

Message

From: Bratton, Edward [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=WALGREENS.ONMICROSOFT.COM-54052-BRATTON, EDWARD J. (EJB4E7BB377)]
Sent: 3/5/2015 10:24:13 AM
To: Polster, Natasha [tasha.polster@walgreens.com]
Subject: FW: Targeted drugs for GFD
Attachments: Project Control3.pptx; Controls by Drug Detail for Adam.xlsx

We may want to ask for a refreshed data set. This included the PSC/Cash drop, as we later added controls back to PSC. The drop without PSC was 11M, not 12M.

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Every day I help people **get, stay and live well.**

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From: Jelinek, Michelle
Sent: Wednesday, March 04, 2015 2:07 PM
To: Bratton, Edward
Subject: FW: Targeted drugs for GFD

From: Antol, Adam
Sent: Tuesday, January 21, 2014 5:33 PM
To: Jelinek, Michelle
Subject: FW: Targeted drugs for GFD

Be Well,
Adam

Adam Antol
Finance Director, Retail Pharmacy
200 Wilmot Road, MS# 2194

PLAINTIFF TRIAL
EXHIBIT
P-19574_00001

WAGMDL00015230

HIGHLY CONFIDENTIAL

P-19574 _ 00001

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From: Doyle, Daniel
Sent: Wednesday, January 08, 2014 12:13 PM
To: Crawford, Kermit
Cc: Hansen, Suzanne; Swords, Rex; Antol, Adam; Reutzel, Erich
Subject: RE: Targeted drugs for GFD

Kermit,

- We budgeted -\$24M impact from CII's in FY14. We're actually seeing closer to -\$44M of impact.
- The impact for the full year of the CII's that are NOT impacted by GFD is about \$7-9M.

Here is some additional detail:

Control Substance Rxs - LRP vs. Current Expectations

- We budgeted GFD impact on FY14 based off of an 18 month trend ending in April 2013. The takeaway from that data was around Dec – Mar we saw scripts become flat to the year prior instead of seeing growth YoY for the first time during the timeframe.
- That reversal in growth inherently affects our run rate or the underlying trend which in the past we have seen these control substance Rxs positively impact our Rx comps. The slide attached illustrates the impact we projected (apprx. \$24M annualized impact).
- In our LRP, we had included about \$24M impact which was all CII related. Based on the results in Q1, the impact we are now projecting is closer to \$75-80M for all Control Substance Rxs. The unfavorable variance versus our plan is about \$50-60M. Of that \$50-60M about \$20M is related to CII's. The rest is C3-5's.
- The biggest impact that was not accounted for in the LRP/Budget was the impact of CIII-CV volume drop (apprx. -230k scripts per month FYTD; majority CIII Hydrocodone).
- CII volume has been down roughly -150k scripts per month FYTD, which the majority was already included in our LRP.

Target GFD Impact

Target GFD is for three drugs (Oxycodone, Hydromorphone, & Methadone) which is where we are seeing the largest declines. We are also seeing declines in other CII's such as Fentanyl TD, Morphine Sulfate, Tapentadol. In Q1, these drugs saw a 11% decline. Attached is the individual drug detail for all classes in Q1 TY vs. LY.

Let me know if you have any additional questions. Thanks.

From: Crawford, Kermit
Sent: Wednesday, January 08, 2014 7:07 AM
To: Doyle, Daniel; Reutzell, Erich
Cc: Hansen, Suzanne; Swords, Rex
Subject: Fwd: Targeted drugs for GFD

Dan,

What negative impact did we budget for C2s in FY14? My understanding is this was based on the April through August trend after the implementation of the targeted GFD policy. What is the difference vs what the actual impact?

The targeted GFD policy is for these four drugs only. What impact are we seeing on other C2s?

Sent from my iPad

Begin forwarded message:

From: "Swords, Rex" <rex.swords@walgreens.com>
Date: January 8, 2014 at 6:25:45 AM CST
To: "Crawford, Kermit" <kermit.crawford@walgreens.com>
Subject: Re: Targeted drugs for GFD

The target drugs are oxycodone (OxyContin), hydromorphone (Dilaudid) and methadone. All are CII's.

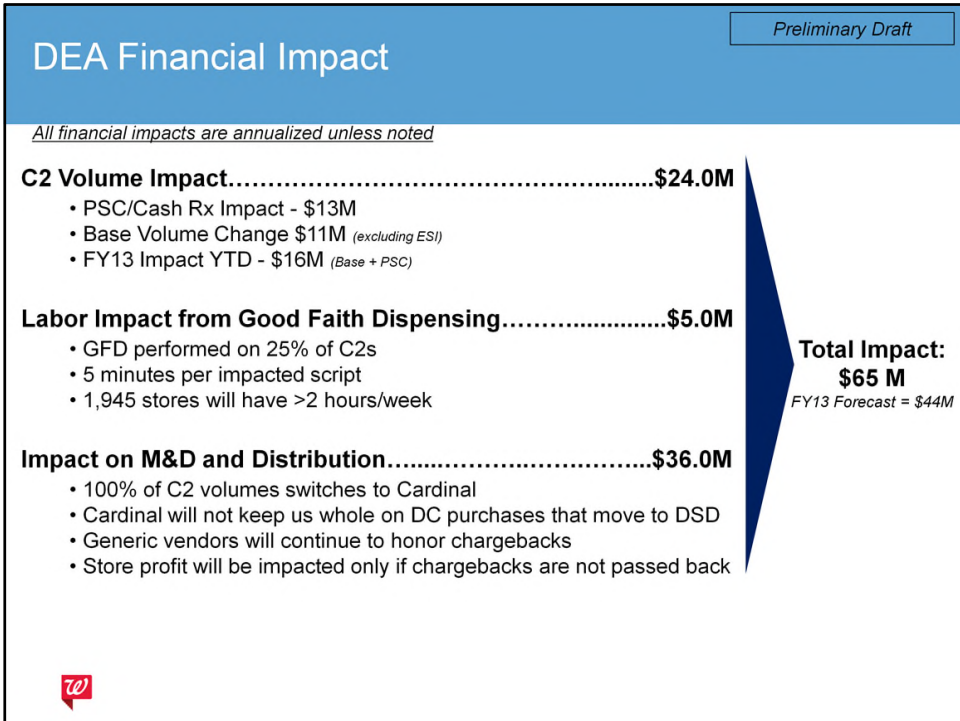
These were determined by data of dispensing increase and DEA action.

Rex Swords R.Ph.
Divisional Vice President
Pharmacy Services
(847) 315-2072

On Jan 7, 2014, at 10:09 PM, "Crawford, Kermit" <kermit.crawford@walgreens.com> wrote:

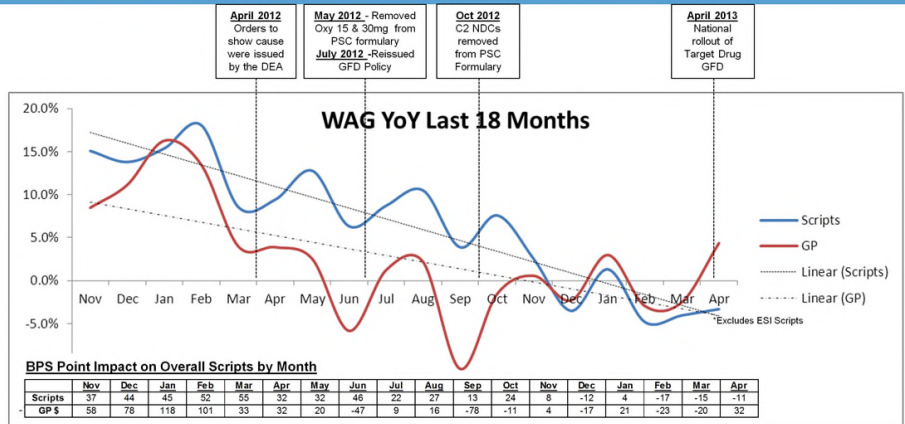
How many and what are they?

Sent from my iPad

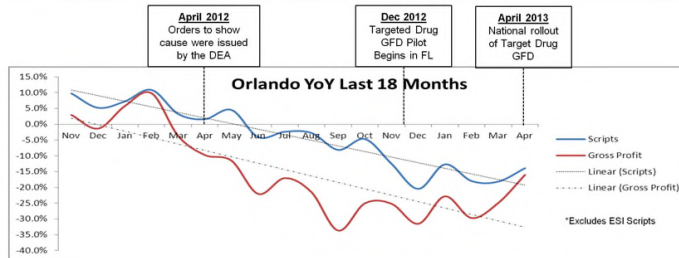
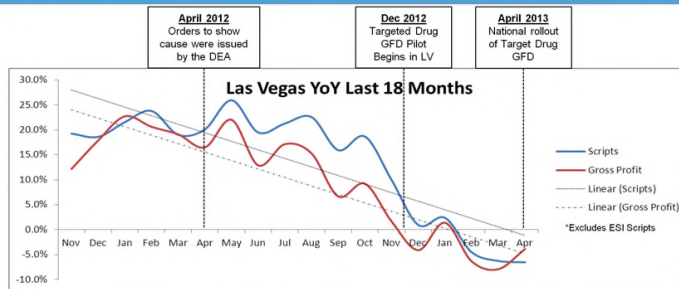


- * 100% of volume switches to CAH - numbers subject to change
- * CAH will not keep us whole on DC purchases that move to DSD – rate differential will be lost (Per Jeff Foreman)
- * Generic vendors will continue to honor chargebacks for all product purchased DSD (Per Brian Schneider)
- * Costs will remain constant and will not increase due to the shift from DC to DSD
- * DSF rate is calculated at 2.5% - there is potential for the impact to be up to 4.0% if daily delivery moves forward
- * M&D chargebacks dollars and store profitability will be impacted only if dollars are not passed back to the stores to keep them whole

We have seen significant script declines over the last 18 months



Las Vegas and Orlando have both decreased over 30% in scripts and GP in the past 18 months



C2	FY14 vs. FY13 Change			
	Q1 FY14	Sep	Oct	Nov
Oxycodone	-285,264	-82,175	-81,658	-121,431
Methadone	-51,005	-14,656	-16,202	-20,147
Morphine Sulfate	-41,134	-8,968	-11,349	-20,817
Hydromorphone	-35,706	-10,340	-11,644	-13,722
Tapentadol	-20,447	-6,129	-7,142	-7,176
C3	FY14 vs. FY13 Change			
	Q1 FY14	Sep	Oct	Nov
Hydrocodone	-350,001	-47,631	-107,694	-194,676
Acetaminophen	-37,882	-8,052	-11,592	-18,238
Pseudoeph	-6,803	-1,544	-2,255	-3,004
Butalbital	-5,845	-1,391	-1,921	-2,533
Phendimetrazine	-4,052	-1,413	-1,369	-1,270
C4	FY14 vs. FY13 Change			
	Q1 FY14	Sep	Oct	Nov
Carisoprodol	-81,907	-22,816	-27,471	-31,620
Zolpidem	-80,786	-9,339	-24,160	-47,287
Eszopiclone	-15,832	-3,488	-5,160	-7,184
Diazepam	-2,804	3,976	1,120	-7,900
Alprazolam	4,182	21,448	5,236	-22,502
C5	FY14 vs. FY13 Change			
	Q1 FY14	Sep	Oct	Nov
Guafenesin	-31,489	-4,350	-9,577	-17,562
Promethazine	-22,575	-5,614	-5,355	-11,606
Acetaminophen	-16,042	-4,654	-5,327	-6,061
Phenylephrine	-6,559	-1,630	-2,102	-2,827
Pseudoephedrine	-4,004	-773	-1,406	-1,825

By Drug for Chain Q1

	FY14 vs. FY13 Chg				FY14				FY13				FY14 vs. FY13 % Chg			
	Q1 FY14	Sep	Oct	Nov	Q1 FY14	Sep	Oct	Nov	Q1 FY13	Sep	Oct	Nov	Q1 FY14	Sep	Oct	Nov
Oxycodone	-285,264	-82,175	-81,658	-121,431	2,493,822	805,429	874,257	814,136	2,779,086	887,604	955,915	935,567	-10.3%	-9.3%	-8.5%	-13.0%
Methadone	-51,005	-14,656	-16,202	-20,147	126,254	42,153	44,642	39,459	177,259	56,809	60,844	59,606	-28.8%	-25.8%	-26.6%	-33.8%
Morphine Sulfate	-41,134	-8,968	-11,349	-20,817	394,871	128,680	138,613	127,578	436,005	137,648	149,962	148,395	-9.4%	-6.5%	-7.6%	-14.0%
Hydromorphone	-35,706	-10,340	-11,644	-13,722	136,185	44,379	47,774	44,032	171,891	54,719	59,418	57,754	-20.8%	-18.9%	-19.6%	-23.8%
Tapentadol	-20,447	-6,129	-7,142	-7,176	31,319	10,099	10,969	10,251	51,766	16,228	18,111	17,427	-39.5%	-37.8%	-39.4%	-41.2%
Fentanyl TD	-17,131	-3,473	-5,277	-8,381	197,242	64,402	68,551	64,289	214,373	67,875	73,828	72,670	-8.0%	-5.1%	-7.1%	-11.5%
Methylphenidate	-11,449	4,186	-4,232	-11,403	902,525	294,178	314,924	293,423	913,974	289,992	319,156	304,826	-1.3%	1.4%	-1.3%	-3.7%
Dexamethylphenidate	-11,319	1,416	-2,965	-9,770	249,714	82,379	89,394	77,941	261,033	80,963	92,359	87,711	-4.3%	1.7%	-3.2%	-11.1%
Oxymorphone	-10,531	-2,735	-3,608	-4,188	28,453	9,435	9,868	9,150	38,984	12,170	13,476	13,338	-27.0%	-22.5%	-26.8%	-31.4%
Dextroamphetamine	-7,499	-2,046	-2,816	-2,637	55,874	18,292	19,426	18,156	63,373	20,338	22,242	20,793	-11.8%	-10.1%	-12.7%	-12.7%
Meperidine	-5,037	-1,571	-1,454	-2,012	24,127	7,740	8,701	7,686	29,164	9,311	10,155	9,698	-17.3%	-16.9%	-14.3%	-20.7%
Cocaine Sulfate	-938	-278	-316	-344	3,221	1,029	1,126	1,066	4,159	1,307	1,442	1,410	-22.6%	-21.3%	-21.9%	-24.4%
Fentanyl Citrate	-761	-120	-355	-286	2,927	1,007	971	949	3,688	1,127	1,326	1,235	-20.6%	-10.6%	-26.8%	-23.2%
Methamphetamine	-217	-69	-62	-86	349	117	130	102	566	186	192	188	-38.3%	-37.1%	-32.3%	-45.7%
Opium tincture	-54	-29	-29	4	1,084	323	387	374	1,138	352	416	370	-4.7%	-8.2%	-7.0%	1.1%
Belladonna Alkaloids	-47	0	-28	-19	315	87	122	106	362	87	150	125	-13.0%	0.0%	-18.7%	-15.2%
Secobarbital Sodium	-40	0	-20	-20	113	43	31	39	153	43	51	59	-26.1%	0.0%	-39.2%	-33.9%
Fentanyl Sublingual	-20	-1	-22	3	147	49	43	55	167	50	65	52	-12.0%	-2.0%	-33.8%	5.8%
Nabilone	-5	0	-6	1	18	7	6	5	23	7	12	4	-21.7%	0.0%	-50.0%	25.0%
Levorphanol Tartrate	21	15	-5	11	156	47	51	58	135	32	56	47	15.6%	46.9%	-8.9%	23.4%
Lidexamfetamine	22,253	12,929	8,897	427	601,172	193,045	212,245	195,882	578,919	180,116	203,348	195,455	3.8%	7.2%	4.4%	0.2%
Amphetamine	115,522	58,035	50,387	7,100	1,490,293	487,853	527,793	474,647	1,374,771	429,818	477,406	467,547	8.4%	13.5%	10.6%	1.5%
Hydrocodone	-350,001	-47,631	-107,694	-194,676	6,558,863	2,138,526	2,280,246	2,140,091	6,908,864	2,186,157	2,387,940	2,334,767	-5.1%	-2.2%	-4.5%	-8.3%
Acetaminophen	-37,882	-8,052	-11,592	-18,238	489,953	161,188	171,593	157,172	527,835	169,240	183,185	175,410	-7.2%	-4.8%	-6.3%	-10.4%
Hydrocort Polst	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Pseudoeph	-6,803	-1,544	-2,255	-3,004	6,648	1,711	2,041	2,896	13,451	3,255	4,296	5,900	-50.6%	-47.4%	-52.5%	-50.9%
Butalbital	-5,845	-1,391	-1,921	-2,533	75,064	24,353	26,127	24,584	80,909	25,744	28,048	27,117	-7.2%	-5.4%	-6.8%	-9.3%
Phendimetrazine	-4,052	-1,413	-1,369	-1,270	27,525	9,068	9,715	8,742	31,577	10,481	11,084	10,012	-12.8%	-13.5%	-12.4%	-12.7%
Pseudoephedrine	-2,028	-589	-733	-706	675	198	224	253	2,703	787	957	959	-75.0%	-74.8%	-76.6%	-73.6%
Pseudoephed	-377	-60	-118	-199	82	34	30	18	459	94	148	217	-82.1%	-63.8%	-79.7%	-91.7%
Phenylephrine	-172	-68	-64	-40	1	1	0	0	173	69	64	40	-99.4%	-98.6%	-100.0%	-100.0%
Testosterone	-147	6,571	-1,363	-5,355	332,539	111,222	114,886	106,431	332,686	104,651	116,249	111,786	0.0%	6.3%	-1.2%	-4.8%
Methyltestosterone	-124	-28	-49	-47	475	159	174	142	599	187	223	189	-20.7%	-15.0%	-22.0%	-24.9%
Oxandrolone	-108	-42	-30	-36	1,622	518	562	542	1,730	560	592	578	-6.2%	-7.5%	-5.1%	-6.2%
Carisoprodol	-106	-35	-43	-28	362	110	128	124	468	145	171	152	-22.6%	-24.1%	-25.1%	-18.4%
Dihydrocodeine	-88	-16	-34	-38	20	8	6	6	108	24	40	44	-81.5%	-66.7%	-85.0%	-86.4%
Butabarbital Sodium	-25	0	-7	-18	103	37	36	30	128	37	43	48	-19.5%	0.0%	-16.3%	-37.5%
Phenyleph	-1	0	0	-1	0	0	0	0	1	0	0	1	-100.0%	#DIV/0!	#DIV/0!	-100.0%
Fluoxymesterone	4	-7	3	8	206	65	66	75	202	72	63	67	2.0%	-9.7%	4.8%	11.9%
Ketamine	13	7	3	3	34	12	12	10	21	5	9	7	61.9%	140.0%	33.3%	42.9%
Aspirin	21	6	9	6	21	6	9	6	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Paragoric	110	49	37	24	282	103	92	87	172	54	55	63	64.0%	90.7%	67.3%	38.1%
Benzphetamine	274	102	99	73	1,584	548	566	470	1,310	446	467	397	20.9%	22.9%	21.2%	18.4%
Esterified Estrogens	815	688	289	-162	46,025	15,274	15,948	14,803	45,210	14,586	15,659	14,965	1.8%	4.7%	1.8%	-1.1%
Dronabinol	1,056	460	315	281	11,955	3,839	4,132	3,584	10,899	3,379	3,817	3,703	9.7%	13.6%	8.3%	7.6%
Buprenorphine	32,293	12,849	11,649	7,795	472,163	152,352	164,142	155,669	439,870	139,503	152,493	147,874	7.3%	9.2%	7.6%	5.3%
Carisoprodol	-81,907	-22,816	-27,471	-31,620	345,115	113,591	120,264	111,260	427,022	136,407	147,735	142,880	-19.2%	-16.7%	-18.6%	-22.1%
Zolpidem	-80,786	-9,339	-24,160	-47,287	1,735,083	569,572	605,148	560,363	1,815,869	578,911	629,308	607,650	-4.4%	-1.6%	-3.8%	-7.8%
Esopiclone	-15,832	-3,488	-5,160	-7,184	148,940	49,135	51,986	47,819	164,772	52,623	57,146	55,003	-9.6%	-6.6%	-9.0%	-13.1%
Diazepam	-2,804	3,976	1,120	-7,900	669,447	218,325	233,594	217,528	672,251	214,349	232,474	225,428	-0.4%	1.9%	0.5%	-3.5%
Belladonna Alkaloids	-2,536	-938	-830	-768	380	140	137	103	2,916	1,078	967	871	-87.0%	-87.0%	-85.8%	-88.2%
Armodafinil	-2,087	-327	-757	-1,003	44,672	14,547	15,576	14,549	46,759	14,874	16,333	15,552	-4.5%	-2.2%	-4.6%	-6.4%
Chloral Hydrate	-1,945	-705	-662	-578	43	12	20	11	1,988	717	682	589	-97.8%	-98.3%	-97.1%	-98.1%
Flurazepam	-1,420	-456	-424	-540	15,086	4,908	5,279	4,899	16,506	5,364	5,703	5,439	-8.6%	-8.5%	-7.4%	-9.9%
Chlorazepoxide	-1,333	-255	-445	-633	28,215	9,369	9,755	9,091	29,548	9,624	10,200	9,724	-4.5%	-2.6%	-4.4%	-6.5%
Butorphanol	-1,248	-317	-357	-574	11,863	3,946	4,129	3,788	13,111	4,263	4,486	4,362	-9.5%	-7.4%	-8.0%	-13.2%
Pentazocine	-1,147	-300	-336	-511	8,041	2,666	2,822	2,553	9,188	2,966	3,158	3,064	-12.5%	-10.1%	-10.6%	-16.7%
Diethylpropion	-1,059	-326	-374	-359	10,739	3,585	3,692	3,462	11,798	3,911	4,066	3,821	-9.0%	-8.3%	-9.2%	-9.4%
Ozepam	-666	-80	-183	-403	11,512	3,787	4,036	3,689	12,178	3,867	4,219	4,092	-5.5%	-2.1%	-4.3%	-9.8%
Meprobamate	-289	-88	-77	-124	1,954	628	700	626	2,243	716	777	750	-12.9%	-12.3%	-9.9%	-16.5%
Quazepam	-53	-14	-15	-24	28	10	14	4	81	24	29	28	-65.4%	-58.3%	-51.7%	-85.7%
Difenoxin	-12	-13	8	-7	107	27	49	31	119	40	41	38	-10.1%	-32.5%	19.5%	-18.4%
Propoxyphene	-1	0	-1	0	0	0	0	0	1	0	1	0	-100.0%	#DIV/0!	-100.0%	#DIV/0!
Sibutramine	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Estazolam	221	152	134	-65	10,880	3,555	3,840	3,485	10,659	3,403	3,706	3,550	2.1%	4.5%	3.6%	-1.8%
Acetaminophen	447	185	256	6	11,819	3,778	4,113	3,928	11,372	3,593	3,857	3,922	3.9%	5.1%	6.6%	0.2%
Clorazepate	450	223	244	-17	33,524	10,904	11,661	10,959	33,074	10,681	11,417	10,976	1.4%	2.1%	2.1%	-0.2%
Midazolam	894	498	344	52	7,514	2,574	2,778	2,162	6,620	2,076	2,434	2,110	13.5%	24.0%	14.1%	1.2%
Modafinil	1,529	750	596	183	45,759											