



Systemed Group
Medco Health Solutions, Inc.
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Subject: Preferred Prescriptions® Formulary Update

Dear Client:

As part of Systemed's commitment to help you manage plan costs without compromising member satisfaction, our preferred lists of drugs, called formularies, are updated from time to time to ensure your members have access to the medications they need to stay healthy.

The formulary is a list of medications that can help keep prescription coverage affordable while making sure doctors can continue to provide patients with the best care. Medco Health's independent Pharmacy and Therapeutics (P&T) Committee, consisting of leading physicians and pharmacists, meets quarterly to review each new drug on the list. The committee considers safety, efficacy, and the types of drugs available to treat conditions.

You have chosen the Preferred Prescriptions® incentive formulary for your members. When members use drugs on this formulary, it helps to keep your prescription plan more affordable. Please note that formulary updates will be communicated to clients on a quarterly basis. Formulary deletions will be communicated to members 30 days prior to a drug being removed from the formulary. Drugs targeted for the member update mailings focus on chronic brand drugs that do not have generic equivalents (single-source brands) available. In some cases higher volume brand drugs that do have generic equivalents available (multi-source brands) that have remained on formulary may also be included. Typically, brands are removed from formulary immediately upon their generic's availability in the market place. The timing of these changes does not allow for specific member communications. Medco Health continues to encourage generic substitution as the low cost option.

The following information provides you with the most recent formulary changes and their effective dates:

Preferred Prescriptions® Formulary Additions

Brand Name (generic name)	Use(s)	Effective Date
Erbbitux (cetuximab)	Cancer	02/27/2007
Locoid lipocream (hydrocortisone butyrate/emoll)	Corticosteroid medium potency	03/01/2007
Nexium suspension (esomeprazole mag trihydrate)	GI	03/07/2007
Duetact (pioglitazone/glimepiride)	Diabetes	03/09/2007
Precare Premier (PNV7/Fe Asp Gly/Docusate/FA)	Vitamin	03/13/2007
Apidra (insulin glulisine)	Diabetes	04/12/2007
Allegra Oral Suspension (fexofenadine hcl)	Allergy	04/12/2007

Preferred Prescriptions® Formulary Deletions

Brand Name (generic name)	Use(s)	Effective Date	% of Members Affected*	Reason
Norvasc (amlodipine besylate)	High blood pressure	4/6/2007	2.47%	Generic Available
Zelnorm (tegaserod hydrogen maleate)	Irritable Bowel Syndrome	4/12/2007	0.3%	Market Withdrawal
Ambien (zolpidem tartrate tablets)	Insomnia	4/26/2007	2%	Generic Available
Semprex D*** (pseudoephedrine hcl/acrivias)	Seasonal Allergic Rhinitis	7/1/2007	0.01%	Generic and possible formulary alternative available
Nizoral tabs*** (ketoconazole)	Antifungal	7/1/2007	0.00%	Generic available
Duragesic-12*** (fentanyl transdermal system 12mcg/hr)	Pain	7/1/2007	0.01%	Generic available

*Calculation based on Systemed Book of Business for the time period 1/1/07 through 5/4/07 and rounded to two decimal places.

**For these medications that are typically taken chronically, targeted member communication mailings will be sent

***For these medications that are typically taken on a short-term basis, there will be no targeted member communication mailings.

Also, in our ongoing effort to assist you in managing your prescription benefit to the lowest total cost, we wanted to highlight recently approved and upcoming generics. As you may be aware, nearly \$45 billion in brand name drugs are expected to lose patent protection between 2006-2010. We want to ensure that your plan is taking full advantage of opportunities to lower or contain drug spend by increasing the usage of generic drugs. Please find additional information below.

Recently Approved Generics:

Brand Name	Generic name	Use(s)
Inderal LA	propranolol extended release capsules	High blood pressure
Norvasc	amlodipine besylate	High blood pressure
Ambien	zolpidem tartrate tablets	Insomnia
Cipro XR	ciprofloxacin extended release	Antibiotic
Duragesic-12	fentanyl transdermal system 12mcg/hr	Pain
Zantac syrup	ranitidine	GERD, ulcers

Anticipated Generics for 2007*:

Brand Name	Generic name	Use(s)
Coreg	carvedilol	Heart failure, hypertension, left ventricular dysfunction
Toprol XL (does not include 25mg)	metoprolol extended release	Hypertension, heart failure, angina
Paxil CR	paroxetine controlled release	Depression
Prilosec 40mg	omeprazole 40mg delayed release	GERD, ulcers
Precose	acarbose	Type 2 diabetes

* Estimated approval dates are subject to change due to patent litigation, additional patents, and exclusivities, etc.

If you have any questions or concerns, please do not hesitate to call your Systemed Account Manager.

Sincerely,

Your Systemed Account Team