To help people get the medicine they need to feel better and live well
FROM OUR CEO
After 20 years, our story is still unfolding

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AFTER 20 YEARS, OUR STORY IS STILL UNFOLDING

In 2018, Prime Therapeutics (Prime) celebrates 20 years of drug cost management. A lot has changed in 20 years. Prescription drug spending has more than doubled, exceeding $328 billion. Specialty drugs, once a small part of health care, are approaching 50 percent of drug spend — and blurring the pharmacy and medical benefit divide.

Health plans and employers are looking for innovative tools to control spending. Prime has those tools. Beyond rebates and discounts, we're building quality-based pharmacy networks and developing value-based contracts with drug companies. And we're using next-generation analytics to improve care and control costs.

We're creating the future of drug cost management as a trusted partner with a history of success.

Built for the Blues
When two Blue Cross and Blue Shield plans launched Prime in August 1998, Prime's sole purpose was to effectively manage drug cost for Blue Plans through a fully transparent model. So, we were different from day one.

That difference caught the attention of Blue Plans across the country. In 20 years, we've grown from a little claims processor serving a couple million people to one of the largest pharmacy benefit managers (PBMs) in the country. We enter our 20th year with 22 Blue Plan clients and more than 27 million members. We've grown not through mergers and acquisitions, but by being a trusted partner in a competitive market.

Finding our footing in a changing landscape
When Prime's board of directors gave me the privilege to lead Prime in April 2015, we had hit a plateau in growth. With a trillion dollars in health care mergers and acquisitions reshaping the industry in 2014 and 2015, our competitors were getting bigger. And price competition was, and remains, fierce.

As the industry focused on the largest PBMs, Prime was thought of as “the best of the rest.” To remain viable, we had to change that perception. We'd already set the bar high for member experience. And our integrated model made us leaders in controlling total cost of care. But we needed to win the spreadsheet contest. With our competitive discounts and rebates initiative, we set out to
benchmark Prime against the top two PBMs in each market every quarter. Now in its third year, that initiative has delivered more than $5 billion in incremental savings. Under our unique business model, every penny of that additional savings has been passed through to clients.

We also took a hard look at Prime’s position in the rapidly consolidating and integrating industry. After analyzing a range of options, we pursued a strategic collaboration with Walgreens Boots Alliance. That first-of-its-kind collaboration aligned health plans, retail pharmacies and the PBM to create a new model for improving health and reducing costs.

Reclaiming leadership
These initiatives, coupled with new products and an amazing team, have delivered results for our clients and members.

• We reclaimed leadership in controlling rising drug spend in 2016. And in 2017, we delivered negative drug trend across all lines of business — commercial, Medicaid and Medicare.

• We moved nearly 50 percent of our retail volume to networks anchored by Walgreens, saving more than $5 per member per month (PMPM) with no significant member disruption.

• To help clients better manage high-cost drugs, we developed a NetResults™ formulary strategy that delivered net savings of $10 to $14 PMPM by emphasizing generics and preferred brand drugs.

• Through these and many other efforts, Prime delivered $3.37 billion in incremental financial value to our clients in 2017 — 29 percent above target.

At the same time, Prime earned — for the third time in five years — the top rating for overall customer satisfaction among large PBMs in the Pharmacy Benefit Management Institute’s annual survey.

The market responded. In 2017, we successfully implemented Blue Cross & Blue Shield of Rhode Island, our first new Blue Plan owner since 2012. We won the full-service PBM business for four additional Blue Plans owned by Cambia Health Solutions in 2017. We won the specialty pharmacy benefit business for the Federal Employee Program (FEP) and Capital BlueCross. And we added nearly 320,000 new lives through employer group sales, exceeding target by 25 percent.

Growing forward
We enter Prime’s next 20 years committed to the integrated Blue + Prime model that has brought us to a leading role in an incredibly dynamic market. Our vision is to be the destination PBM for Blue Plans by delivering industry-leading drug cost management solutions in a trustworthy net cost business model.

This means that as we continue to grow, we will always put our client and member needs first — right where they belong.

For 20 years, Prime has been a fierce ally standing alongside clients to help improve how health care is accessed, provided and paid for. As we step confidently into the future, we remain dedicated to helping people get the medicine they need to feel better and live well.

Here’s to the next 20 successful years — together.

Jim DuCharme
President and CEO, Prime Therapeutics

2017 HIGHLIGHTS

• Delivered $3.37 billion in incremental value to clients — 29 percent above target
• Voted #1 in the annual PBMI Customer Satisfaction Survey (for large PBMs)
• Received HITRUST Common Security Framework (CSF) certification
• Achieved savings of $10 to $14 net PMPM through NetResults formulary strategy
• Nearly 50 percent of our retail volume moved to Walgreens-anchored networks, saving more than $5 PMPM
• Successfully implemented Blue Cross & Blue Shield of Rhode Island
• Won full-service PBM business for Blue Plans owned by Cambia Health Solutions
• Awarded the Federal Employee Program (FEP) and Capital BlueCross specialty contracts
• Added 319,000 new lives through employee group sales, exceeding target by 25 percent
• Recognized as the sixth-largest privately held company in Minnesota and listed on Minneapolis/St. Paul Business Journal’s “Fast 50”
As a child of Blue Plans, we were born different. That means we have different ways to connect with them and their members. We’ve been following this unique business model for 20 years — and it’s working.

Different from day one
The close alignment we created with our first client-owners is now in place with all our Blue Plan clients. We regularly check in with our clients about the issues they’re facing in their markets. Then, we apply our big-picture perspective and scale-driven leverage to help them solve their local challenges.

We work together to help our Blue Plan owners and clients succeed. And, in turn, we succeed.

Shining a light on an opaque industry
Prime’s approach has always been grounded in trust and clarity. And while other PBMs say they’re transparent, that’s not always the case. We consistently deliver what we promise. And, as a result, our clients’ confidence in us keeps growing.

Here’s proof: In the Pharmacy Benefit Management Institute’s 2017 survey, plan sponsors ranked Prime as the top PBM in overall satisfaction among larger PBMs. In addition to top ratings for specific service functions, Prime had superior marks in delivery of promised services, flexibility and no conflict of interest — three areas that directly reflect our aligned approach.
Blazing a path to a better member experience
We answer to Blue Plans, and we know that members are their chief concern. That makes members our top priority, too. And for us, member-centered care isn’t just talk. In 2012, we were the first in our industry to create a formal customer experience program. Since that time, our customer experience team has been dedicated to making every member-pharmacy interaction as smooth as possible.

Creating game-changing partnerships
The PBM industry experienced fast and dramatic change in the past decade, requiring innovative thinking to meet new competitive challenges. Prime responded to these challenges with a powerful and innovative collaboration with one of America’s largest health care organizations. Our groundbreaking alliance with Walgreens brought together pharmacy, PBM, and health plan as never before, and our approach has been emulated by other organizations this past year seeking to capture the same sort of alignment through mergers and acquisitions.

“THE FINANCIAL VALUE STATEMENT WE PROVIDE TO CLIENTS QUANTIFIES THE VALUE OF OUR PRODUCTS AND SERVICES. NONE OF OUR COMPETITORS CAN OR WOULD PROVIDE THAT LEVEL OF TRANSPARENCY. AND WHEN WE EXCEED TARGET, AS WE HAVE THE PAST THREE YEARS, WE PASS ALL THE ADDITIONAL SAVINGS THROUGH TO OUR CLIENTS.”

Jim DuCharme, President and CEO
Prime Therapeutics
A new business model is born
In a market dominated by three pharmaceutical-owned PBMs, Prime’s ownership by two nonprofit Blue Plans stood out. The unique Blue + Prime model works to control the total cost of care instead of profit.

Promoting a better way to grow
The Blue + Prime model caught on quickly. Between 1999 and 2009, Prime added 11 Blue Plan clients, most of whom also became equity owners. So, when most other PBMs used mergers and acquisitions to increase their size and leverage, Prime chose a formula for organic growth.
Service matters
In 2012, Prime was the first PBM to establish a customer experience function. Today, our dedication to outstanding client and member engagement remains strong. In 2017, for the third time in five years, Prime earned the top rating for overall customer satisfaction among large PBMs in the Pharmacy Benefit Management Institute (PBMI) annual survey.

We’re with them
In 2015, Prime joined the Campaign for Sustainable Rx Pricing. The organization’s goal is to create positive, market-oriented solutions to rising drug prices. In 2016, Prime joined the Institute for Clinical and Economic Review as a flagship member. Together with leaders from almost 20 organizations, we’re helping develop innovative approaches to drug evaluation, pricing, coverage and payment.

So different, it broke the mold
In 2016, we announced a strategic collaboration with Walgreens. The new approach is the first to align the pharmacy, PBM and health plans to coordinate patient care, improve health outcomes and deliver cost-of-care opportunities. Industry observer Dr. Adam Fein declared, “If executed properly, it will be a best-of-breed business model that could reshape the PBM and pharmacy industries.”

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>JANUARY 20, 2009</td>
<td>Blue Cross and Blue Shield of Montana selects Prime.</td>
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<tr>
<td>FEBRUARY 3, 2012</td>
<td>Blue Cross and Blue Shield of North Carolina joins Prime.</td>
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<tr>
<td>DECEMBER 21, 2015</td>
<td>Prime joins the Campaign for Sustainable Rx Pricing.</td>
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<tr>
<td>MARCH 31, 2017</td>
<td>The Federal Employee Program selects Prime as its specialty pharmacy benefit provider.</td>
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<td>APRIL 3, 2017</td>
<td>Formation of AllianceRx Walgreens Prime is completed.</td>
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<td>MAY 26, 2016</td>
<td>Blue Cross &amp; Blue Shield of Rhode Island selects Prime.</td>
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<tr>
<td>AUGUST 29, 2016</td>
<td>Walgreens and Prime announce a strategic collaboration.</td>
</tr>
<tr>
<td>SEPTEMBER 23, 2016</td>
<td>Prime joins as a flagship member of the Institute for Clinical and Economic Review.</td>
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Prime has been serving clients in the commercial, Medicaid and Medicare Part D markets for years. Each has its own unique aspects, but government business comes with more than a few challenges.

**Boosting our emphasis on government programs**

In the 12 years since Prime entered the Medicare market, we’ve focused on improving our quality and compliance performance. In addition, to show how dedicated we are to this market, Prime incorporated Star Ratings into the annual incentive program for all of our employees in 2015.

That dedication continued in 2018 with the launch of GuidedHealth® Care — Smart Adherence. The program identifies Medicare members at risk for nonadherence and connects them to clinical outreach services. The goal is to improve members’ health and increase health plans’ Star Ratings.

**Keys to Prime’s government program success**

Prime understands the complex nature of government programs and knows what’s really important—to clients and to members. We support our government clients through detailed reporting and a firm management approach driven by experienced team leaders. Our insights use data and metrics with a focus on operational compliance to help:

- Monitor and implement new or modified regulations and guidance.
- Integrate compliance initiatives into processes and procedures.
- Measure potential risks and vulnerabilities through monitoring and auditing.
- Apply a disciplined approach to audits through the use of protocols.
- Hold employees accountable for compliance.

Since the introduction of Medicare Part D in 2006, the U.S. government has become the single largest payer for prescription drugs. Every market is highly regulated, and it’s not easy to manage it all. Prime’s management model is one of the keys to our success in government business. By closely collaborating with our clients, we can plan for and respond to the demands of each client’s market.
Serving more than 1.3 million Medicare Part D members daily
Prime has been partnering with Blue Plan clients to support Medicare Part D members since the program was created. We’ve grown from 793,837 original Part D members, to more than 1.3 million today. And our efforts have helped improve our Medicare clients’ Star Ratings, which leads to higher-quality service and care.

Growing Medicaid business nearly 450 percent in the last 4 years
Our tightly integrated and collaborative model has not only helped us keep our current Medicaid clients, it’s contributed to our growth — nearly 450 percent since 2014. Our PBM programs and negotiated savings helped our clients gain new Medicaid business in the markets they serve.
Prime’s early years were devoted to building the right foundation to serve clients and support members. We developed programs to help people with health issues from high cholesterol to hepatitis C—and everything in between. We built mail service and specialty pharmacies to provide convenient access to life-improving medicines.

As our business expanded, so did our desire to serve. In 2011, we launched PrimeCares, a corporate giving and volunteer program. And ever since, Prime has been helping people feel better and live well, right in the places where we live and work.
PrimeCares helps fund research and care through charities whose work aligns closely with ours. Employees participate in volunteer opportunities and fundraising events throughout the year.

During our annual Week of Giving, Prime employees give generously to our five charity partners. And Prime matches employee payroll deductions $0.50 for each dollar donated.

OUR CHARITY PARTNERS:

AMERICAN HEART ASSOCIATION
CHILDREN’S HOSPITALS AND CLINICS
HABITAT FOR HUMANITY
JUVENILE DIABETES RESEARCH FUND
NATIONAL MULTIPLE SCLEROSIS SOCIETY
HERE’S HOW WE HELPED

Prime employees gave a grand total of $375,000 to our five charities in 2017. Nearly 80 percent of our staff took part in some way — the highest participation rate in Prime’s history.

AMERICAN HEART ASSOCIATION

• Prime raised more than $172,000 through Heart Walk and Week of Giving.
• 1,000+ employees took part in Heart Walk-related events.

CHILDREN’S HOSPITALS AND CLINICS

• Donations totaled $167,000 and helped fund NICUs, meals, food pantry supplies, blankets and eye covers for patients.
• 240 employees volunteered to provide meals at the Ronald McDonald house or stock the two family lounges sponsored by Prime.
HABITAT FOR HUMANITY
• Week of Giving donations of $60,000 funded 3,200 hours of homebuilding and repair.
• 450 employees participated in the A Brush With Kindness and Home Build projects.

JUVENILE DIABETES RESEARCH FUND
• Week of Giving donations raised more than $33,000 towards finding a cure for diabetes.

NATIONAL MULTIPLE SCLEROSIS SOCIETY
• Raised $41,000 through Week of Giving and other events.
• 150 employees volunteered at events including MS 150, Traveling Turkeys Program, MS Program, MS Walk and MuckFest.
THE BENEFITS OF BEING INTEGRATED

“THIS IS BRILLIANT! LOVED IT! I USUALLY CALL THE PHARMACY WHEN I SUSPECT (MEDICATION) NON-COMPLIANCE. I WOULD NEVER HAVE SUSPECTED IT IN THIS PATIENT. THIS WAS SO MUCH MORE EFFICIENT. BRAVO!”

Statement from physician serving one of Prime’s members
Prime was created by Blue Plans to bridge the gap between health plan and pharmacy benefits. We had true integration from the beginning — before any other PBMs started talking about it. Now, with the rise of specialty drugs, our tight integration leads to solutions no other PBM can offer.

Over the years, our close connection has helped our clients achieve better health outcomes and better management of pharmacy costs. It’s one of the main reasons new Blue Plans and employer groups continue to choose Prime as their PBM. That integration also means we can analyze both medical and pharmacy data to find more ways to help Blue Plans manage their total health care costs.

And Blue Plans aren’t the only ones who benefit. Employer groups also appreciate having a partner who shares their values and puts their needs first. We’re able to get a more complete picture of members’ health — from the doctor’s office to the pharmacy. That means we can close gaps in care that other PBMs can’t.

It all adds up to better care and lower costs for everyone:

- Members get more support through clinical programs and services that help improve adherence.
- Plan sponsors get a bigger picture of their members’ health.
- Doctors and pharmacists have access to better clinical data, so they can make better decisions about treatment.

Helping clients manage specialty drugs is our specialty

Five years ago, Prime accurately projected specialty drugs would make up 50 percent of total drug spending by 2018. Our latest projection: 60 percent by 2021. What’s more, the overall trend has been increasing towards greater potential for these treatments to be covered under the medical benefit.

That’s why Prime collaborates with our clients to make smarter decisions on how to manage drugs. We’ve created a unique forum to review therapeutic categories and discuss strategies for managing specialty drugs — regardless of which benefit they’re provided under. No other PBM brings clients together like this. In addition, we offer drug-specific rules and review criteria to help clients improve outcomes, promote safety and drive savings on medical-side drugs.

Prime’s GuidedHealth Targeted Adherence program helped avoid nearly $4,000 in potential medical costs for this physician’s patient. We evaluate pharmacy and medical data that may not otherwise be available to physicians, identifying members who are at high risk of an adverse medical event if they don’t take medication as directed. Prime then closes the information gap by sharing adherence information with both members and physicians to improve health outcomes and lower total cost of care.

Programs like this drove medical cost avoidance savings of more than $375 million for our clients in 2017.
INTEGRATED SOLUTIONS LIKE NO OTHER

When it comes to closing gaps across the health care continuum, it’s the quality—not quantity—of our medical and pharmacy data that matters. It also takes smart people, processes and products—and a truly collaborative approach.

Working across the medical and pharmacy divide reveals opportunities no one else can find. And our ability to customize integrated solutions makes our programs work even harder.

Here are just a few examples of how we work hand-in-hand with Blue Plans to make sure members get the right drug at the right place for the right price—so everyone sees better results.

RIGHT DRUG

Assuring clinically appropriate use of drugs is a big part of what PBMs do. But most PBMs’ hands are tied when it comes to drugs covered and paid under the medical benefit. Prime helps clients manage utilization of these drugs through Medical Drug Review. This program reviews clinical data such as diagnosis code, lab results and health history. If something doesn’t align with the drug’s indication, we use proven utilization management techniques to help find a more appropriate therapy.

DURING A THREE MONTH PERIOD, A CLIENT SAW SAVINGS OF $1,579 PER MEDICAL DRUG REVIEW THROUGH OUR MEDICAL DRUG REVIEW TEAM.¹
Health plans and employers are paying for the infusion of drugs at care sites that can be unsafe or significantly more expensive. Our Site of Care program identifies members receiving specific drugs in key therapeutic categories. Then, member outreach helps make sure they’re going to the right site for safe, cost-effective care.

Prime is always looking for ways to help our clients increase savings. Our reimbursement solutions product analyzes plans’ medical fee schedules to help uncover opportunities to adjust reimbursement rates. And our new Medical Claim Edits program uses a set of drug-specific guidelines to identify medical claims that are out of line with expected cost, quantity or clinical use. Both programs help plans reduce medical-side drug expenses and lead to lower overall cost of care.

Payers can save up to $39,000 for each member who moves to a more optimal site of care.²
When Prime first came on the scene, the most expensive drug on the market was a breast-cancer therapy, Taxol®. It sold for $4,000 per year. Today, drugs with six-figure list prices are common. Eight of the 46 new drugs approved by the FDA in 2017 had an average annual price tag of $96,000.

High drug costs are one of the biggest problems facing the health care industry. All PBMs find ways to help their clients manage costs. Some solutions are valid, others may be questionable. Prime doesn’t play that game. We meet the challenge through alignment, partnership and trust. And our 2017 drug trend results prove it.
The latest trend: Beating last year’s trend

Like all PBMs, we exist to help people get the medicines they need at the best possible cost. It’s a balancing act in the best of times. And with specialty drug costs rising over the past few years, it’s been downright demanding. Fortunately, Prime consistently meets the challenge.

Over the past 10 years, we've repeatedly delivered the lowest net cost per prescription in the industry. Despite rising drug costs, our leadership in cost control remains strong. In 2017, Prime's net ingredient cost was 5.2 percent better than the competitor average.¹

And in 2017, Prime helped clients attain negative drug trend across all lines of business — commercial, Medicare Part D and Medicaid — compared to 2016. This was the second year in a row of exceptional results achieved through effective partnership and powerful PBM tools.

Annual savings delivered to clients in 2017 exceeded $3 billion across all three lines of business.

“OUR OUTSTANDING 2017 DRUG TREND RESULTS ARE HARD WON, ESPECIALLY AS WE CONTINUE TO SEE ONGOING AND SIGNIFICANT PRICE INCREASES FOR MEDICINES IN SOME OF THE MOST EXPENSIVE DISEASE CATEGORIES.”

Jim DuCharme, President and CEO
Prime Therapeutics
THE RIGHT TOOLS MAKE ALL THE DIFFERENCE

Our drug trend in 2017 represents a second consecutive year of successful cost management in spite of rising drug prices — particularly for specialty drugs. Without our active and assertive efforts to help drive clinically appropriate use and lowest net cost, our clients’ spending on prescription drugs would be much higher.

20 YEARS OF COST MANAGEMENT

1998
Prime Therapeutics Inc., a PBM like no other, opens for business with Steven S. Martin as president and CEO. In a market dominated by three pharmaceutical-owned PBMs, Prime’s ownership by two nonprofit Blue Plans stands out. The unique Blue + Prime model brings together health plans with their PBM to control total cost of care — rather than pad Prime’s bottom line.

2001
Prime Drug Insights provides timely, client-specific analyses of issues, the potential impact on health plans and members, and recommendations for action. Prime Drug Insights lays the groundwork for future client insight tools such as Prime Analytics.

2003
Anticipating a surge in generic drugs, Prime’s Win with Generics initiative streamlines generic substitutions. Unlike other similar programs at the time, Win with Generics doesn’t require a coupon — the cost savings occur automatically at the pharmacy. Prime’s generic utilization rate surpasses 50 percent in 2005. Generic utilization steadily resizes to 84.7 percent in 2017.

2004
To deliver convenience and cost savings, Prime launches PrimeMail®. The Irving, Texas facility ships more than 1 million prescriptions in its first year.

2008
Prime launches Triessent™, a complete specialty pharmacy management service. Triessent evolves to become Orlando-based Prime Therapeutics Specialty Pharmacy in 2012.

2018
So how did we do it? Here are highlights of the tools we used:

**Negotiated discounts**
We negotiate with manufacturers and pharmacies to achieve the best savings possible. In 2017, Prime secured major discounts including competitive rebates and more than $1 billion from improved pharmacy maximum allowable cost (MAC) pricing.

**Deep-discount pharmacy network**
Managed networks are a proven way to help lower pharmacy costs. Prime offers three options to meet plan sponsors’ needs. Last year, our Limited network, anchored by Walgreens pharmacies, offered the deepest discounts with the most competitive pricing. It’s also convenient for members, with more than 40,000 pharmacy locations to choose from. In 2017, the Limited network saved more than $5 PMPM.4

**Industry-leading formulary**
Narrow formularies are one of the most popular cost-cutting tools. But some of our plan sponsors wanted a harder-hitting option. Our NetResults formulary is the most aggressive in the industry — but not at the expense of members’ health. NetResults offers the right mix of drugs at the low, industry-competitive net cost. In 2017, total savings for lives covered by NetResults ranged from $10 to $14 PMPM.4

**GuidedHealth**
Our GuidedHealth engine continues to grow as we explore new ways to leverage integrated pharmacy and medical data. In 2017, GuidedHealth analyses found gaps in care and adherence that generated more than $375 million in medical cost avoidance and adherence savings.5

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**2009**
Prime creates Best in Care™, a disease-specific program to support members with costly chronic conditions.

**2011**
Prime introduces CareCentered Contracting™ to make sure Prime members take prescription medicines that truly improve their health.

**2012**
Prime launches GuidedHealth to help members and doctors make better decisions about their medicines based on pharmacy and medical data.

**2013**
Long before the opioid crisis made headlines, Prime introduces its Controlled Substance Drug Utilization Review (DUR) program.

**2014**

**2015**
Prime creates Best in Care™, a disease-specific program to support members with costly chronic conditions.

**2016**
Prime launches NetResults, an aggressive formulary designed to help clients better manage high-cost drugs and maximize rebates.

**2017**
AllianceRx Walgreens Prime enters the market as one of the nation’s leading central-fill specialty and home delivery pharmacies.

**2018**

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In 2018, Prime’s membership topped 27 million, reflecting strong growth in all our markets. This tremendous growth is fueled by our client collaboration and dedication to quality outcomes and affordability.

Our bigger size gives us the leverage we need to negotiate better prices and deeper discounts to drive down costs. Greater scale means we can expand our services while delivering them more efficiently. So, our recent growth isn’t just good for us, it’s good for all of our clients and members.
Prime completed the successful implementation of a new owner-client: Blue Cross & Blue Shield of Rhode Island, with 300,000 members. Prime added more than 1 million new members in four states — Washington, Oregon, Idaho and Utah — through its new relationship with Regence BlueCross BlueShield health plans.

Prime welcomed several new Medicare clients — including Vibra Health Plan and Blue Cross and Blue Shield of Nebraska.

Prime was awarded the specialty PBM business for the Federal Employee Program, with 5.3 million members.

We added 319,000 new lives through employer group sales, exceeding our target by more than 25 percent.

Prime partnered with clients to provide pharmacy benefits for an additional 600,000 individual members through state health insurance exchanges. We also now serve one in every four members on the federal exchange.
Building a better Prime

In 2017, Prime broke ground on a new campus in Eagan, Minnesota. The 40,000 square-foot building will bring together employees from four of our six Minnesota locations — with space for future growth. President and CEO Jim DuCharme said the groundbreaking “represents a major milestone in Prime’s evolution as a company. It will generate efficiencies and financial savings for our company and our clients for years to come.”

The first phase of the project will be ready for occupancy by late 2018. The second phase should be completed by early 2020.

Prime, the sixth-largest privately held company in Minnesota, made the Minneapolis/St. Paul Business Journal’s “Fast 50” list and the Inc. 5000 list for revenue growth.
Purposeful growth is a key part of our strategy. And that means being ready to serve and support our clients wherever they need us.

We continue to apply a focused approach to meeting our clients’ government program needs, partnering with them to serve retirees, Medicaid recipients, and individual plan members through state and federal exchanges.

With the future of the Affordable Care Act uncertain, health plans are paying extra attention to employer groups and other commercial plan sponsors. And because Prime’s work aligns so closely with our clients, we’re committed to helping them succeed.

To help our health plans give employer groups the best possible experience, we have:

• Created a team devoted to employer group growth. This team will work with our Blue Plans to build joint growth strategies. Together, we will share the Blue + Prime story with employer group prospects.

• Built a special team to work directly with clients to support employer group retention.

• Established a new senior-level position focused on enhancing Prime’s relationships with health care consultants and brokers. This leader will keep consultants informed about the pharmacy industry, including new drugs and treatments and new best practices in pharmacy benefit management, as well as Prime’s products and services.

• Enabled client growth with underwriting, marketing and RFP support.

Together with our clients, we’re planting seeds for the future. Because when they succeed, we succeed.
Prime’s purpose is to help people get the medicine they need to feel better and live well. And there’s nobody better to guide our efforts than our senior leadership. Together, they have nearly two centuries of experience in the health care and PBM industries. Their understanding of the marketplace and dedication to our purpose provide the expert leadership to help our Blue Plan owners and clients succeed.

**EXECUTIVE LEADERSHIP TEAM**

Jim DuCharme  
President and Chief Executive Officer

Erin Feigal  
Senior Vice President and Chief Human Resources Officer

Jonathan Gavras, M.D., FCCP  
Senior Vice President, Chief Medical Officer

Ellyn Hosch  
Chief Information Officer

Mike Kolar, J.D.  
Senior Vice President, General Counsel and Secretary to the Prime Therapeutics Board of Directors

Alec Mahmood  
Chief Financial Officer

Cameron Olig  
Senior Vice President, Commercial Markets and Sales

Dave Overman  
Chief Operating Officer

Ann Tobin  
Chief Compliance Officer
Our board of directors is made up of executives from our Blue Plan owners and Prime’s CEO, Jim DuCharme. Together, they guide our overall philosophy and direction.

BOARD OF DIRECTORS

CHAIRMAN

Michael Guyette
President and Chief Executive Officer
Blue Cross and Blue Shield of Minnesota

DIRECTORS

Jim DuCharme
President and Chief Executive Officer
Prime Therapeutics

Andrew C. Corbin
President and Chief Executive Officer
Blue Cross and Blue Shield of Kansas

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Cambia Health Solutions

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Kim A. Keck
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Blue Cross & Blue Shield of Rhode Island

René Lerer, M.D.
President
GuideWell Mutual Holding Corporation,
Florida Blue and GuideWell Group, Inc.

Steven S. Martin
President and Chief Executive Officer
Blue Cross and Blue Shield of Nebraska

Colleen Reitan
Executive Vice President
and Chief Operating Officer
Health Care Service Corporation

Rick Schum
President and Chief Executive Officer
Blue Cross Blue Shield of Wyoming

Tim Vines
Chief Administrative Officer
Blue Cross and Blue Shield of Alabama

Patrick Conway, M.D.
President and Chief Executive Officer
Blue Cross and Blue Shield of North Carolina

THANKS TO A FOUNDER

Steven S. Martin was Prime’s first president and CEO back in 1998. He set the standard for all our CEOs, and has been an important contributor to our board of directors since he left Prime to lead Blue Cross and Blue Shield of Nebraska in 2002. Steve announced his retirement this year and will leave the board in March 2018. We congratulate Steve on his retirement and thank him for his insights over the years. Steve will always remain an integral part of Prime’s history.
In our first 20 years, we grew from two Blue Plan owners to 22 owners and clients, from 2.5 million members to more than 27 million and from 125 employees to more than 3,000. And, unlike other PBMs, we’ve done this solely by developing the trust of payers, employers and Blue Plans.

As we start our next 20 years, we look forward to continuing to support our current Blue Plan clients’ efforts and creating many more successful new relationships.
ABOUT PRIME THERAPEUTICS

Prime helps people get the medicine they need to feel better and live well. Prime manages pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. The company processes claims and offers clinical services for people with complex medical conditions. Prime serves more than 27 million people. It is collectively owned by 18 Blue Cross and Blue Shield Plans, subsidiaries or affiliates of those plans.

For more information, visit PrimeTherapeutics.com or follow @Prime_PBM on Twitter.

Footnotes

3 Annual Pharmacy Benchmark Study, independent consultant analysis commissioned by Prime (2017).