

August 17, 2009

Doug Rubbelke
Executive Director
1970 Oakcrest Ave.
Suite 119
Roseville, MN. 55113

Re: Urgent – Recommendation from Evergreen Rx, LMHCC Pharmacy Consultant

Dear Labor/Management Healthcare Coalition Funds,

You may or may not be aware of an upcoming change on September 26, 2009. The methodology for pricing prescriptions will be changing as a national figure entitled Average Wholesale Price (AWP) will be adjusted due to a federal ruling in March 2009.

As part of this change, your PBM, regardless of who they are, may request you sign a letter and/or contract amendment regarding this methodology transition. LMHCC funds may receive this type of communication from Catalyst Rx and CVS/Caremark. We do not believe you should sign anything regarding this matter.

The PBM industry has adopted multiple approaches to implementation of the AWP pricing change and your fund should not be obligated to accept and/or endorse a specific PBM's choice. Until we witness the new procedures in operation, it is premature to agree with the unknown outcome as this change unfolds in the marketplace.

Evergreen Rx will be working closely with the LMHCC to insure prescription pricing neutrality to the LMHCC membership. We believe this monitoring will take several months before we are confident that a specific PBM's implementation of the AWP change creates a cost neutral result.

Attached is a newsletter which provides more background on this topic. This was distributed by Evergreen Rx in June 2009. If you have specific questions regarding this topic, please contact Craig Stephens, SVP and Practice Leader of Evergreen Rx at (952) 345-0503 x100.

In closing, if you have any additional questions or concerns please feel free to contact the Coalition office directly at (651) 379-2405.

Sincerely,

Doug Rubbelke
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