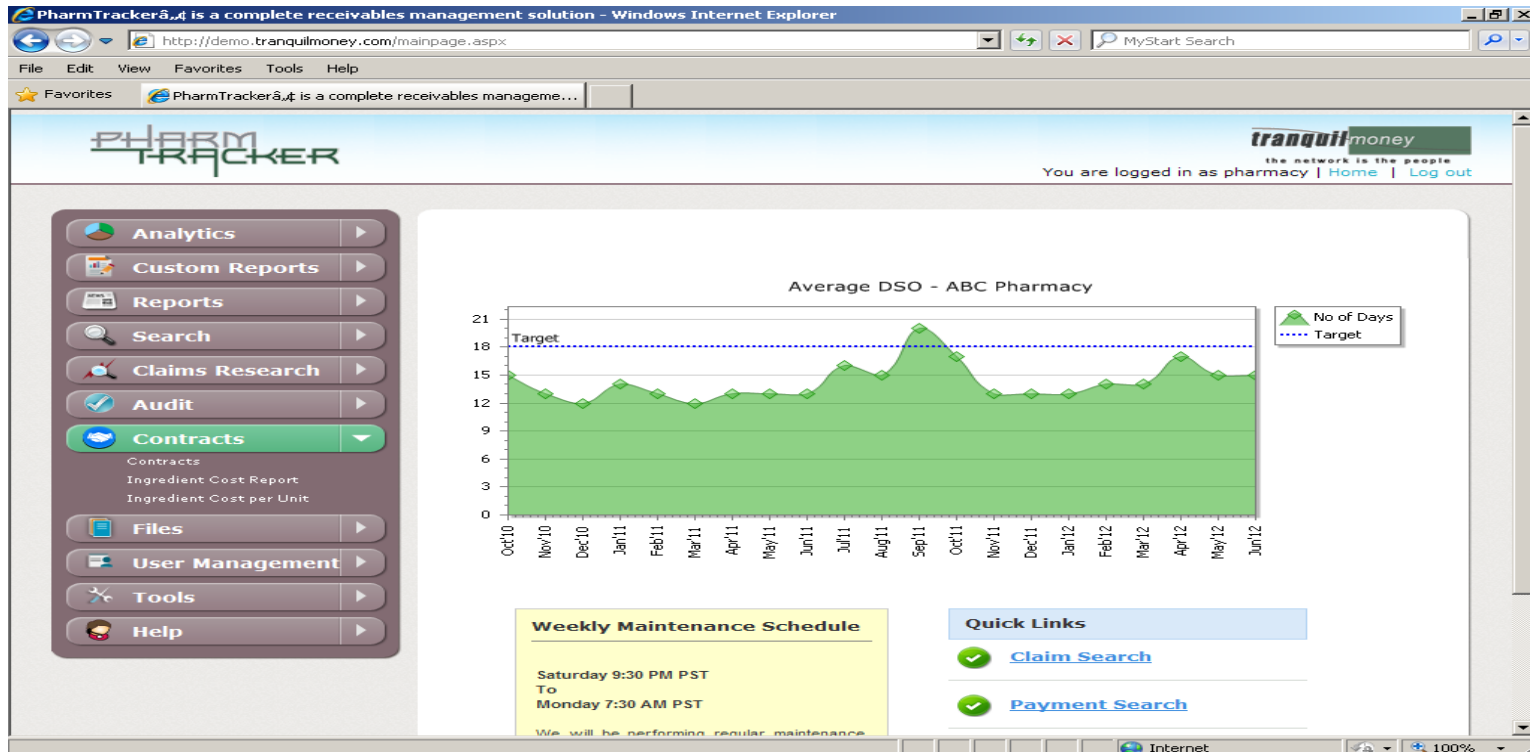


Tranquilmoney



PharmTracker™ PHARMACY RECEIVABLES MANAGEMENT

Agenda

- Reconciliation process
(done by Tranquilmoney using a dedicated team and software)
- Reports & Claims Research
- Audit Management & Prediction Tools
 - Contract Management

Company Background

- Provided Condor Corporation third party pharmacy reconciliation service from 1997 – 2000
- Provided Costco Wholesale third party pharmacy reconciliation service from 2000 – present, managing 2 million claims per month
- Helped Prudential Securities and its subsidiary PFI recover \$150 million from failure due to poor reconciliation systems
- Acts as both a software development company and a receivables management services company
- Charges are per-claim based on volume, with no extra charge for customization or custom projects

Our reconciliation service has two technology components; Telepost and PharmTracker

TelePost: Under the Hood

PharmTracker: Interactive Reporting

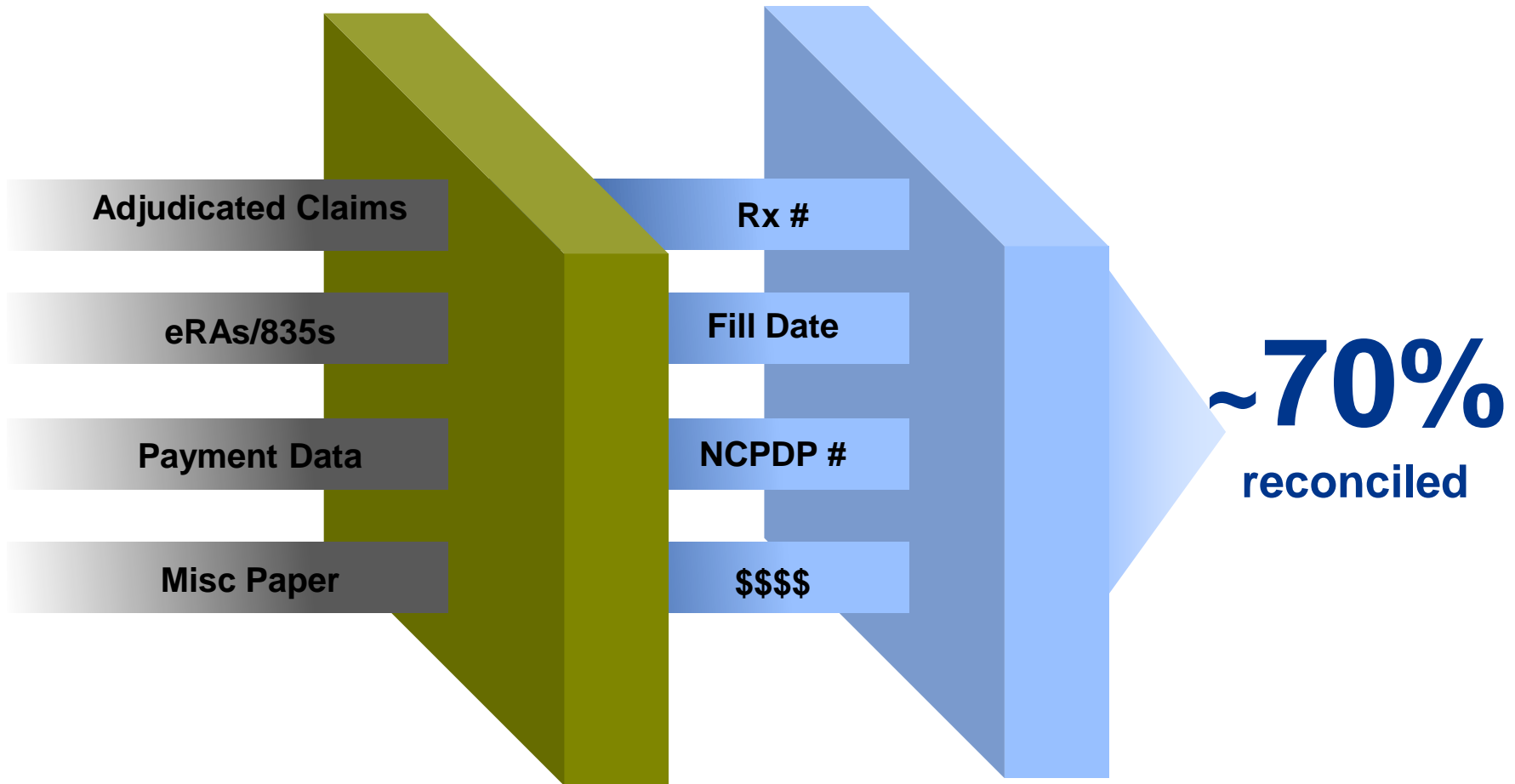
TelePost
A client-server system
for Reconciliation
(internally used by TM)



PharmTracker
A web interface for
reporting and search

Phase I – Technology driven rule application

Telepost Reconciliation Engine starts the process with a 4 field match:



Phase II - Claims research; getting from 70% to 99.9%

Our claims research team then focuses on four discrepancy themes:

PBM management

Split & Join RA data

Fee Rule updates

Plan Change Management

- 99.9% Reconciled
- DSO < 30 days
- Write-Offs < 0.1%
- Unapplied cash < 0.1%
- Delinquencies < 0.1%

Client Role

- Submission of claims electronically to a switch on the Pharmacy Dispensing System
- Re-submissions based on reports from Tranquilmoney
- Weekly export of claims data to Tranquilmoney
- Daily exports of check payments received and RA's / 835's received
- Authorizing PBMs to send data to Tranquilmoney and interact on their behalf
- Review Tranquilmoney reports and schedule actions
- Interacting with PBMs on strategic issues


Tranquilmoney Role

- **Weekly**
 - Receive claims & remittance data files, send reconciled data feed
 - Resolve checks without remittance data and remittance data without checks
- **Open Claim Investigation**
 - Interact with PBM / client as necessary
- **Unapplied Cash Investigation**
 - Continually resolve unapplied cash to keep it at zero
- **Run Audit Request Responses**
- **Run Contract Audits**
- **Technology Maintenance & Updates**
 - Keep up with electronic standards changes for each PBM
 - Upgrade servers, databases, bandwidth, etc. continually

Audit Management/Prediction

Express Scripts Audit.PDF - Adobe Reader
File Edit View Window Help

1 / 4 101% Comment Share

 **EXPRESS SCRIPTS®**
Charting the Future of Pharmacy

One Express Way St. Louis, MO 63121
(314) 286-2086 cell
JLStCyr@express-scripts.com

**EXPRESS SCRIPTS
NETWORK CONTRACTING & MANAGEMENT DEPT.
FACSIMILE TRANSMITTAL COVER SHEET**

To: PHARMACY #188 **From:** Jerilynn St. Cyr
Network Pharmacy Auditor

Arrival between 9 and 10 a.m. **Date:** Tuesday, July 24, 2012

Re: Scheduled Pharmacy Audit for PHARMACY #188 **Pages:** 4 (including this sheet)

X Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

PLEASE READ CAREFULLY BELOW

Dear Pharmacist:

You have been scheduled for a routine on-site claims audit by Express Scripts. Our goal is to perform a mutually

Respond to Audit Letters

http://localhost:2285/demotranquildev/audit_prepare_main.aspx - Windows Internet Explorer

http://localhost:2285/demotranquildev/audit_prepare_main.aspx

File Edit View Favorites Tools Help

☆ Favorites http://localhost:2285/demotranquildev/audit_prepare...

Search

Location SEATTLE Manager Brian Drug Name Restasis Search [New search](#)

Store No. ---All--- Phone (212) 494-0383 NDC 00023916330

NABP 7778025

Note: Please select the filter(s) in the search to search for a particular store or NDC.

Store No.: Manager: NDC: 00023916330
Address: Phone: Drug Name: Restasis

Save Changes

Tag Rx No.: 10041XX Search [Start a new search](#)

<input type="checkbox"/>	Rx No	Fill Date	Quantity	NDC	Drug Name	Drug Type ▲	Class ▲	Days Supply	ReFill No	DAW Code	Amount Billed	Receivable ▼
<input type="checkbox"/>	1004130	05/04/2012	60	00023-9163-30	Restasis		C3	30	0	0	\$47.54	\$0.12
<input type="checkbox"/>	1004132	05/03/2012	60	00023-9163-30	Restasis		C3	30	3	0	\$1.69	\$0.12
<input type="checkbox"/>	1004137	07/03/2012	60	00023-9163-30	Restasis		C5	30	3	0	\$147.12	\$0.12

LEGEND

- High Receivable. (above \$ 500)
- Controlled Drug (Class 2,3,4 and 5)
- Multi-Source Brand Name submitted with a DAW code of 1,2,7, or 8

Done Trusted sites 100%

Customize Audit Prediction Rules

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http://demo.tranquilmoney.com/audit_prediction_main.aspx

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Audit Prediction

Plan : Express Script, Inc.

Drug Type : EYE DROPS

Brand / Generic : Trade Mark

Search

NDC Watch List

<input type="checkbox"/>	NDC	Drug Name	Drug Type	Quantity	Days Supply	Rule
<input type="checkbox"/>	00006-3931-30	Zioptan	EYE DROPS			
<input type="checkbox"/>	00013-8303-01	Xalatan	EYE DROPS	5	30	
<input type="checkbox"/>	00023-3205-08	Lumigan	EYE DROPS			
<input checked="" type="checkbox"/>	00023-9163-30	Restasis	EYE DROPS	60	30	One vial can be instilled in both eyes in the morning and the other vial can be used at night. A 30 day supply (2 trays=60 vials total).
<input type="checkbox"/>	00023-9321-15	Alphagan P	EYE DROPS			
<input type="checkbox"/>	00037-7025-60	Optivar	EYE DROPS			
<input type="checkbox"/>	00065-0260-05	Travatan Z	EYE DROPS			
<input type="checkbox"/>	00065-0275-10	Azopt	EYE DROPS			
<input type="checkbox"/>	00065-0648-35	TobraDex	EYE DROPS			
<input type="checkbox"/>	00065-4013-03	Vigamox	EYE DROPS	3	7	Commonly misbilled as 5 ml due to smallest package size of many onthaimics heinn 5ml.

Done Internet 100%

Contract Management

- (a) the HP Provider's Usual and Customary Retail Price;
 (b) the applicable AWP discount plus dispensing fee (as listed in the BRANDS column or the GENERICS-A column of this and any subsequent documents, pursuant to Section 2.3);
 (c) an ESI MAC plus dispensing fee; or
 (d) the HP Provider's submitted ingredient cost plus dispensing fee.

Contract Rates Table			
	BRANDS Net Average Discount ⁽¹⁾ for Single-Source & Multi-Source ⁽²⁻³⁾ Brands without an ESI MAC	GENERICS-A Net Average Discount for Generic Drugs without an ESI MAC	GENERICS-B Generic Drugs & Multi-Source Brands with an ESI MAC
Year 1⁽²⁾ 30 day	AWP - 17.00% + \$0.00	AWP - 17.00% + \$0.25	ESI MAC + \$0.25
Year 2⁽²⁾ and thereafter, subject to change per the Agreement 30 day	AWP - 17.34% + \$0.00	AWP - 17.34% + \$0.25	ESI MAC + \$0.25
90 Day⁽³⁾ Network Participation			
Year 1 90 day	AWP - 21.00% + \$0.00	AWP - 21.00% + \$0.25	ESI MAC + \$0.25
Year 2 and thereafter, subject to change per the Agreement 90 day	AWP - 21.16% + \$0.00	AWP - 21.16% + \$0.25	ESI MAC + \$0.25

(1) The parties acknowledge and agree that more than one AWP discount may be in effect and applied from time to time to claims submitted by HP Provider under the terms of this Exhibit, consistent with the provisions of Section 2.3, but that for any given Applicable Period (as defined in Schedule 1), the overall Net Average Discount set forth above shall ultimately be used to reconcile against the AWP discounts that may be sent periodically to HP Provider pursuant to Section 2.3.

(2) For purposes of this Exhibit: "Year 1" shall mean the period commencing on the Rate Effective Date and continuing for one (1) year; and "Year 2" shall mean the one-year period immediately following Year 1.

(3) If Sponsor chooses a benefit design that covers extended days supply, then, unless otherwise directed by Sponsor, generally: 30-day rate covers 01-63 days; and 90-day rate covers 64-90+ days.

Contract Management

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January 2012

NDC-Drug Name	Grand Total						Ingred. Cost Paid	Avg %AWP Underpaid
	Number of Scripts	AWP	Amount Paid	Copay	Fees			
68382-0067-10 Simvastatin Tablets	424	\$78,080.40	\$638.11	\$263.70	\$322.35			
16714-0683-02 Simvastatin Tablets	3153	\$819,187.45	\$7,093.86	\$2,033.81	\$2,418.30	\$6,709.37	99.18%	
16714-0684-01 Simvastatin Tablets	201	\$50,157.79	\$405.31	\$182.90	\$166.00	\$422.22	99.16%	
68382-0067-05 Simvastatin Tablets	26	\$7,749.00	\$57.85	\$12.15	\$3.83	\$66.17	99.15%	
16714-0684-02 Simvastatin Tablets	3348	\$878,938.72	\$7,891.24	\$2,326.90	\$2,457.34	\$7,760.81	99.12%	
16714-0683-03 Simvastatin Tablets	246	\$63,359.76	\$574.86	\$168.63	\$131.82	\$611.68	99.03%	
68382-0068-10 Simvastatin Tablets	370	\$73,455.60	\$772.28	\$251.30	\$283.51	\$740.07	98.99%	
16714-0685-01 Simvastatin Tablets	17	\$4,256.91	\$51.77	\$6.50	\$15.03	\$43.25	98.98%	
16714-0622-01 Zolpidem Tartrate Tablets	3220	\$511,100.38	\$4,874.71	\$2,780.69	\$2,457.13	\$5,198.27	98.98%	
68382-0067-16 Simvastatin Tablets	2443	\$612,943.44	\$6,432.18	\$1,699.77	\$1,532.17	\$6,599.78	98.92%	
68382-0068-16 Simvastatin Tablets	2256	\$570,990.60	\$6,214.90	\$1,642.25	\$1,496.95	\$6,360.20	98.89%	
16714-0684-03 Simvastatin Tablets	204	\$59,581.20	\$647.28	\$141.52	\$124.36	\$664.44	98.88%	
16714-0685-02 Simvastatin Tablets	974	\$268,562.10	\$2,778.56	\$1,037.49	\$652.80	\$3,163.24	98.82%	
16714-0685-03 Simvastatin Tablets	36	\$10,320.74	\$117.17	\$39.13	\$33.66	\$122.64	98.81%	
16714-0352-03 Fluoxetine Hydrochloride Capsules	962	\$176,977.74	\$1,997.25	\$860.97	\$581.79	\$2,276.43	98.71%	
16714-0622-02 Zolpidem Tartrate Tablets	116	\$18,034.92	\$212.89	\$115.33	\$73.95	\$254.27	98.59%	
68382-0030-05 Metformin Hydrochloride Tablets	698	\$89,570.60	\$1,391.02	\$527.55	\$506.92	\$1,411.65	98.42%	
68382-0123-05 Amlodipine Besylate Tablet	413	\$46,934.38	\$762.55	\$323.74	\$335.22	\$751.07	98.40%	

AvgAWPUnderPaid : 100-(((IngredCostPaid)/[AWP])*100)

Done Internet 100%

Contract Management

http://demo.tranquilmoney.com/ingcostperunitdetails.aspx?NDC=68382-0067-10 Simvastatin Tablets - Windows Internet Explorer

http://demo.tranquilmoney.com/ingcostperunitdetails.aspx?NDC=68382-0067-10 Simvastatin Tablets

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Payer	Number of Scripts	AWP	Amount Paid	Copay	Fees	Grand Total			
						Ingrd. Cost Paid	AWP/Unit	Avg Ingrd. Cost Paid/Unit	Avg %AWP Underpaid
Catalyst Rx	4	\$590.40	\$2.75	\$0.00	\$5.10	(\$IngrdCostPaid : ([Amount Paid]+[Copay])-[Fees]) 100.40%			
TRIPLE-S MEDICARE PART D	123	\$18,745.20	\$69.48	\$0.00	\$140.70	(\$71.23)	\$4.92	(\$0.02)	100.38%
SavRx	1	\$442.80	\$1.60	\$0.00	\$2.03	(\$0.43)	\$4.92	\$0.00	100.10%
Triple S (dr state lic #)	16	\$2,361.60	\$16.26	\$0.00	\$18.40	(\$2.15)	\$4.92	\$0.00	100.09%
Medicare Part D Pres SOL	27	\$4,723.20	\$36.44	\$0.00	\$36.05	\$0.39	\$4.92	\$0.00	99.99%
Triple S	30	\$5,313.60	\$34.09	\$0.00	\$33.38	\$0.71	\$4.92	\$0.00	99.99%
MC21 Hcr	3	\$442.80	\$4.05	\$0.00	\$3.08	\$0.97	\$4.92	\$0.01	99.78%
PRES SOL COB	3	\$442.80	\$5.45	\$0.00	\$4.20	\$1.25	\$4.92	\$0.01	99.72%
Paid/Medco Med-D Prim	1	\$442.80	\$0.36	\$3.75	\$1.75	\$2.36	\$4.92	\$0.03	99.47%
Aetna	3	\$738.00	\$8.23	\$0.79	\$4.83	\$4.19	\$4.92	\$0.03	99.43%
Carefirst BCBS	4	\$1,476.00	\$16.14	\$0.00	\$7.23	\$8.91	\$4.92	\$0.03	99.40%
PICA	12	\$2,066.40	\$15.46	\$0.00	\$0.00	\$15.46	\$4.92	\$0.04	99.25%
Paid Rx 05	6	\$885.60	\$11.44	\$2.82	\$7.53	\$6.73	\$4.92	\$0.04	99.24%
Careplus&Humana Medicare Part D&Comrcl	4	\$590.40	\$5.15	\$7.50	\$8.10	\$4.55	\$4.92	\$0.04	99.23%
96301	7	\$1,033.20	\$8.70	\$13.50	\$14.18	\$8.03	\$4.92	\$0.04	99.22%
Cignature Rx	1	\$442.80	\$4.77	\$0.00	\$1.28	\$3.49	\$4.92	\$0.04	99.21%
Medimpact Generic 003585	1	\$442.80	\$2.44	\$1.63	\$0.00	\$4.06	\$4.92	\$0.05	99.08%
NPS Med-D Primary	1	\$442.80	\$4.06	\$0.00	\$0.00	\$4.06	\$4.92	\$0.05	99.08%
WHI Commercial&Primary Medicare Part D	1	\$442.80	\$4.22	\$0.00	\$0.00	\$4.22	\$4.92	\$0.05	99.05%

Done Internet 100%

Value Proposition

- Perform basic A/R reconciliation services in VERY cost-effective way
- Achieve Unapplied Cash at near zero balance and highly accurate, clean financial accounting
- **Accurate** accounting yields **accurate** under-payment reports and unpaid claim reports for each PBM
- Automates response to PBM audits; and enables reverse-audits of PBM payments, non-payments, and contracts.
- Provide high quality customer support services
- Provide effective, user-friendly and dependable technology platforms