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Caremark PBM Contract Renewal Article for *The CoreSource Report*

(Head): **Caremark Renews Contract Early; Express Scripts Also to Provide Improved Pharmacy Benefits**

(Body): The negotiations were lengthy, but good things are often worth the wait: CoreSource is happy to announce that because of new contracts with two major pharmacy-benefits management (PBM) firms, CoreSource clients and their employees will enjoy a higher level of pharmacy value and convenience. The good news was confirmed by CoreSource Executive Vice President Steve Daly, who had a leading role in the negotiations with the two PBMs, Caremark and Express Scripts.

Nashville-based Caremark, one of the largest PBM organizations in the U.S., has renewed its contract with CoreSource a year earlier than expected. It has agreed to several new terms which make its pharmacy benefits even more attractive for covered workers and their families. Although the previous contract between Caremark and CoreSource was not due to expire until April 2008, both companies were eager to extend and strengthen their relationship. The new Caremark contract runs through December of 2010.

“CoreSource is very pleased to extend its relationship with Caremark, which has proven itself a leader and innovator in pharmacy-benefits management,” said Steve Daly. “As our partnership grows stronger, our clients will continue to see even higher levels of service and cost savings.”

In addition, CoreSource and Express Scripts have agreed to a new, three-year contract in which the St. Louis-based PBM matches the major terms and benefits of the new Caremark agreement. The contract resulted from discussions with Express Scripts about recent customer-service issues that CoreSource clients had encountered with Express Scripts.

Having promised to address these issues, Express Scripts will soon return to the “preferred provider” status enjoyed by Caremark. As a result, the CoreSource sales team will promote the two PBMs equally in all presentations to clients and prospects.

The two new agreements were reached only about a month after Caremark agreed to a \$26.5-billion merger with CVS Corporation, one of the nation’s largest retail-pharmacy chains. For several months, CVS had competed against Express Scripts to acquire Caremark. The new CVS/Caremark company will use its size to gain new bargaining power against Walgreen, Wal-Mart, and Medco Health Solutions, the largest PBM in the U.S.