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## **Prime Therapeutics Reports 7<sup>th</sup> Consecutive Year of Single Digit Drug Trend**

*Prime Drug Trend is Among the Lowest in the Industry*

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ST. PAUL, MINN., Aug. 5, 2010– Pharmacy spending for Prime Therapeutics (Prime) and its Blue Cross and Blue Shield partners increased just 3.4 percent in 2009, among the lowest rates in the industry, according to Prime’s 2010 *Drug Trend Insights* report released today. Even as brand-name prescription costs increased 9.8 percent, Prime outperformed leading pharmacy benefit managers across all drug classes, according to the report.<sup>1</sup>

The analysis found spending on traditional drugs increased just 1.8 percent in 2009, well below the 4 percent rate of inflation among those drugs. Spending on specialty medications – which are used to treat complex medical conditions such as multiple sclerosis, hemophilia and rheumatoid arthritis – increased 13 percent. Prime’s drug trend compares favorably to its national competitors who reported 2009 drug spend increases averaging 4.5 percent—with some as high as 6.4 percent—by reporting on a select portion of their accounts.

“Prime’s drug trend results represent our entire Commercial book of business—in contrast to major competitors that report on a narrower subset of their accounts,” said Steve Blumenfield, Prime’s Chief Marketing Officer. “Our approach clearly demonstrates that excellent cost of care and complete transparency can be achieved, together.”

Prime’s approach, in concert with its Blue Cross and Blue Shield owners and clients, is to deliver health-oriented pharmacy benefits at the lowest possible cost:

- Pharmacy benefits with a total health perspective
- Industry-leading drug trend management
- The lowest ingredient costs per prescription
- Best in class client satisfaction
- A consultative approach with goals fully aligned with plan sponsors

“Working with our Blue Cross partners, we have once again achieved one of the best drug trends in the industry,” said Eric Elliott, president and CEO, Prime. “We’ve proven that Prime delivers industry leading pharmacy benefit management focused on innovative pharmacy solutions, increased use of generics and greater adherence among our members. Our focus on improving member health, not profits, means greater quality of care and increased savings for both members and plan sponsors.”

Key findings in *Drug Trend Insights* report include:

- In 2009, the average member’s share of pharmacy costs remained steady at 26.4 percent.
- The number of drugs members used increased 2.5 percent on average, and use of generic medications increased 4 percent, increasing the generic fill rate – the percentage of generic drugs dispensed compared to brand name drugs – to 67 percent. Prime projects the

commercial book of business generic rate could exceed 70 percent by the end of 2010, based solely on the pipeline of coming generic drugs.

- Prime's clients also saw utilization increases among important categories of medications that are proven to help improve member health, and thus reduce overall health care spending. Use of cholesterol-lowering medications increased 6 percent, while use of diabetes and high blood pressure medications increased 2.7 and 1.5 percent respectively. Spending on diabetes medications contributed most significantly to the increase in drug trend in 2009, followed by multiple sclerosis and arthritis.
- Half of the top 10 fastest growing spend categories in 2009 were specialty drugs. Although these medications account for less than one-half of a percent of all prescriptions dispensed by Prime, they account for 12 percent of drug spending. Rising drug prices were the greatest factor driving this trend, and because generics account for just 5.1 percent of specialty drugs, fewer opportunities exist to reduce costs.

"For Prime, drug trend isn't just about reducing costs, but about providing the greatest value for our members and clients," said Elliott. "Helping patients access the medications that are shown to improve their health, and helping them stick to those medications, is one of the best ways to reduce overall health care spending and provide the greatest value for every pharmacy dollar."

*Drug Trend Insights* is Prime's annual report on the factors that influence prescription drug spending, along with a review of its efforts to control cost increases while improving health care quality. A full copy of the 2010 *Drug Trend Insights* report is available at [www.primetherapeutics.com](http://www.primetherapeutics.com).

**Prime Therapeutics** 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 17 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, Minn., Prime Therapeutics is collectively owned by 12 Blue Cross and Blue Shield Plans, subsidiaries or affiliates of those Plans. Learn more at [www.primetherapeutics.com](http://www.primetherapeutics.com).

\*As of January 1, 2011

<sup>1</sup>Competitor average derived from drug trends reported by the top three publicly-owned PBMs. Sources: CVS Carmark Insights 2010; Express Scripts 2009 Drug Trend Report; Medco 2010 Drug Trend Report

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