

# Cigna optimizes Pharmacy Benefits Manager (PBM)



## Offering clients and customers even more affordable and flexible pharmacy benefits through an agreement with Catamaran

We are excited to share with you that Cigna has entered into a ten-year strategic sourcing agreement with Catamaran as of June 10, 2013.

Cigna's pharmacy management capabilities are an essential component of our integrated approach to affordable and effective health care. Our eight million pharmacy customers will benefit from the same quality and exceptional service they have come to expect from Cigna at a lower cost over time as we leverage Catamaran's enhanced technological platform and streamlined operating capabilities to drive greater efficiencies and affordability. Within this agreement, Catamaran will provide the following functions, while Cigna will continue to provide full strategic oversight and direction:

- Claims processing
- Prescription drug inventory procurement and order fulfillment for our home delivery pharmacy operations
- Retail network contracting

### What does this mean to you?

- For now, it is business as usual – this announcement does not affect our relationship, your compensation or how we interact.
- We maintain all functions that affect how we care for your customers.
- We are committed to a gradual, smooth transition and expect the full transition to take two to three years.
- As we work through this transition, we will provide additional information as it becomes available.

### Why we are doing this

- Leverage the new, collective purchasing power and cost-to-fill economies of Cigna and Catamaran, as well as claim processing efficiencies to make us more competitive.

- Improve our ability to focus on key differentiators of our PBM, including customer engagement, improved outcomes through aligned incentives with physicians and pharmaceutical manufacturers, and condition-specific management across all components of health and productivity (pharmacy, medical, behavioral, and disability).
- Strengthen our focus on – and connection with – health care professionals to influence cost savings in this rapidly changing health care system.
- Support the further penetration of our unique value message of full benefit connectivity in the market place.

### **What we are not doing**

- Selling our PBM. This is a well-run business and its value is core to our ability to improve the health, well-being and sense of security of the customers we serve.
- Changing our commitment to our clients, network physicians and hospitals or the ways in which we support affordability of medications and improved adherence and outcomes.
- Compromising on our integrated value proposition. The functions that are transitioning to Catamaran, while important, are more aligned with improved cost and efficiency.
- Changing our commitment to our customers – to ensure that every experience with customers is easy and reliable in ways that our customers find proactive, personal and empathetic.
- Similarly, we are retaining all client-facing and consultant-facing interactions.

We are committed to working closely with Catamaran to ensure a thoughtful and gradual transition over the next two to three years.

We do not anticipate any immediate changes to our ongoing relationship with you. Any contracts you have with Cigna will continue to operate in accordance with their current terms and your contacts will remain the same. Our relationship with our producers and consultants is critical to us and we look forward to working closely with you to ensure continuity as we enter this exciting new chapter.

**Cigna is driving positive change in the pharmacy benefit management system.** We're leveraging the power of both companies for the benefit of our customers and clients. And we are truly excited about the opportunities ahead.

**GO YOU<sup>®</sup>**

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