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## Healthcare Reform Agenda

#### **Challenges**

Increasing coverage

Responding to cost pressures





#### Case for Change

- 46 million Americans, including 8 million children, are without health insurance
- Significant costs associated with chronic and complex diseases
- Serious flaws in delivery systems
- High error and poor compliance rates
- Total U.S. healthcare costs far outpace U.S. inflation rate
- Gaps in prevention services
- Underinvestment in public health
- Unhealthy lifestyles



## Our Opportunity

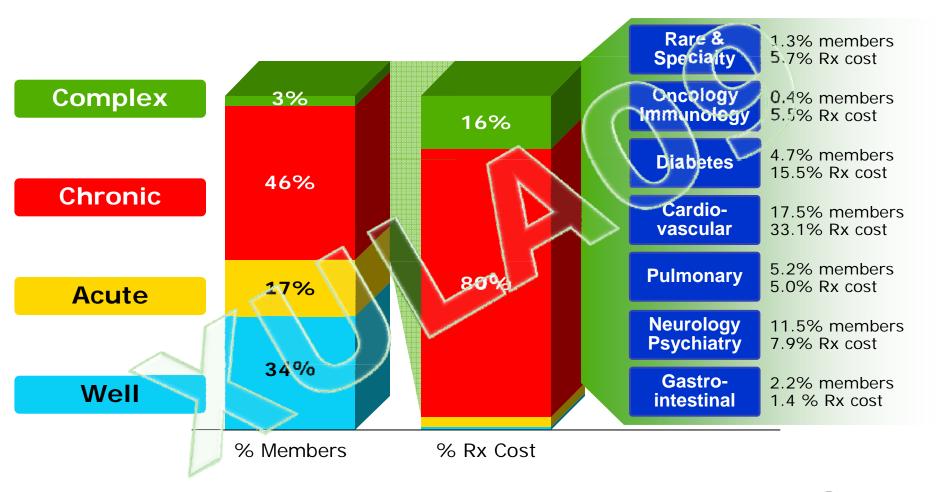
When you manage drugs better, you manage the whole healthcare system better

#### **Facts:**

- For prescription drugs, healthcare is wired today
- Chronic and complex diseases are responsible for 96% of drug costs and 75% of medical expenses in the U.S
- For 88% of chronic and complex diseases, drugs are the first choice for medical intervention (131 out of 149)
- Instability of a chronic or complex patient is most often tied to deviations from accepted clinical protocol or non-compliance
- Deviations from protocol and non-compliance cost the system billions of dollars annually



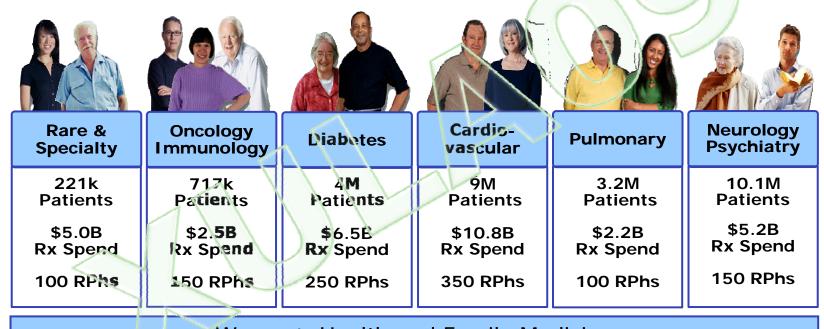
## Targeted Approach





### Medco Therapeutic Resource Centers Structure

- Therapeutic Resource Centers entire pharmacies that are specialized
- Medco Specialist pharmacists advanced training, unparalieled experience
- National Practice Leaders senior clinicians accountable for TRC success

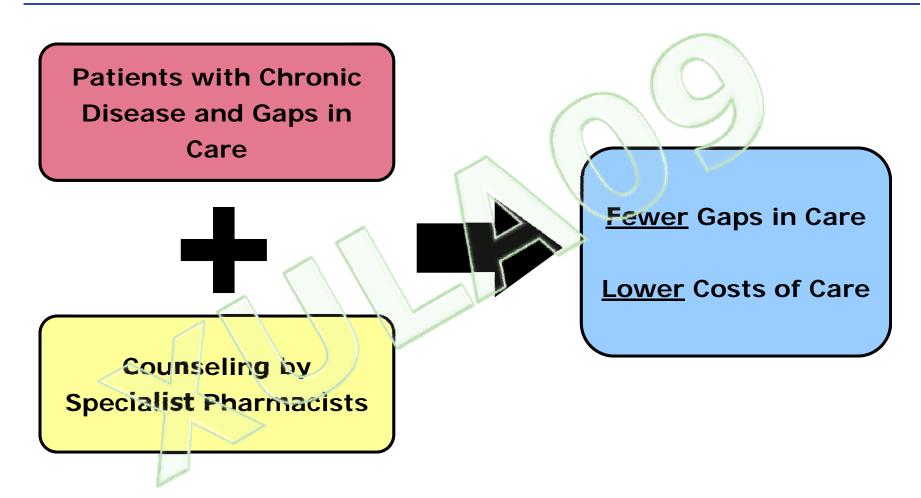


#### Women's Health and Family Medicine

Medco customer base, through 12/08



# Medco Therapeutic Resource Centers Logic of our Approach

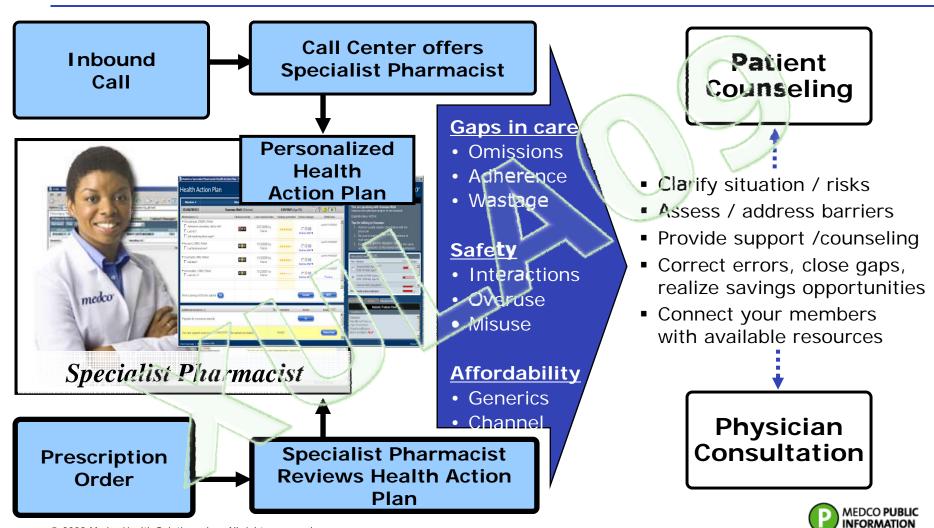




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## Medco Therapeutic Resource Centers

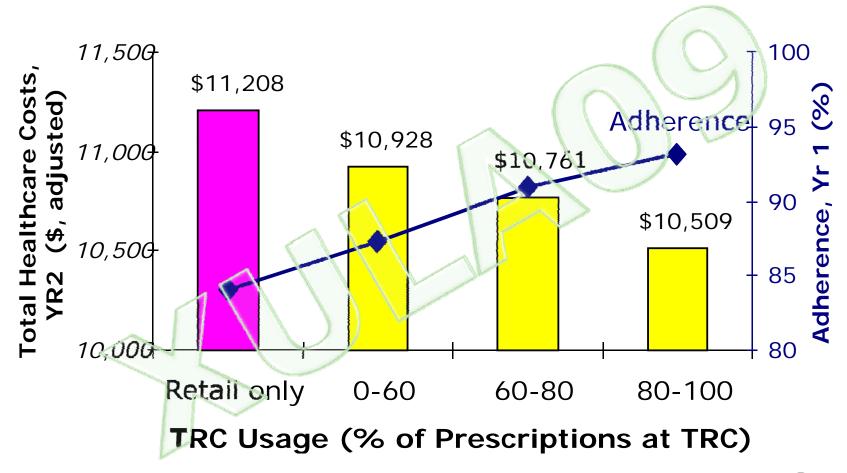
Mechanism of Action



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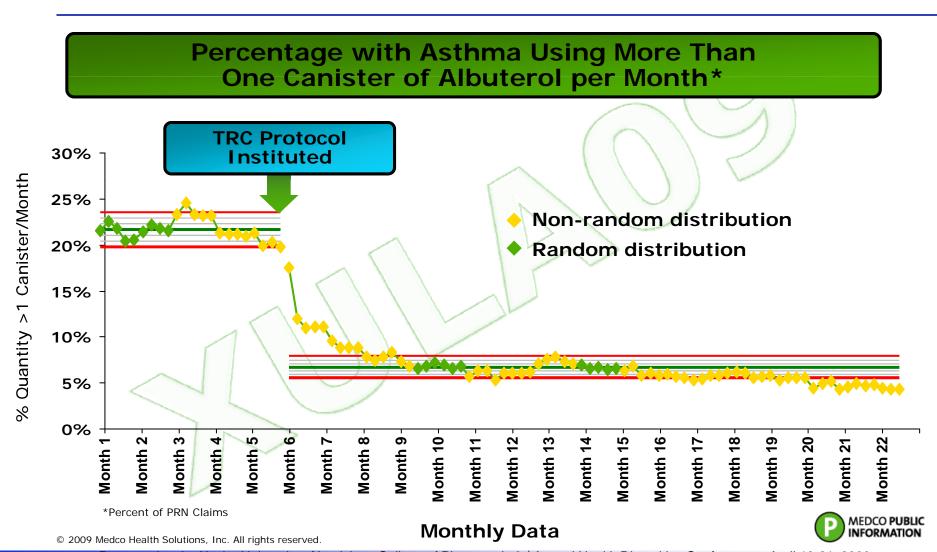
### Medco Therapeutic Resource Centers

Adherence to Antihypertensive Medications – Correlation between Higher use of TRC, Higher adherence and Lower total cost





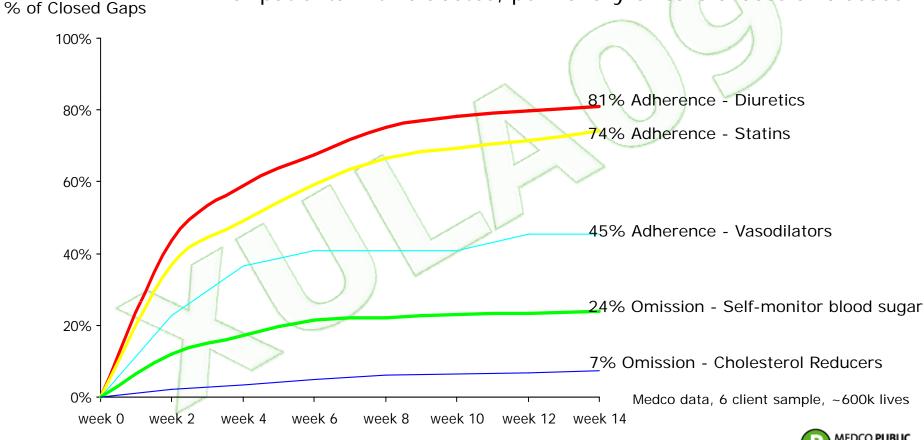
# Six-Sigma approach to reducing the need for rescue medications in patients with asthma



### Medco Therapeutic Resource Centers

Results of 6-client Analysis - Intervention Closure Rate by Measure

> Closing Adherence and Omissions Gaps for patients with diabetes, pulmonary or cardiovascular disease

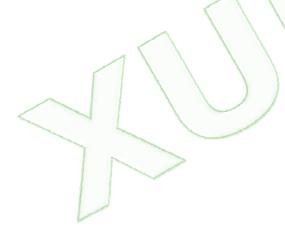


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# Medco Therapeutic Resource Centers Closing Thoughts

"Drugs don't work in patients who don't take them"



C. Everett Koop, MD Former US Surgeon General

