

KROGER PRESCRIPTION PLANS PHARMACY BENEFIT MANAGEMENT

Not just a plan...a solution.





ABOUT KROGER PRESCRIPTION PLANS

KPP has provided comprehensive Pharmacy Benefits Management services since 1993. With hundreds of clients representing nearly half-a-million covered lives, we're the provider of choice for employer groups, Taft-Hartley union trust funds and government plans.

Our plans are flexible and adaptable. Our dedicated experts are backed by the resources of the Kroger Company, trusted by consumers for more than a century. Our interest is your members' best interest.



Managing the costs associated with prescription benefits can be difficult. There's a lot of information to take in, a lot of complex variables, and a lot at stake. With healthcare reform reshaping the industry, the playing field is constantly evolving. You can't afford to miss out when the cutting edge can make a real difference in your members' lives.

WE PARTNER WITH YOUR ORGANIZATION TO MANAGE YOUR PLAN AND MEMBER POOL.



Oftentimes smaller companies don't have the resources necessary to keep abreast of changes in the industry. With KPP as your partner, you don't have to. We bring our remarkable experience in private and third-party Pharmacy Benefit Management plans to you.

We work hard to keep you up to date. Each quarter we review your plan to take advantage of industry trends and changes, and we send regular emailed updates about new and existing medications, changes in generics, clinical and industry information, and a meaningful analysis of what it all will mean for your membership—all in a format that's accessible and easy to understand.



Our holistic, integrated approach drives down costs and improves outcomes for members. We customize our suite of available services for small- to mid-sized companies like yours, something other plans cannot afford to do.





The largest plans have the advantage of resources and volume, but unless you represent a significant portion of their business, you're just another number to them. Smaller plans might get to know you on a first-name basis, but will try to squeeze you into their one-size-fits-all solutions.

KPP is a small plan backed by all the resources of a successful enterprise. Owned by the Kroger Company, a 125-year old food and drug retailer with a growing network of pharmacies and clinics, we combine all the benefits of the big plans with the intimacy of the small. We're nimble, responsive, adaptable advocates for our clients—your members.

WE STAND OUT IN A COMPETITIVE PRESCRIPTION BENEFITS MARKETPLACE.

Our size lets us tailor a solution to the needs of your organization and plan members. At the highest level, this means giving members access to programs they couldn't get through small plans, and to all the amenities of much larger ones.

At the lowest level, it means personal touches that add up over time—like helping you analyze data, or measure outcomes, or working with you to format reports in a way that makes sense. We're that flexible. Large companies with dedicated plan management teams might find this kind of attention superfluous—but you won't. We work hard to make your job easier and more effective, and to ensure that your plan members don't get lost in the details.



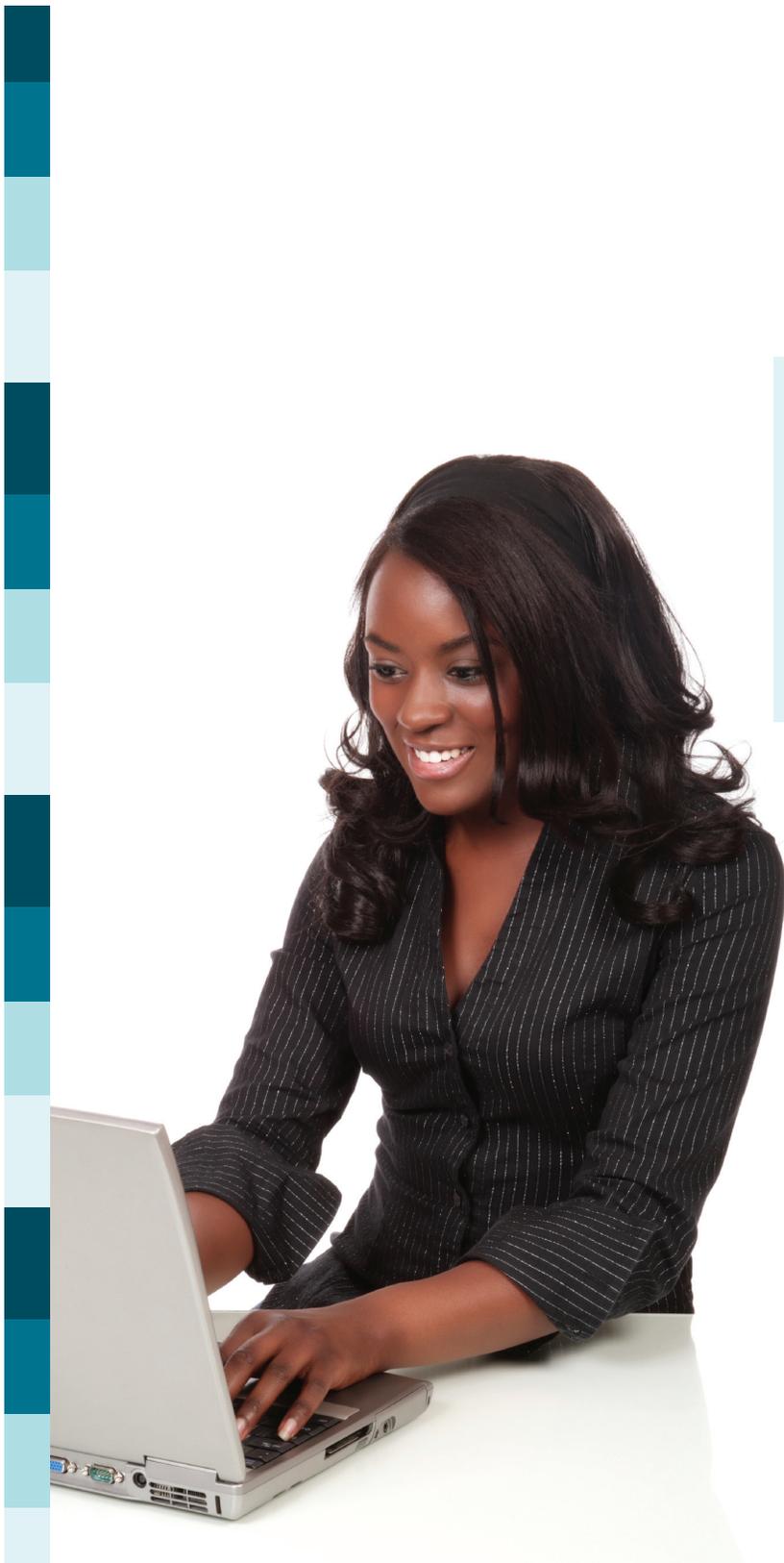


With more than 2,000 Kroger-owned pharmacies around the country, we touch a lot of lives each day. Our pharmacists provide more than just prescription and over-the-counter medication—they provide advice and support, and are a trusted source of information. This heritage of expertise gives KPP a sensitivity to customers' needs that's unique in the marketplace. Coming from an established retail tradition, we know how to respond to clients and members because we've been doing it since day one.

EVERY DAY, OUR PHARMACISTS MEET FACE-TO-FACE WITH THOUSANDS OF CUSTOMERS.

With more than 61,000 pharmacies in our network, chances are we have pharmacists near your members already working to keep them healthy. But geographically diverse members who don't live near our pharmacies can also benefit—our experts analyze claims and provide clinical services through our member services website and other outreach programs, including personalized letters, payroll stuffers and distance education.





www.kpp-rx.com

Our member services website provides unlimited access to cost share, formulary status, and coverage and related information for specific drugs. Members can process online test claims to determine copayments and learn more about different medications, search for local pharmacies, keep educational logs and find plan-specific content. A world of information, available whenever, wherever they need it, accessible from the convenience of home or work.

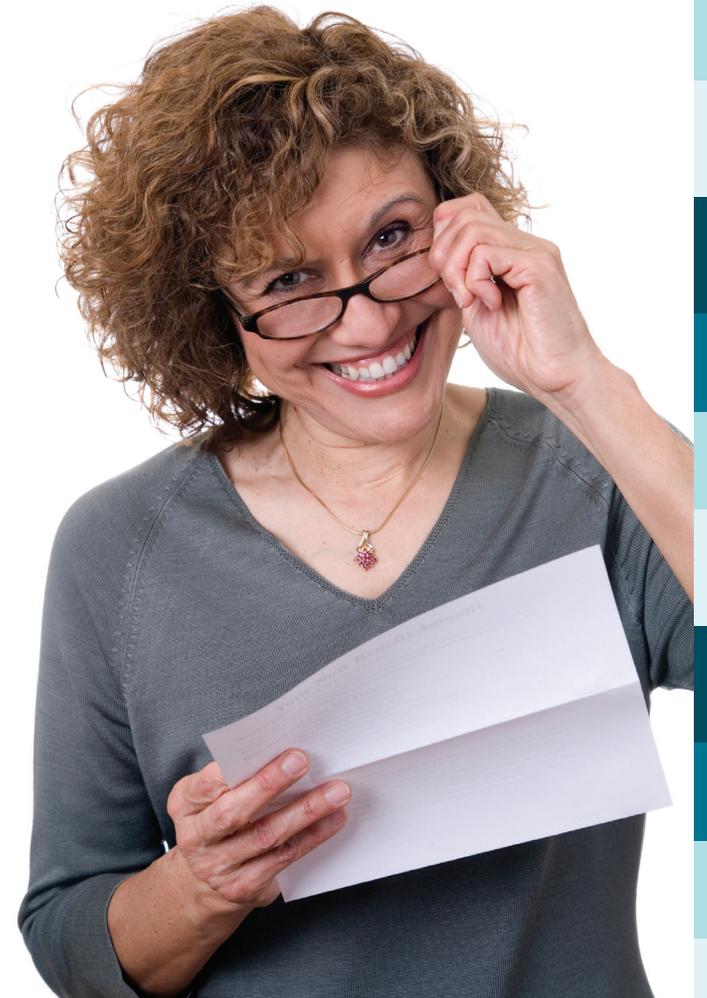




Transparency is an industry buzzword, but we defined it. Our policy is full-disclosure in all financial areas of client costs. Simply put, we'll show you our profit on each prescription filled by your members so you're sure you're getting the maximum savings across your prescriptions.

YOU SAVE MEMBERS MONEY. WE SAVE *YOU* MONEY.

As a client, you'll have full audit rights. Our extensive management reports let you see exactly where your benefit dollars go so you can evaluate the effectiveness of your prescription program. Our cost trend is less than 5 percent for the last three years.



WE USE THE SAME MAC PRICING FOR RETAIL AND MAIL ORDER MEDICATIONS.

Applying Maximum Allowable Cost pricing to generic medications leads to savings of 35 percent to 94 percent over our single-source Average Wholesale Price.

Cost-Savings Solutions

- Under our *Option90* program, members can obtain a 90-day supply of medication through Kroger-owned pharmacies at mail order discount costs.
- Members pay just \$4 for many generic medications at any Kroger-owned pharmacy, as well as other \$4-plan retailers, with 100 percent copay, regardless of their choice of pharmacy—with no plan cost whatsoever.
- Our *Generics First* program reaches out to members to notify them of generic drug availability, encouraging use and cutting costs.
- When available, we identify comparably effective Over The Counter substitutes to increase cost savings.

Reference-Based Pricing

- Sets a maximum price for all drugs in a given class to use as a reference point, saving programs as much as 65 percent *per class*.
- Can reduce plan liability in its two most-costly classes with no effect on clinical outcomes.
- Incentivizes good decision-making by rewarding members with lower copays, while bad decisions increase their cost share.
- Clinically sound programs protect plan investment and lead to improved clinical outcomes for members.



Upon project initiation, we'll assemble an account team specifically for your requirements, comprised of an account coordinator, a clinical manager and the appropriate number of client service analysts. Then, to ensure that your plan is as effective as it can be, an Analytics and Outcomes team will regularly assess and model pharmacy trends and recommend enhancements or changes. We're there for your members just as we are for you.

WE STAND BEHIND YOUR PLAN— AND BEHIND THE PEOPLE IN IT.

Licensed pharmacy technicians staff our Member Services Call Center 24 hours a day, every day. With so many representatives available, our average answer time is just 29 seconds. Our Customer Care Professionals address all member inquiries about retail and mail-order claims, prior authorizations and specialty pharmacy services, and are trained, monitored and well-equipped to represent your plan.



Through a secure website created specifically for your plan, status, ad hoc and problem-identification reports are at your fingertips whenever you want them. Our reporting system provides real-time utilization data and adheres to NCQA and HEDIS guidelines. Select up to 10 standard reports from more than 300 options or ad hoc reports, delivered in your choice of file formats.

STAY CURRENT WITH ONLINE REPORTS AND PROGRAM OUTCOMES ANALYSIS.

Informative, accessible and easy.

- *Prescription Utilization reports detail up to two years' worth of comprehensive claims data, or choose a summary that provides monthly data for each member, including total cost of prescriptions, copays, calculated prices and number of prescriptions.*
- *Quarterly Patient Profiles provide physicians with individual profiles of all patients under their care.*
- *Quarterly Provider Summaries let individual physicians compare experiences with other physicians in their specialties by analyzing average costs per member per month, and formulary compliance and utilization rates.*
- *Monthly Pharmacy Analysis, Utilization Summary or 12-month Cost Analysis reports show a wide range of useful analytical data over time.*



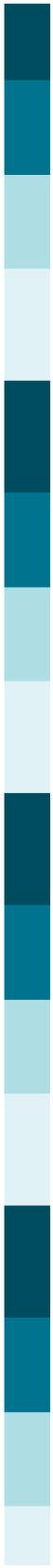
PUT OUR RESOURCES TO WORK FOR YOUR ORGANIZATION AND PLAN MEMBERS.

Eligibility and Claims Processing

Our online claims adjudication system compares claims submitted at the point-of-sale or by mail against 500 system edits for approval. Our concurrent Drug Utilization Review program provides online messages and warnings to pharmacists at the point-of-sale before a prescription

- Formulary compliance
- Generic substitution
- Unlimited benefit design edits
- Prior authorization
- Member, physician and pharmacy eligibility verification





WE OFFER ALL THE CLINICAL SERVICES YOU'D EXPECT OF A PLAN - AND THEN SOME.

Our clinical pharmacists analyze client-specific data on a quarterly basis to enhance your plan, focusing on top therapeutic classes and dispensed products, clinical indicators and prescriber statistics. We meet requirements and expectations for Pharmacy and Therapeutics Committee support, formulary development and administration, Drug Utilization Review, prior-approval administration, and step therapy programs.

But we also offer other benefits above and beyond our competition's—or your expectations:

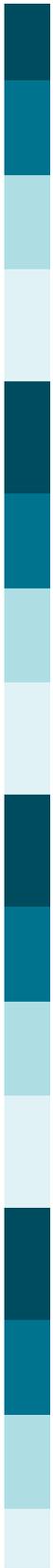
- Therapeutic conversions and program switching
- Face to face medical therapy management in many areas
- Programs for diabetes, heart health, smoking cessation, weight management and more
- Kroger Brand diabetes products, using the latest technology at a fraction of the cost



The KPP Specialty Program

Through our fully managed Specialty Program, a clinical team of pharmacists and nurses protects your plan's investment in expensive and intricately dosed specialty medications. When patients begin new medications, consultations are scheduled before, during and after the first dose to reduce patient anxiety and to manage side effects. Oncology medications with strong side effects can lead to high first-month quit rates; through split billing, we send patients a 14-day rather than a 30-day supply to reduce the amount of wasted medicine.





CONTACT US TODAY

Let us show how you and your employees will benefit from our plan.

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