

6 Reasons to Choose the Navitus Model



1. Proven Customer Service Model

Navitus takes transparency and full pass-through to a new level by delivering extraordinary value, outstanding customer service, clarity and peace of mind for its clients. We focus on improving member well-being and optimizing value—as evidenced by our year-over-year drug trend rate, which is consistently well below the national trend. We have an extensive suite of customizable PBM services that enables us to tailor solutions to meet each client's specific needs.

2. Transformative Pass-Through Approach

There are fundamental differences between full pass-through and traditional spread PBM business models. The spread model may appear to match pass through pricing; however, spread increases in each contract year to make up for lost first-year PBM revenue. In comparison, our unique pass-through model enables us to provide greater savings and align to each client's best interests and goals.

Key differences between these models include:

Navitus 100% Pass-Through Model

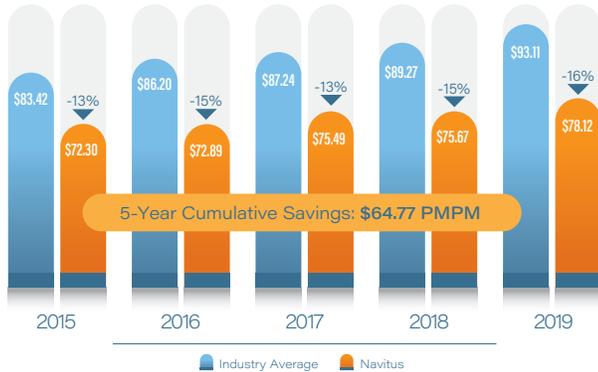
- Single MAC list - updated weekly
- 100% pass-through - no spread in any channel
- Lowest-net-cost approach
- Most Favored Nation pricing and fully auditable
- Benefit designs - benefits payers and their members
- Targeted clinical, network and operational strategies
- No ceiling on savings, with quantifiable value
- High-touch stewardship
- Compliant, with client-specific oversight
- Privately held corporation

Traditional-Spread Model

- Multiple MAC lists
- Spread in some or all channels
- Lowest-net-cost approach not used
- Hidden revenue streams and audit restrictions
- Benefit designs - benefits the PBM
- Wide clinical and operational variation
- Manage to guarantees
- Service levels fluctuate
- Varying focus on regulatory compliance
- Often publicly owned, with Wall Street expectations

We continue to outperform our competitors to provide substantially lower costs for our clients and achieve an industry-leading net cost per member per month (PMPM) of \$78.12 across our commercial business. This is 16% lower than the forecasted industry average of \$93.11 PMPM. We attribute our success in managing to a low PMPM to our unique pass-through approach, combined with a lowest-net-cost philosophy and quality clinical care model.

5-Year Total Net Cost PMPM Comparison



3. Focus on Delivering the Lowest Net Cost

Most PBMs employ formularies that are designed primarily to maximize rebates and generate undisclosed revenue streams for the PBM, instead of passing on savings to their clients. However, Navitus uses a high-performance drug mix (i.e., low-cost generics, less expensive brands) to keep the focus on delivering the lowest net cost and reducing PMPM expenses.

Navitus' Signature Select Formulary:

- ▶ Is developed and maintained by our Pharmacy and Therapeutic (P&T) Committee
- ▶ Is constructed based on clinically appropriate, lowest-net-cost drugs
- ▶ Places some high-cost generics on both tiers 2 and 3

4. MAC List Clarity

Not all MAC lists are created equal. Navitus offers a single MAC list that outperforms the competition and is updated weekly. Clients pay the lowest price for generic pharmacy products at a contracted discount. Unlike traditional spread models, we do not retain MAC revenue, and the MAC list is applied across all distribution channels (retail, mail and specialty). We provide full disclosure of MAC list pricing to ensure complete transparency.

More than 98 percent of generic claims are eligible for reimbursement at MAC pricing.

5. Outstanding Clinical Care Model

The saying that "good things come in small packages" applies to Navitus in many ways, especially clinically. So, how do we compete at the same level of clinical services as the big PBMs? Simple. We keep the focus on clinical program excellence and delivering meaningful interventions that enhance member health and improve outcomes.

Our robust, patient-centric clinical care model:

- ▶ Offers many safety-focused clinical programs that are included in our PMPM administrative fee to keep the overall costs low while continuing to improve clinical effectiveness
- ▶ Offers several cost-focused clinical programs on a Pay-for-Performance (share-of-savings) basis
- ▶ Is designed to manage Rx risk
- ▶ Tailors to specific patient population needs

6. Rebate Transparency

While the traditional PBM model retains spread from rebates, our unique pass-through approach enables us to pass 100% of all rebates directly to our clients. This strategy takes the unnecessary costs out of pharmacy benefits and ensures that our clients receive all the savings.

Navitus' rebate management strategy focuses on:

- ▶ Lowering PMPM drug costs instead of seeking higher rebates
- ▶ Passing clients 100% of all rebates immediately, instead of at contract renewal
- ▶ Providing complete visibility and full disclosure of all manufacturer financial benefits
- ▶ Offering clients full auditability of manufacturer agreements

Getting Started

Don't Wait. Start experiencing pharmacy benefits reinvented today! Simply visit our website at www.navitus.com or email us at sales@navitus.com.