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Prime Therapeutics Releases 2006 Drug Trend Insights
Pharmacy Benefits Manager Reports 4th Year of Single Digit Drug Trend

ST. PAUL – For the fourth consecutive year, Prime Therapeutics (Prime) reported a single digit drug trend increase for 2006. According to the pharmacy benefit management company's 2006 Drug Trend Insights, released today, Prime had a 5.9 percent increase for overall drug spending in 2006, an amount lower than the 8.3 percent average reported by market intelligence company IMS Health and also less than forecasted by the Center for Medicare and Medicaid Services (CMS) and other pharmacy benefits managers (PBMs).

Drug Trend Insights is Prime's annual report on the factors that influence prescription drug costs, along with a review of its efforts to control the increases for clients while improving health care quality. The report shows how Prime's management of pharmacy benefits not only mitigates drug spending, but also helps employer groups and health plans improve the quality and financial performance of their health benefits as a whole.

“We are very proud of achieving four consecutive years of low drug trend. These results demonstrate the effectiveness of our unified health and pharmacy benefit strategy in moderating costs,” said Tim Dickman, president and CEO, Prime Therapeutics.

One of the key elements Prime uses to hold down drug cost increases is the promotion of the use of generic drugs. Prime's overall generic utilization rate, at 54 percent in 2006, has consistently increased over the past several years, demonstrating Prime's effectiveness in educating members on the value of generic drugs.

The report also highlighted numerous trends and events influencing the management of prescription drugs, including:

- Cholesterol or lipid-lowering medications continue to represent the greatest portion of Prime clients' drug spending. In 2006, almost 10 percent of its client's drug spending was

in the cholesterol-management category. Depression, blood pressure management, gastrointestinal disorder management and pain management rounded out the top five categories by drug spending.

- Several other categories experienced the highest increase year-over-year per member per month (PMPM) spending. These included traditional drug therapies used to manage attention deficit hyperactivity disorder, anticonvulsants and diabetes medications. The insomnia category experienced the greatest spending increase at 40 percent.
- Specialty drugs accounted for 13.8 percent of clients' drug spending and the specialty category experienced a 10.5 percent trend. The most dramatic increase in specialty trend was oncology, with a 33.2 PMPM increase.
- Prime's clinical programs, which are intended to help manage spending while ensuring members receive needed treatments, saved \$30 for each \$1 spent.

At Prime, drug trend is defined by the total adjudicated amount (including pharmacy network discounts, dispensing fees and taxes) per member per month for Prime's commercial population under age 65. For a full copy of Drug Trend Insights, go to www.primetherapeutics.com.

Prime Therapeutics LLC is a pharmacy benefit management company dedicated to providing innovative, clinically-based, cost-effective pharmacy solutions for clients and members.

Providing pharmacy benefit services nationwide to approximately 12.5 million covered lives, its client base includes Blue Cross and Blue Shield Plans, employer and union groups, and third-party administrators. Headquartered in St. Paul, Minnesota, Prime Therapeutics is collectively owned by 10 Blue Cross and Blue Shield Plans, subsidiaries or affiliates of those Plans. Learn more at www.primetherapeutics.com.

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