulary Savings guarantees

\* Normalized to illustrative \$100 National Direct Plus Paid PMPM, relativities based on CarelonRx book of business.

Committed to your success with a market-leading financial offer



**Leading pricing guarantees** inclusive of 100% pass-through of pharmacy rebates with per-brand minimum guarantees

**\$14.5M\***

in total credits and allowances to assist with cost control and member experience:

**\$3.6M** in implementation credits

**\$150K** for implementation related audit

**\$10.7M** in universal credits

**\$10.5M\***

in total one-time and on-going performance guarantees to ensure top performance:

**\$1.5M** in implementation performance guarantees at risk

**\$9M** in on-going performance guarantees at risk

Diabetes and depression adherence/outcomes guarantee coming with BAFO

\*Estimates based on the Per Member offering and membership provided at time of quote.