A Message from:

AmeriHealth

8000 Midlantic Drive, Suite 333, Mt. Laurel N.J. 08054
485 Route 1 South, Building C Iselin, NJ 08830

TO: All AmeriHealth Participating Ancillary Providers

FROM: Michael S. Zollenberg
Director, Hospital and Ancillary Services

DATE: August 30, 2006

SUBJECT: Pharmacy Insourcing

We continually strive to provide our members with safe, effective, and affordable prescription drug benefits. As part of this on-going commitment, we are implementing several new initiatives over the next year to improve our pharmacy programs.

Announcing Our New Pharmacy Benefits Company – FutureScripts™

Effective October 1, 2006, we will introduce our own pharmacy benefits company – FutureScripts™ – to manage administration of commercial prescription drug programs. Medicare prescription drug programs will follow in January 1, 2007. FutureScripts will be replacing most aspects of the current arrangement with Caremark. However, Caremark will continue to provide mail order services.

Bringing the management of our pharmacy services in-house will allow us to contract directly with retail pharmacies, negotiate directly with prescription drug manufacturers, develop generic pricing lists to maximize cost savings, and align medical and drug benefit designs for greater effectiveness.

Enhanced Formulary Management

In an effort to take advantage of constant changes to the availability of new prescription drugs and promote the use of generic drugs, we will be updating the Select Drug Program formulary quarterly along with the following on-going adjustments:

- Covering (unless otherwise excluded) new brand drugs approved by the FDA at the non-formulary copay, possibly requiring preauthorization.
- Adding new generic drugs to the formulary with the lowest copay as soon as they become available and move corresponding brand drugs or other brand name drugs with the same therapeutic value to the third tier, which is non-formulary.

If you have any questions regarding the new initiatives, please contact Pharmacy Services or your Hospital and Ancillary Services Coordinator at 856-778-6500 or 732-726-6700.