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FOR IMMEDIATE RELEASE
July 24, 2006
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HR Policy Association Certifies Ten Pharmacy Benefit Managers Willing to Provide Full Transparency in Drug Contracting

Nearly Fifty Percent of the PBM Marketplace Now Subscribes to the Association's Transparency In Pharmaceutical Purchasing Standards Requiring Suppliers to Provide Services in an Open Fashion

Washington, DC—Today, HR Policy Association is proud to announce that it has certified seven new pharmacy benefit managers and recertified three PBMs that have agreed to do business in a fully transparent manner. The certified and recertified PBMs are Aetna Pharmacy Management; Blue Cross and Blue Shield of Alabama, Caremark Rx, Inc.; Catalyst Rx, A HealthExtras Company; CIGNA Pharmacy Management; HealthTrans; Medco Health Solutions, Inc.; MedImpact Healthcare Systems, Inc.; RESTAT; and Walgreens Health Initiatives, Inc.

All have committed to meet or exceed HR Policy Association's pharmaceutical contracting principles, which provide employers with the most rigorous level of drug purchasing transparency available in the marketplace. These principles are developed each year as part of the Coalition's Transparency in Pharmaceutical Purchasing Solutions (TIPPS) initiative. This year's additions to the principles include new requirements for PBM's relating to specialty pharmacy. The Coalition, chaired by Sidney C. Banwart, vice president, human services division of Caterpillar, Inc., is made up of more than 50 large employers who purchase pharmacy benefits for more than five million Americans. "We are very pleased to see that our efforts to bring clarity to the confusing world of pharmaceutical pricing are working and that a growing number of PBMs are willing to do business in a fully transparent manner. Our Association is proud that in just one year we have moved from three organizations that would accept our terms to ten, including two of the market leaders in the field," said Banwart.

"We look forward to the day when all PBMs fully embrace transparency, especially when health care in the United States is placing more responsibility on consumers to make wise purchasing decisions. The fact that a growing percentage of the PBM marketplace now subscribes to the Association's contracting principles demonstrates that the purchasing community can achieve health care market reforms," said Jeffrey C. McGuinness, president of HR Policy Association.

The growing number of PBMs willing to meet the TIPPS standards, including prominent players in the PBM market, demonstrates that the call for transparency is being heard. The TIPPS standards promote contracting that makes it easier for employers, their beneficiaries and dependents to understand the true price of a drug. The TIPPS initiative was also recently named a 2006 Rx Benefit Innovation Award winner by the Pharmacy Benefit Management Institute as an original solution to help health care purchasers influence the industry through market-based reforms.

TIPPS standards are designed to ensure pharmacy benefit services are structured to encourage the use of the most cost-effective, clinically appropriate drug available. The Coalition engaged Hewitt Associates, a global human resources services company, to define the standards, which include:

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Providing employers the acquisition cost for brand and generic drugs dispensed at retail pharmacies and delivered through mail service;
Providing acquisition cost for specialty pharmacy drugs;
Passing through 100 percent of all revenue from drug manufacturers related to the employer's contract; and
Allowing full audit rights to ensure compliance with the Coalition's standards

HR Policy Association is a public policy advocacy organization representing the senior human resource executives of more than 250 leading employers doing business in the United States. Collectively, its members employ over 12 percent of the U.S. private sector workforce or some 19 million Americans. Due to extreme concern over skyrocketing health care costs in the United States and deficiencies in efficiency and quality, the Association has been working through its public policy agenda and market reform initiatives to address the problems that plague our nation's health care system.

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