



Labor/Management Healthcare Coalition of the Upper Midwest

July 23rd, 2012

RE: LMHCC Selects SXC Health Solutions / Catamaran to provide PBM Services

Dear Labor/Management Health Care Coalition Funds,

The Coalition is pleased to announce after an extensive RFP process conducted by our pharmacy consultant "The Burchfield Group", the LMHCC has selected, endorsed and negotiated a new agreement with SXC Health Solutions as an additional preferred Pharmacy Benefit Management (PBM) provider. This new three year agreement which was signed on July 2, 2012 offers Coalition funds improved service and pricing. **We are fortunate to provide this solution that gives members an enhanced service model as well as the best cost solution this Coalition has been able to provide its members.**

The acquisition of Catalyst Rx by SXC Health Solutions was formally announced on July 12, 2012 to form Catamaran. The combined company will cover approximately 25 million members and process approximately 200 million claims annually. The acquisition will provide increased purchasing power with drug manufacturers, strengthening their contracts. Currently both companies use the same claim processing platforms which will reduce the IT infrastructure challenges and the member/client disruption observed in past PBM acquisitions. With both companies strong presence in the labor, large employer, health and health plan system markets, the acquisition will only enhance their place in the marketplace.

SXC Health Solutions now Catamaran was selected overall for their top ranking performance and PBM best in class standings. Catamaran will offer both transparent and traditional models as well as the best discount card program available in the market place. (Please see additional letter enclosed)

Catamaran offers a fresh, new alternative to the status quo in pharmacy benefits management. By unbundling the traditional model this helps clients solve their most pressing needs. With industry-leading technology at its core, Catamaran delivers a higher level of service, supports better health outcomes and promotes savings for the Coalitions Funds. The flexibility of services and technology enables Catamaran to offer a complete spectrum of customizable PBM services that can be configured to meet each funds specific need.

The acquisition will not affect contracts that are currently in place with Catalyst Rx or SXC Health Solutions. The acquisition agreement requires that each group using Catalyst Rx must request termination from their current contract to receive the new negotiated pricing from SXC Health Solutions and also request that they be moved to the new agreement with SXC Health Solutions. Please note: Catalyst Rx requires a 90 day notice of termination. Sample letters are available electronically at your request.

If you have any questions please feel free to contact the Coalition office directly or Maria McAfee, Catamaran Vice President of Business Development Labor & Trust at (720) 878-6680 or maria.mcafee@catamaranrx.com.

In closing, if you would like a no-cost analysis of your current PBM arrangement please contact Vicki Walsh at the Burchfield Group at (651) 389-5653 or vwalsh@burchfieldgroup.com.

Sincerely,

Doug Rubbelke
Executive Director

Minnesota Office:

1970 Oakcrest Avenue, Suite 119
Roseville, MN 55113
Office: 651-379-2405
Fax: 651-379-2407

www.labormanagementcoalition.org



Wisconsin Office:

1759 North Hi Mount Blvd.
Milwaukee, WI 53208
Office: 414-476-5025
Fax: 414- 476-0560