

To: Lang, James J[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=James J Lang];
Gasdia, Russell[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=58B02E32]
Cc: Rich, Lauren[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=3FC78BAC]
From: Moore, Susan
Sent: Mon 11/5/2001 12:07:24 PM
Subject: Revised Budget Presentation
Nov. 2001 Dept. Budget Presentations.ppt

Attached are the budget presentations all in one file.

Susan



Produced Natively

Field Operations Budget Presentation

***James J. Lang,
Vice President, Field Operations
November 5, 2001***



2001 has proven to be a most interesting and challenging year for Sales and Field Operations.



Sales

PURDUE

The first twelve MS Contin[®] years
and the first five OxyContin[®] years
were *legendary*.



Sales

PURDUE

Abuse and diversion issues,
law suits, and other issues were
significant distractions for our
Sales Force and customers.



Sales

PURDUE

Despite the many challenges,
we had a good year.



Sales

PURDUE

**We are projecting \$1,700,000,000
for 2001!**



Sales



2001 Accomplishments

**We are projecting
\$1.4 Billion in OxyContin Sales.**



Sales

PURDUE

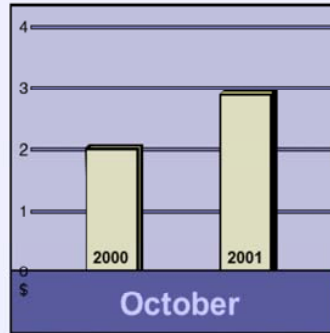
Year 2001 Sales
An increase of:
\$370,000,000



Sales



Through October, we are
30% ahead of 2000.



Sales



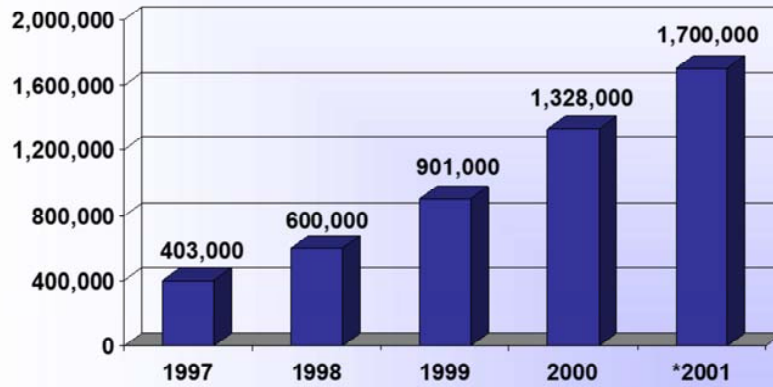
By any measure in the industry,
that is excellent performance.



Sales



Net Dollars Sales Five Year Trend (\$000's)



Sales



*Projection

Sales Per Representative 1990 - 2001

Year	\$ Sales	Rep Years	\$ Per Rep	%†
1990	\$147,019,000	234	\$628,286	16.7%
1991	\$165,787,000	260	\$637,642	1.5%
1992	\$182,907,000	261	\$700,793	9.9%
1993	\$200,444,000	270	\$742,385	5.9%
1994	\$214,559,000	263	\$815,814	9.9%
1995	\$251,189,000	263	\$955,091	17.1%
1996	\$311,589,000	290	\$1,074,445	12.5%
1997	\$411,417,000	349	\$1,178,845	9.7%
1998	\$601,484,000	423	\$1,421,948	20.6%
1999	\$900,858,000	556	\$1,620,248	13.9%
2000	\$1,342,000,000	676	\$1,985,207	22.5%
2001*	\$1,700,000,000	773	\$2,199,224	10.8%

Sales



*Projection

Sales management matured significantly in their ability to manage adversity.



Sales



During the year 2001, we became a major **Pharmaceutical Company** with many of the problems that accompany the achievement of that new status.



Sales



Our department reorganized and added new capabilities in addressing **adversity and challenge.**



Sales

PURDUE

We reorganized the Sales Department.

- Created two Area Director positions.
- Assigned the Hospital Specialty Division to the Vice President of Sales, Russ Gasdia.

Sales



Windell Fisher,
Southern Area Director
Prescription Division
Atlanta



Sales

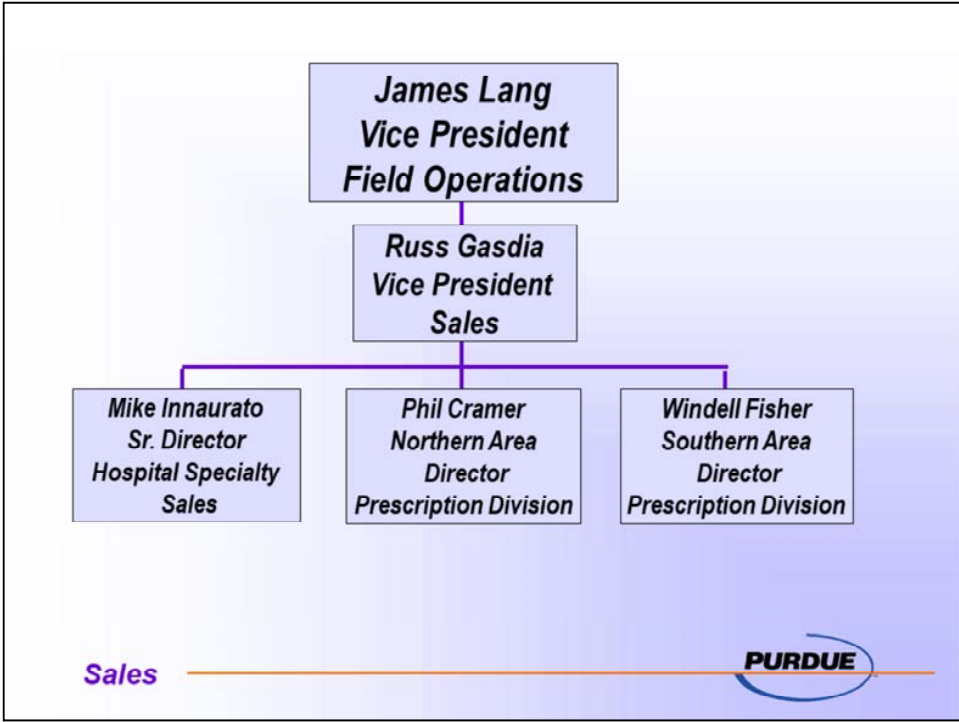


Phil Cramer,
Northern Area Director
Prescription Division
Baltimore



Sales





We also created a new and very
important department:

Government Affairs



Sales

PURDUE

Alan Must, National Director, State Government and Legislative Affairs



- Michael Brock
Regional Director
- Tammie Capps
Regional Director
- Mary Kaysen
Regional Director
- Vacant
Regional Director

Sales



We created a third
Medical Liaison Area Director position
in the Medical Liaison Department.



Sales



We promoted Ruth Plant, PharmD,
to this new position,
Area Director, East.



Sales



In addition, we created two
Nurse Liaison positions.



Sales



Lori Ladd, R.N.
Nurse Liaison
Central Area



Sales



Teresa Keane, R.N.
Nurse Liaison
Western Area



Sales



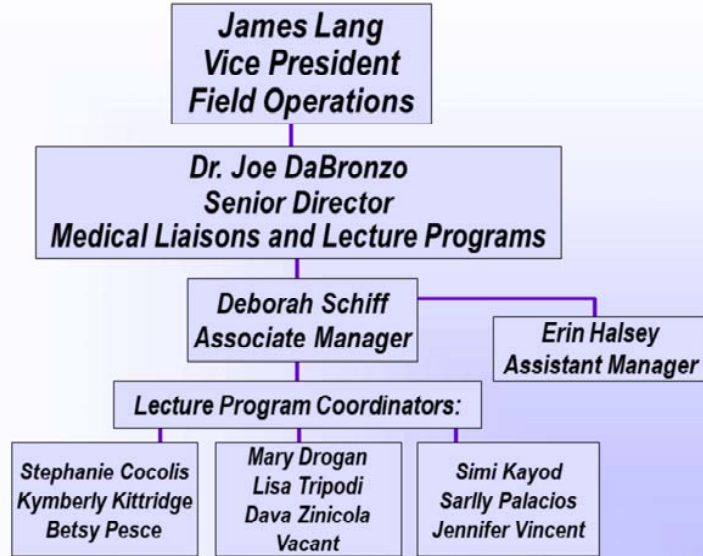
Medical Liaison Group



Sales



Lecture Program Department



Sales

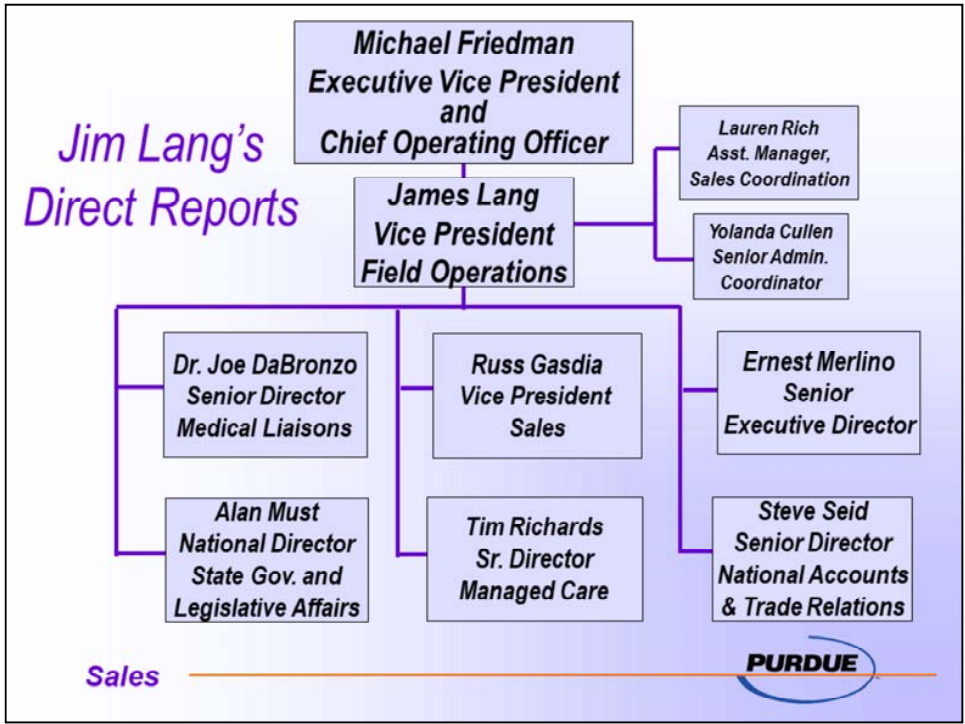


Initiated **Advocacy Development Program**
involving both the Medical Liaisons and
Managed Care Departments.



Sales





Purdue Field Operations

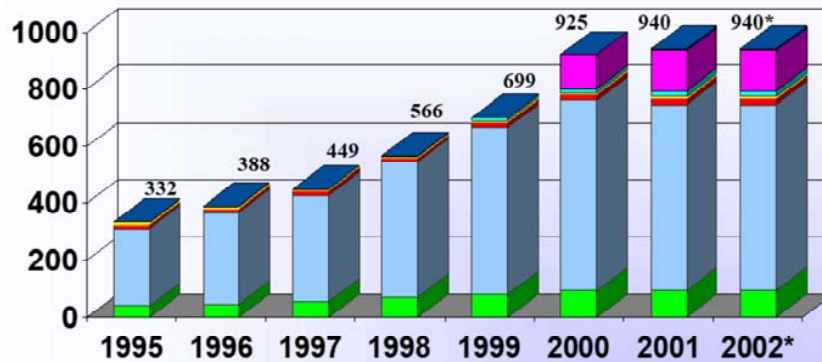
	1998	1999	2000	2001	2002*
Prescription Sales Force					
ADs/RMs/DMs	70	80	92	94	94
Reps	473	578	666	649	649
Hospital Specialty Division					
RMs/DMs			16	18	18
Reps			107	124	124
Managed Care					
Managed Care Area Mgrs.	2	3	3	3	3
Managed Care Act. Execs.	14	16	16	18	18
National Accounts Managers					
	5	5	5	4	4
Medical Liaisons					
Area Directors - Medical Liaisons			2	3	3
Government Affairs					
National Director				1	1
Regional Directors				4	4
Total	566	692	921	936	936

Sales

*Projection



Field Force Growth



- Regional/District Mgrs.
- Managed Care
- Medical Field Liaisons
- Government Affairs
- Prescription Reps
- National Accts
- Hospital Specialty Div.

Sales

*Projection



2002 Sales Challenges

- Continue to maintain Representative and Manager focus.
- Refocus physicians' attention on providing **proper pain management**.
- Improve our Medicaid strategies to deal with efforts to prior auth or restrict OxyContin.
- Address Managed Care OxyContin cost control efforts.
- Drive OxyContin sales to new **record levels**.

Sales



2002 Challenges



- Continue to upgrade Representative and Manager sales performance.
- Identify new opportunities for sales expansion.
- Improve performance management skills of our Managers.
- Significantly improve our relationships with key associations through more efficient and effective use of corporate resources.
- Retain our good Managers and Representatives for future new product launches.

Sales



Thank You To...

Prescription Sales Div.

Hospital Specialty Div.

Sales Training

Sales Administration

Human Resources

Marketing

Medical Dept.

Speakers Bureau

Customer Service

Lecture Programs

Law Department

Inst. Sales & Planning

Medical Liaisons

Finance

Medical

Law

Public Affairs

Managed Care

National Accounts

Totowa

Government Affairs

Sales

The Board

PURDUE

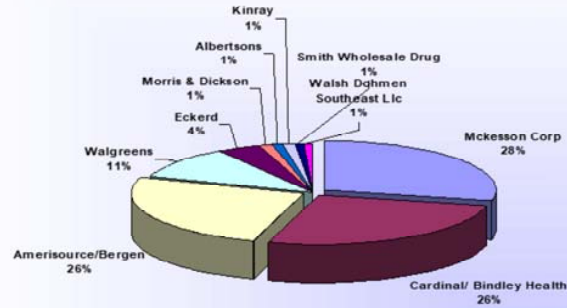
National Accounts 2001

Stephen L. Seid
Senior Director National Accounts and
Trade Relations



NATIONAL ACCOUNTS

TOP TEN PURDUE ACCOUNTS SEPTEMBER 2001 SALES



Of the better than 10,500 Purdue customers with account numbers, these ten represent 87% of our net volume.

Sales



NATIONAL ACCOUNTS

- National Accounts Initiatives 2001
 - **Meet or exceed forecast with all products**
 - **Refocus, revamp, and revitalize National Accounts to insure effective promotional balance**
 - **Build stronger relationships with key customers and major national trade organizations**
 - **Help educate the pharmacy community on good pain management**

Sales



NATIONAL ACCOUNTS

- Refocus the department to assure a more balanced focus on our business
 - **Taking a more proactive approach to our prescription business**
 - **Strengthen OTC growth**
 - **Reduce distribution issues**

Sales



NATIONAL ACCOUNTS



- Promotional support accomplishments
 - **MS Contin stock and save results**
\$79,391,912
 - **Uniphyll stocking campaign buy**
\$18,320,445
 - **Avoid and eliminate distribution issues with Chirocaine**

Sales



NATIONAL ACCOUNTS

EXAMPLE:Chirocaine redistribution

Steve,

The product is ordered. They will have it in house by tomorrow morning.

Shelton Benson

Sr. National Accounts Manager

Purdue Pharma L.P.

—Original Message—

From: Johnson, Stephen

Subject: FW: Chirocaine for Fremont Medical Center and Ricebout Hospital

Shelton:

Can we get the Bergen in Sacramento stocked with the .25 percent 10 ml vials of Chirocaine®? They will more than likely put it on formulary, but need to trial it first. They want 20 vials for their initial order and will go to higher order numbers if they replace ropivacaine.

Please let us know what additional information you need.

Thank you,

Steve

stephenjohnson@pharma.com

Sales



NATIONAL ACCOUNTS

- Build stronger relationships with national trade organizations
 - Develop ties with National Association of Chain Drug Store which represents 31,000 pharmacies nationwide
 - Subsequent meetings resulted in a Purdue grant funding a seminal best practices study on protecting pharmacies from robbery
 - Study presented October 28, 2001 NACDS fall conference

Sales



NewsRelease

September 21, 2001

NACDS ANNOUNCES STUDY TO IDENTIFY 'BEST PRACTICES' TO PREVENT ARMED ROBBERIES

Alexandria, VA – Identifying ways retailers can enhance internal systems to better protect employees, customers, and their stores from the threat of robbery is the goal of a best practices study NACDS has engaged King Rogers, Inc. to conduct. The study is prompted by the fact that over the past 18 months, there have been a growing number of prescription drug thefts from pharmacies nationwide. Alarmingly, many of these thefts are armed robberies.

The study, funded by a grant from Purdue Pharma, L.P., will identify current best practices by chain pharmacies, compare and contrast these practices to those developed by related industries, i.e., convenience stores, jewelry stores, and banks, look at currently available technology, and obtain input from various law enforcement agencies to develop a series of recommendations for chain pharmacies to consider as they review their current loss prevention programs.

The study results will be presented at the 2001 NACDS Fall Conference that will be held October 28-31 at the Westin La Costa Resort in San Antonio, Texas. Individuals can register for the Fall Conference by visiting www.nacds.org and clicking on the Fall Conference icon.

About Purdue Pharma, L.P.
Purdue Pharma, L.P., the maker of OxyContin Tablets, has developed an extensive program of education and awareness initiatives to address the problem of prescription drug abuse. This grant to the NACDS is a reflection of Purdue Pharma's commitment to take a leadership role within the pharmaceutical industry to combat prescription drug abuse. More information on Purdue Pharma is available at www.purduepharma.com.

About King Rogers, Incorporated
King Rogers recently joined from Target Corp., where he was Vice President of Asset Protection. Since moving, he has started his own firm, King Rogers, Incorporated. The company is a small "boutique" consultancy specializing in asset protection. The firm has associates with federal law enforcement backgrounds, retail loss prevention, and internal audit experience.

About NACDS
Founded in 1952 and based in Alexandria, Virginia, the National Association of Chain Drug Stores (NACDS) membership consists of over 100 retail chain community pharmacy companies. Collectively, chain community pharmacy comprises the largest component of pharmacy practice with over 190,000 pharmacies. The chain community pharmacy industry is comprised of more than 20,000 retail chain drug stores, 7,000 independent pharmacies and 5,300 convenience pharmacies. The NACDS membership base operates over 13,000 retail community pharmacies with annual sales totaling over \$400 billion, including \$190 billion in sales for prescription drugs, over-the-counter (OTC) medications and health and beauty aids (HBA). Chain member community retail pharmacies fill nearly 60% of the more than 3 billion prescriptions dispensed annually in the United States. Additionally, NACDS membership includes over 1,700 suppliers of goods and services to chain community pharmacies. NACDS international membership has grown to include 126 members from 31 foreign countries. For more information about NACDS visit www.nacds.org.

For more information contact: Phil Schneider at NACDS at 703-949-3001 or pschneider@nacds.org

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P.O. Box 1417-D49
Alexandria, Virginia
22301-1482

(703) 545-3001
Fax (703) 836-4849
www.nacds.org

Sales

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NACDS NATIONAL ASSOCIATION OF
CHAIN DRUG STORES
NewsRelease

September 21, 2001

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Sales

PURDUE

NATIONAL ACCOUNTS

- **Build bridges with major wholesale and chain accounts for more effective partnering**
 - Institute policy change on Vendor Charge Back. Executed 100 new vendor charge back agreements with 50 accounts
 - Partnering with major customers and Totowa to help enhance and expedite distribution
 - McKesson Supply Chain Management meeting
 - Wal-Mart distribution meeting
 - Working with Totowa on revised CII packaging

Sales



NATIONAL ACCOUNTS

- Puerto Rico
 - **Established a specific and formal OTC promotional plan with Caesar Castillo**
 - Implemented October 1, 2001
 - **Opened new wholesalers for Rx distribution under Purdue Pharma of Puerto Rico**
 - Completed October 1, 2001

Sales



NATIONAL ACCOUNTS

OTC PROMOTION

Sales



NATIONAL ACCOUNTS

Works Like Second Nature
100 Tablets
Senokot
Natural Vegetable Laxative
18⁹⁹
BROOKS

Not for sale in California. Sale to California residents only. © 2001 Purdué. All rights reserved.

Natural Vegetable Laxative Plus Sulfamerazine
Senokot-S
60 Tablets
Senokot-S
EFFECTIVELY RELIEVES CONSTIPATION
24.99 Sale price!
Aug 26 to Sep 1, 2001

Senokot
Natural Vegetable Laxative
16.99
Senokot LAXATIVE
100 ct. pkg.—tablets—
Or 30 ct. pkg.—tablets or
6 oz. pkg.—granules—
Senokot S laxative—Sale \$9.99

Osco Drug
Senokot or Senokot-S
Natural Vegetable Laxative
Granules, 12 ounces or 60 tablets.
26⁹⁹

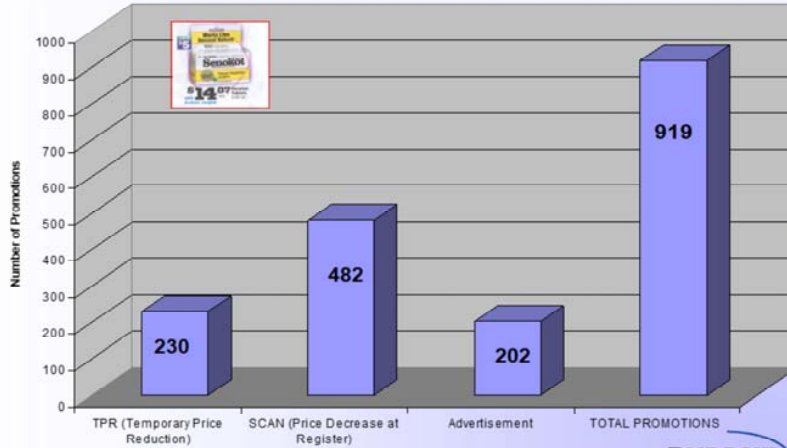
Works Like Second Nature
100 Tablets
Senokot
Natural Vegetable Laxative
19.99 Sale price!
100 Pack Senokot Natural Vegetable Laxative

Sales

PURDUE

NATIONAL ACCOUNTS

NATIONAL ACCOUNTS PROMOTIONS 2001

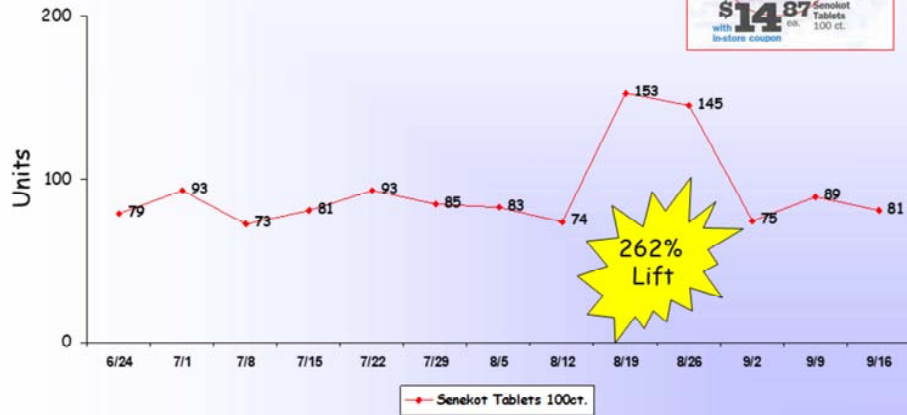


Sales

PURDUE



HEB TOTAL CHAIN
Senokot Tablets 100ct.
AD: August 19 - 25, 2001



Source: HEB Core Scanned

Sales

Luke Soules/ACOSTA Southwest

NATIONAL ACCOUNTS

- Senokot Displays added as an inventory item
– Record year in display sales as of 10/29/01

\$1,352,270.25



Sales

PURDUE

NATIONAL ACCOUNTS



- For the first time Senokot is sold in “club” stores
- Incremental sales of Senokot S 60's

\$551,838

Sales



NATIONAL ACCOUNTS

- Through September 2001 is 100% of forecast
- Betadine Solution OTC is +7.1%
with \$3,954,000 in sales through 9/01



Sales

PURDUE

NATIONAL ACCOUNTS

- Take aggressive role in the education of pharmacists on pain management issues
 - Major programs established with CVS, Walgreens(1000+pharmacists), Longs, Osco, Eckerd, Publix, Winn-Dixie, AmeriSource, Bergen
 - Over 40 programs booked impacting 2400+ pharmacists.

Sales





Would cordially like to invite Florida
Pharmacists to a Continuing Education Seminar
on Sunday Oct. 28th or Saturday November 3rd, 2001

1. Program Title: "Pain Management for Pharmacists"

Learning Objectives:

1. Discuss the issues and recent research surrounding pain management.
2. Review the WHO three step ladder for pain management.
3. Outline the types and appropriate uses for analgesics for pain.

2. Program Title: "Managing Pain in the Elderly"

Learning Objectives:

1. Discuss the magnitude of the lack of adequate pain management in the geriatric population.
2. Describe the barriers to treating geriatric pain and understand the ways of dealing with them.
3. Explain the misconceptions about pain in this population.
4. Discuss how cognitive impairment impacts pain assessment.
5. Describe treatment strategies for treating pain in this population.
6. Interpret the current regulatory concerns about the use of opioids and how they relate to geriatric pain.

3. Program Title: "Should I Dispense This?"

Learning Objectives:

1. Recognize the signs and symptoms of addicted and criminal drug seekers.
2. Discuss the responsibilities of the health care provider to provide appropriate care to each patient while protecting the welfare of all.
3. Describe the epidemiology of chronic pain and changes that have occurred in its treatment.
4. Discuss the categories of pain and current pain assessment techniques.
5. Identify the pharmacist's role in pain management.
6. Discuss the physiology and pharmacology of opioid therapy, patient monitoring and education.
- 7.

4. Program Title: "Managing Legal Risk for Dispensing Errors"

Learning Objectives:

1. Discuss the applicability of the corporate negligence doctrine.
2. Distinguish the liability for mechanical medication errors from judgmental medication errors.
3. Review the process of exercising professional judgement.
4. Identify the importance of protocols and procedures from minimizing the risk of liability.
5. Discuss the importance of a quality assurance program, which includes incident reports in minimizing the risk of liability.

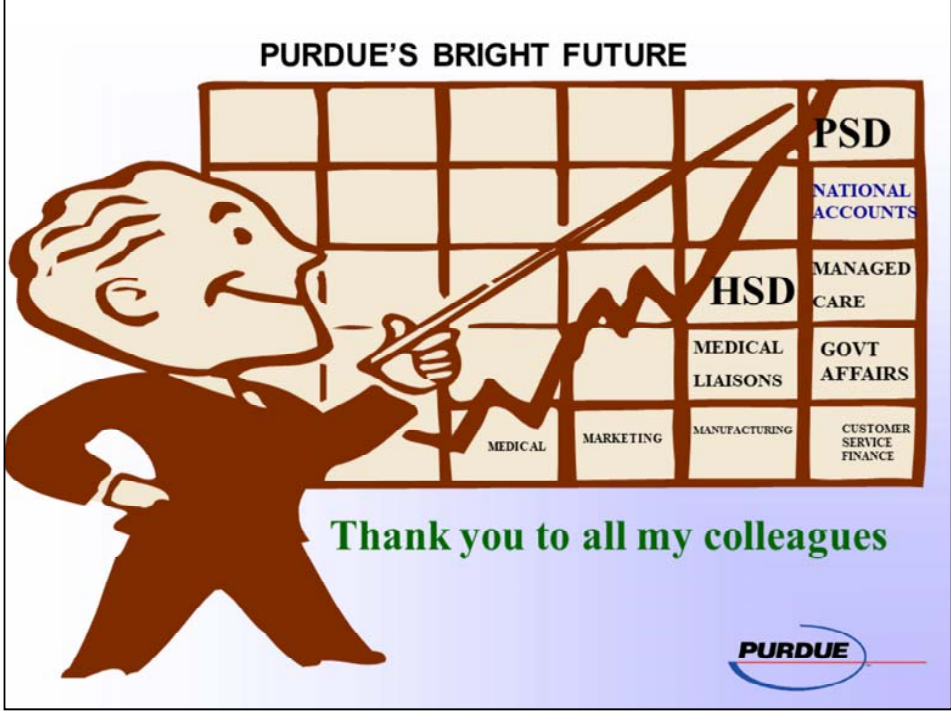
Sales

PURDUE

NATIONAL ACCOUNTS

- Work with chain and wholesale accounts on distribution of Pain Management CEs and abuse and diversion information
 - Accounts include Walgreen, Shaws, Publix, Wal-Mart, Duane Reade, Hannaford



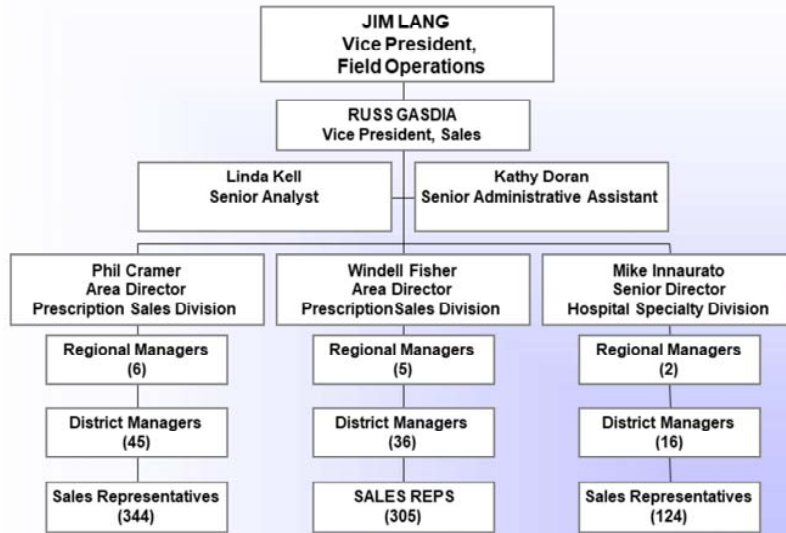


Sales Budget Presentation

Russ Gasdia,
Vice President, Sales
November 5, 2001



Sales Force



Sales

PURDUE

Sales Force

We currently have 886 people responsible for generating demand for our products at the clinician level.

- » 3 Directors
- » 13 Regions
- » 97 Districts
- » 773 Territories

Sales



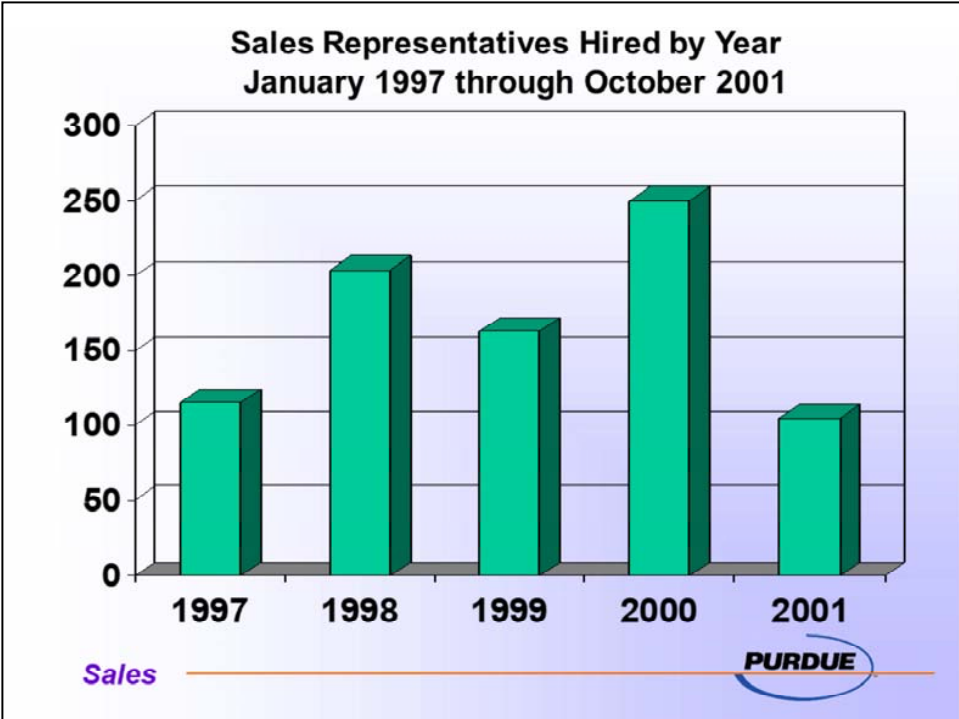
Recruiting & Hiring 1997 - 2001



- One of the primary responsibilities of the field management team has been recruiting and hiring
- A total of 722 Sales Representatives have been hired over a five year period
- That is an average of 144 Sales Representatives per year

Sales





Sales Force Turnover

January 1, 2001 - September 30, 2001

Total	Turnover
1 Month-1 Year	17
1 Year-3 Years	29
3 Years-5 Years	17
Over 5 Years	12
Total:	75

Sales



Sales Force Turnover By Performance Appraisal Rating January 1, 2001 - September 30, 2001

Performance Appraisal Rating	2001
HE - Highly Effective	7
GC - Good Competent	25
SI - Some Improvement Needed	24
CI - Considerable Improvement Required	2
NR - No Rating	17

Sales



Promotions

- Twenty-four individuals were promoted during 2001
 - 2 Regional Managers to Area Director
 - 2 District Managers to Regional Manager
 - Michael Thatcher, Mid-Atlantic Region
 - Rick Garofalo, South Atlantic Region
 - 11 Individuals to District Manager
 - 8 from Sales Representative
 - 3 from Field Training Manager (Training Department)
 - 1 Representative to Marketing Department
 - 7 Representatives to Training Department
 - 1 Representative to Managed Care

Sales



Average Seniority of Sales Force

Number of Years With Company	Number Of Sales Reps
0-1	140
1-2	205
2-5	268
5-10	67
10-15	43
15-20	19
20-30	12
30 +	1
Total	755*
2001 Average Seniority:	3.85 Years
2000 Average Seniority:	3.83 Years

46% > 24 months
81% > 5 years



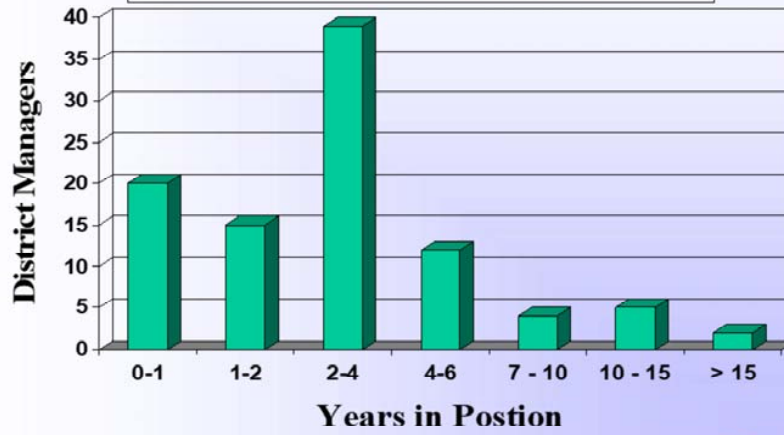
Sales

*As of 10/01/01



District Manager Tenure

Average Tenure as a District Manager = 3.5 years

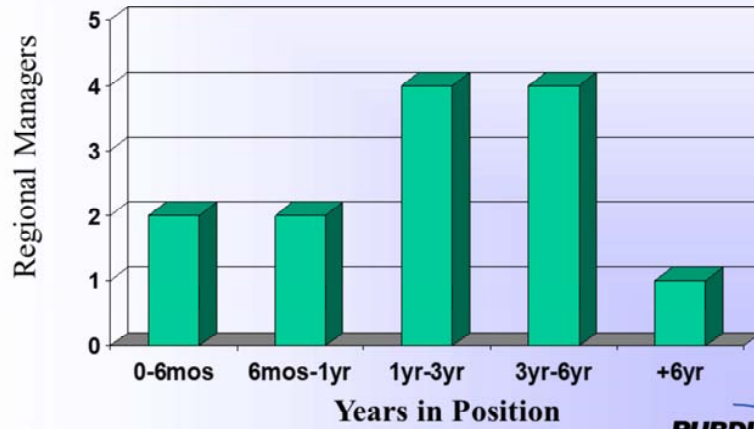


Sales



Regional Manager Tenure

Average Tenure as a Regional Manager = 3 years



Sales



Expansion Results



- Success of OxyContin drove expansion
- Expansion lead to growth of sales organization and career opportunities
- Average tenure reduced

Sales



Sales Department

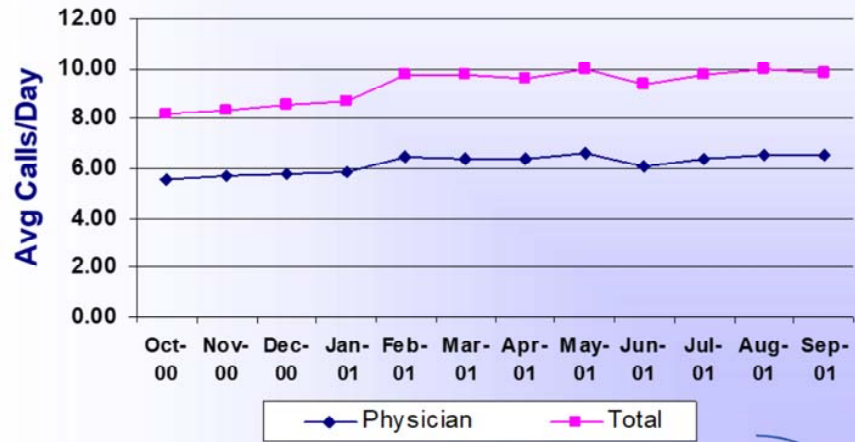
	Total Primary Physician Calls Made	Total Rep Days (Days On)
1994	278,868	44,138
1995	284,108	45,468
1996	310,185	49,523
1997	388,672	59,436
1998	503,326	74,025
1999	538,192	111,791
2000	781,883	130,234
*2001	972,479	145,828

Sales

*Projection

PURDUE

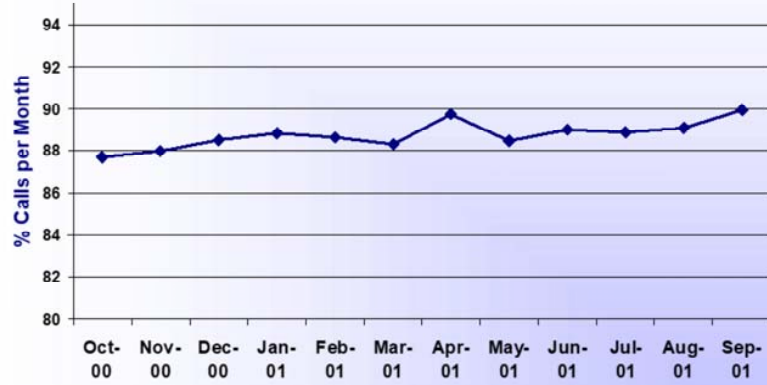
Call Averages Per Day



Sales



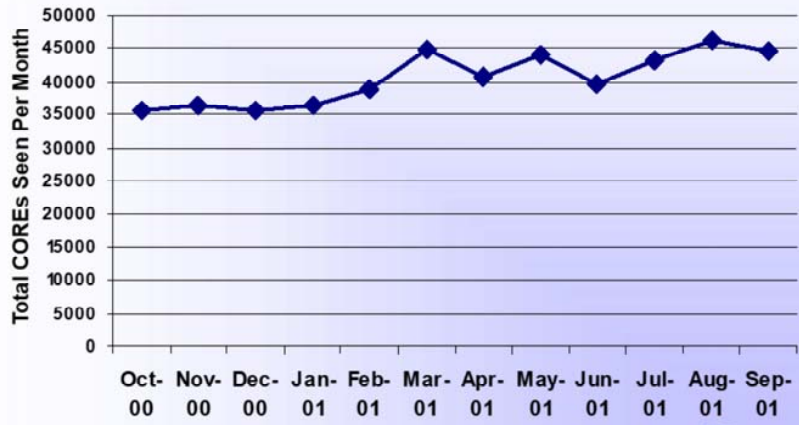
Calls to A1 Rated Physicians



Sales



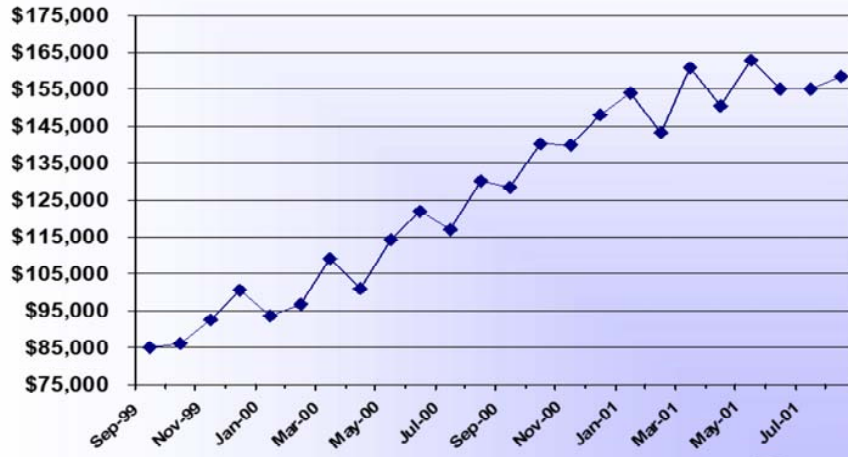
CORE Physician Coverage



Sales

PURDUE

Field Force Promoted Products Xponent Monthly Sales/Per Rep PSD/HSD

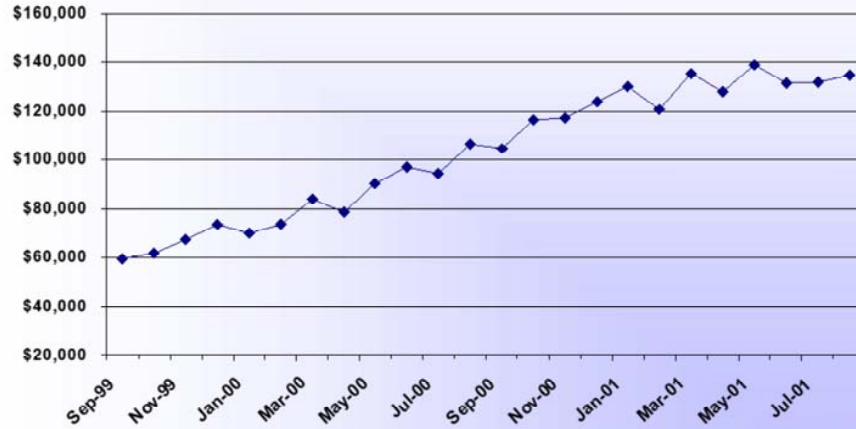


Sales

Average Dollar Volume per Rep



OxyContin Xponent Monthly Sales/Per Rep PSD/HSD



Sales

Average Dollar Volume per Rep

PURDUE

PSD/HSD Field Force Products

	Xponent Data Month	12 Month Current Volume Per Rep	12v12 \$ Growth Per Rep	12v12 % Growth Per Rep
Total Rep Average:	January 2001	\$1,446,233	\$ 502,446	53.2%
	August 2001	\$1,950,969	\$ 527,737	37.0%

Sales



PSD/HSD OxyContin

	Xponent Data Month	12 Month Current Volume Per Rep	12v12 \$ Growth Per Rep	12v12 % Growth Per Rep
Total Rep Average	January 2001	\$ 1,165,828	\$ 504,601	76.3%
	August 2001	\$ 1,617,378	\$ 539,719	50.0%

Sales



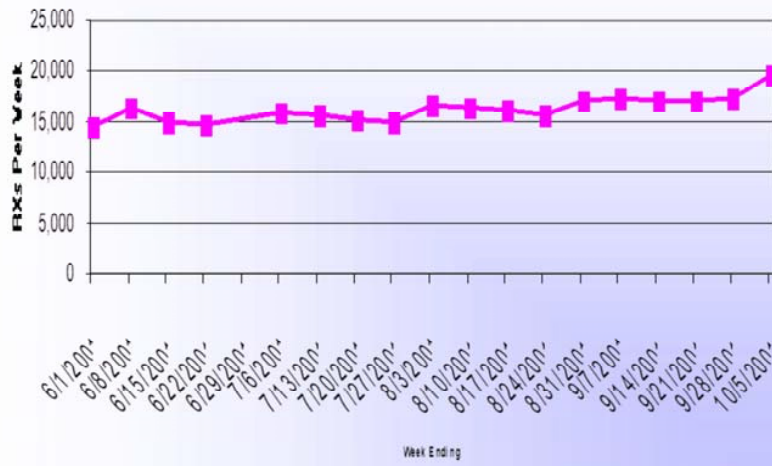
Uniphyl Xponent Monthly Sales/Per Rep Prescription Sales Division (Nation)



Sales



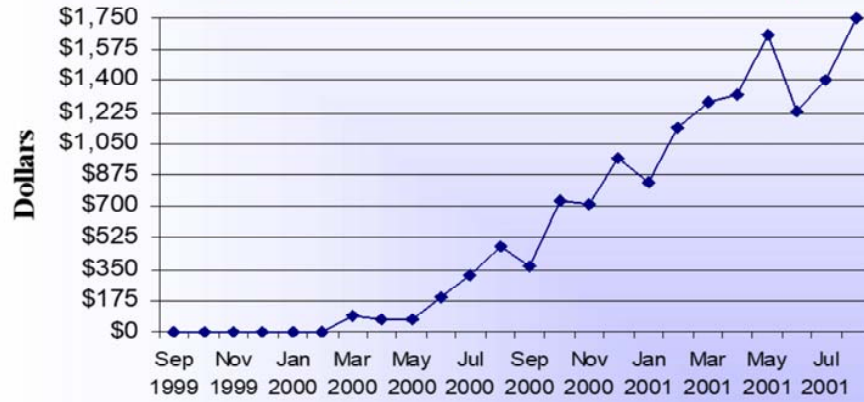
UniphyI Weekly Prescriptions



Sales



Chirocaine Xponent Monthly Sales/Per Rep Hospital Specialty Division (Nation)



Month

Average Dollar Volume per Rep

Sales

PURDUE

Moving Forward

- Focus on skill improvement and operational effectiveness
- Stabilization of district alignments will lead to improved focus on clinicians
- As tenure of sales representatives and managers increase there will be a corresponding increase in effectiveness
- One physician call and one patient at a time

Sales

PURDUE

Thank You!!!

Sales



Michael Innaurato
Senior Director
Hospital Specialty Division

Budget Meetings - November 2001



The Hospital Specialty Division
The **Evolution** of a New Sales
Organization

Sales

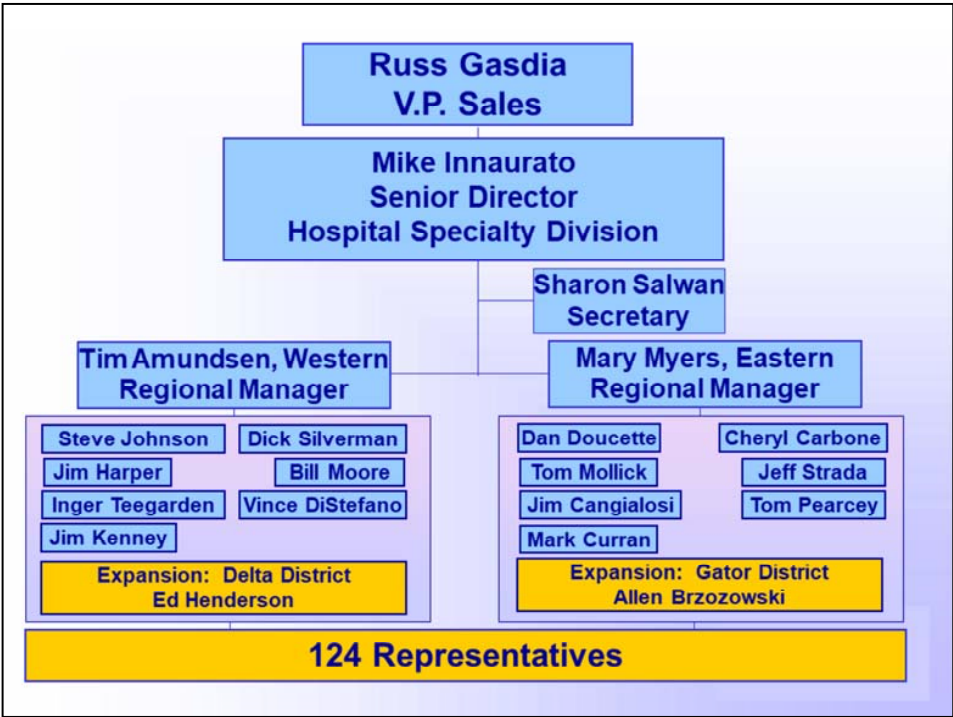


Hospital Specialty Division Charge for 2001

- Assume responsibility for selling to Oncologists
- Restructure the HSD Organization
- Continue to accelerate sales of Chirocaine by improving efficiencies

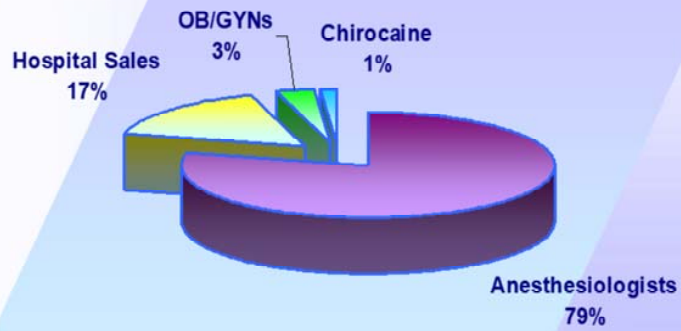
Sales





HSD Business Analysis June 2001

Total Revenue \$151,000,000

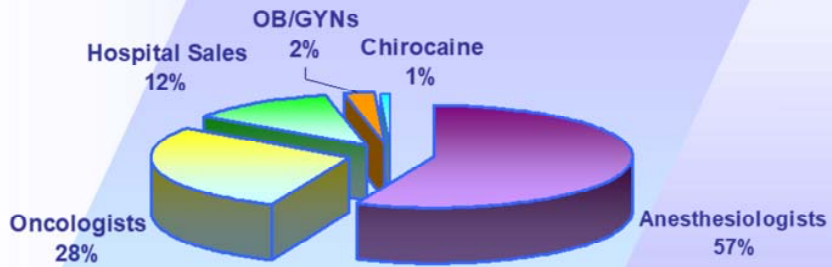


Sales



HSD Business Analysis July 2001

Total Revenue \$217,000,000



Sales

PURDUE

Hospital Specialty Division OxyContin Opportunities for 2002

THE UNIVERSITY OF TEXAS
MD ANDERSON
CANCER CENTER

ROCSTAFF
RADIATION ONCOLOGY
CENTER STAFFING

PMH
PHOENIX MEMORIAL HOSPITAL

MAYO CLINIC

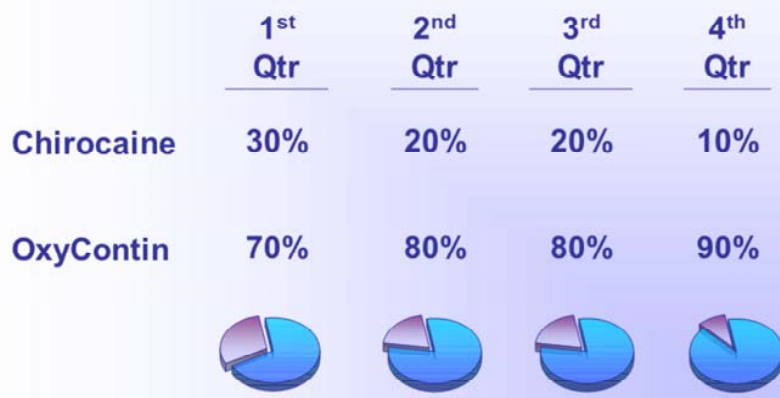
The
Johns Hopkins
Oncology Center
NCI
CCC
A Comprehensive Cancer Center
Designated by the National
Cancer Institute

MEMORIAL SLOAN-KETTERING
CANCER CENTER
The Best Cancer Care. Anywhere.

- Strengthen the Cornerstone of our Pain Franchise with Oncologists
- Continue to Develop Thought Leaders in Anesthesia

PURDUE

The Evolution of HSD Sales Call Allocation



Sales

PURDUE

The Evolution of Sales Call Allocation

- Improved efficiencies when selling Chirocaine
 - Improved pull through in the institution
 - Focus on post-operative pain management

Sales



Market Segmentation

Traditional Uses: Local Anesthetics



40%
Intra-operative
(including cesarean section)

\$30 Million



42%
Labor and Delivery

\$29 Million



18%
Post-operative Pain

\$54 Million

Source: Levobupivacaine pricing and market potential study, Strategic Marketing Corp., Jan. 2000)

Sales



Regional Block

- Single Injection
- Axillary Block
- Hand Surgery
- ALOS: 1 day
- 0.5% concentration
- 40 cc's per day
- 2 vials (10mL,30mL)/day
- \$12.61 per day
- 1 day = 2 vials

\$12.61/patient

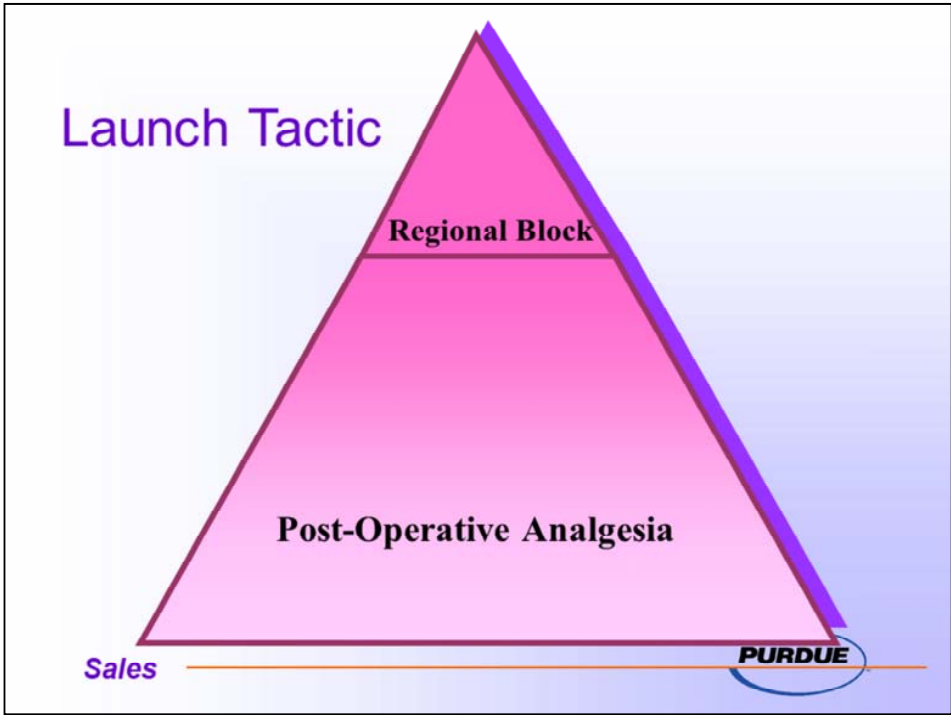
Post-Operative Analgesia

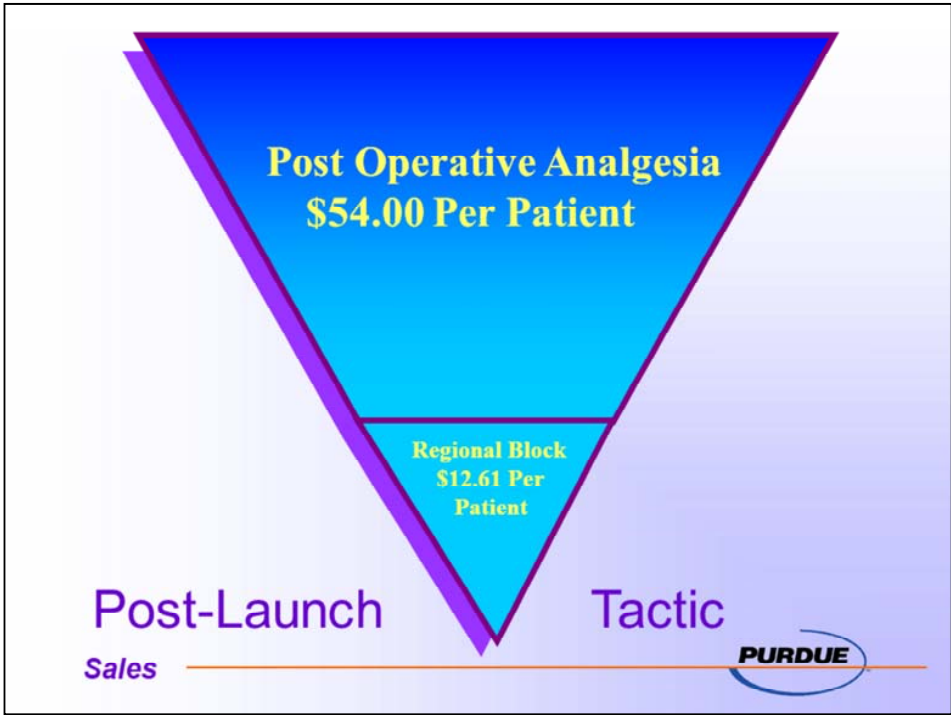
- Continuous Infusion
- Epidural Catheter
- Total Knee Arthroplasty
- ALOS: 4 days
- 0.5% diluted to 0.125%
- 25 cc's/100cc bag - 2 bags/day
- 2 vials (30mL)/day
- \$13.50 per day
- 4 days = 8 vials

\$54.00/patient



Sales





Factory Sales to Formulary Approvals 2001 YTD \$2,055,585



HSD Chirocaine Opportunities in 2002

Infusion Bags



Sales

PURDUE

Thank you to all Departments



Sales

PURDUE

Sales Department Budget Meeting Presentation



Tim Richards
Senior Director,
Managed Care
November 5, 2001



Managed Care



Sales



Account Executive Market Responsibility

- **Managed Care Organizations (MCOs)**
 - 14 Pharmacy Benefit Managers
 - 902 HMO plans nationally
 - 61 Contracting Partners
- **Group Purchasing Organizations (GPOs)**
 - 21 GPOs nationally
- **State Medicaid/State Boards of Pharmacy**
- **State Associations (Medical, Pharmacy, Osteopathic)**
- **Organization Contacts (National Advocacy Groups)**
- **Closed Provider Pharmacies (CPPs)**
- **VA Hospital Headquarters (VISNs)**

Sales



Additional Responsibilities for Account Executives

- **Medical/Pharmacy/Osteopathic Associations**
- **Advocacy – Professional Associations**
- **Pharmacy Boards**
- **Medicaid**



Sales

PURDUE

Business and "Rapport" Building 2001 YTD Contacts

- Advocacy Associations 157
- Medicaid/Pharmacy Board Contacts 273
- Professional Association Contacts 194

Sales

PURDUE

National Formulary Summary

	OxyContin	MS Contin	Uniphyl
1998	88%	98%	92%
1999	90%	98%	94%
2000	92%	97%	94%
2001	94%	95%	95%

Sales



Third-Party Reimbursement in 2001

For the Pharmaceutical Industry

- **83% of all Prescription Dollars***
 - Increase of 3% from 2000 data

For Purdue

- **76% of all dollars in 2001****
 - 55% in Managed Care
 - 21% in Medicaid Market
 - 1.6% in GPO and Hospice Market



*Source: Scott Levin Associates - 2001

** Projected

Sales

PURDUE

IPA/PBM Sales Comparisons to Factory Sales

	1998	1999	2000	2001*
IPA/PBM Gross Sales <i>(in 000s)</i>	\$236,781	\$399,834	\$613,490	\$ 807,632
Factory Rx Gross Sales <i>(in 000s)</i>	\$512,849	\$813,458	\$1,243,356	\$1,520,000

**Projection*

Sales



PBM Gross Sales (In Millions)

PBM	Current Lives	1998	1999	2000	2001*
Medco	65M	\$47.3	\$113.9	\$164.6	\$223.0
Advance PCS	75M	\$46.0	\$ 87.1	\$143.5	\$177.2
Express Scripts	47M	\$30.3	\$ 68.8	\$100.3	\$121.9

**Projection*

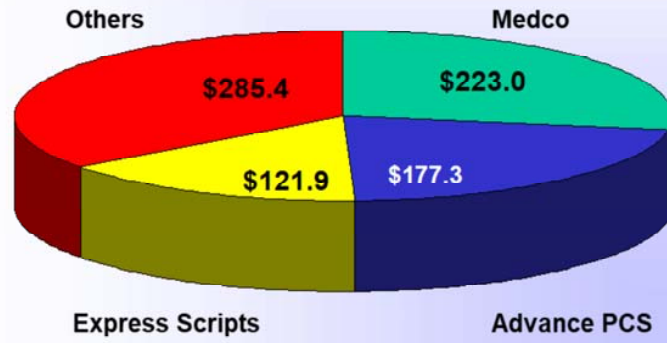
Sales



2001 Projected by doubling actual 1Q-2Q01 data

IPA/PBM 2001* Gross Sales (in Millions)

Total Gross Sales: \$807.6M



Sales



“A PBM’s Market View”

■ Drug spend is expected to increase 15 - 18% per year over next five years – *PCS Presentation 9/01*

– Due to :

- Aging of population/longer member lifespan
- New pharmaceutical products

– Challenges:

- Increased client concerns of proportion of drugs vs. total healthcare costs
- In 1991, 7% of MCO’s total expenses were for pharmaceutical products, in 2001 this has increased to 14-17%.

Sales



PBM Strategies to Manage Drug Spend

- Increased and stringent formulary management
- Increasing generic use/substitution
- MCO consolidation
- Cost-shifting to patient
 - 3-Tier co-pay

Sales



Managed Care Organization Tactics

Formulary Tiers



Sales

PURDUE

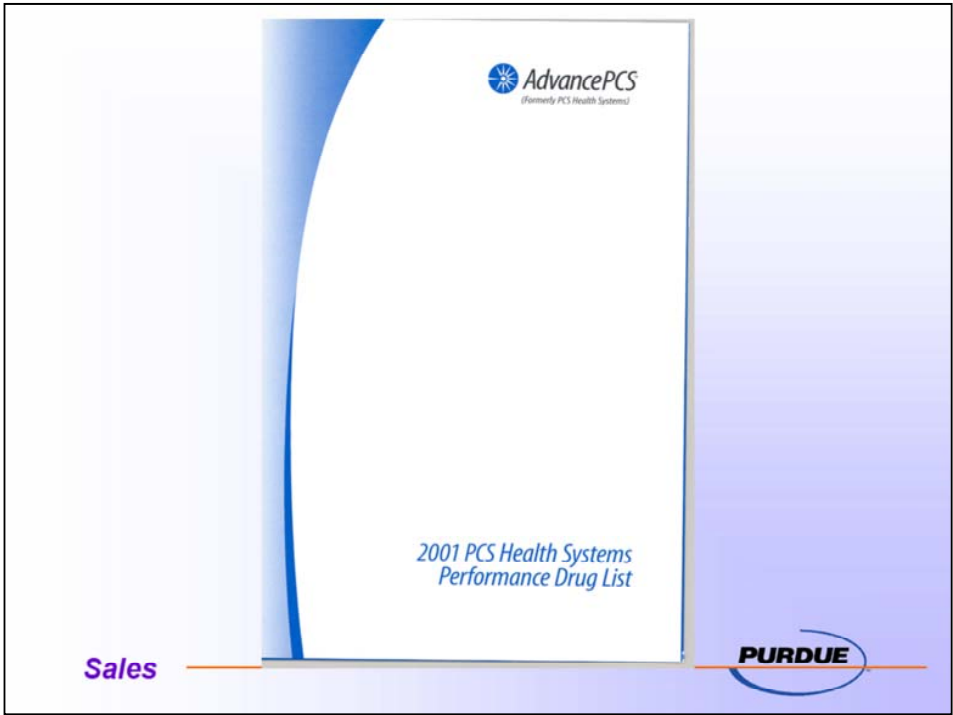
Managed Care Programming

	2000	2001*	% Chg.
Speaker Programs	328	525	+60%
Inservice Programs	176	299	+41%
Custom Programs	279	312	+12%

**Projection*

Sales





Drug List

DIABETES

Sulfonylureas

- glipizide
- glyburide
- glyburide micronized
- Amaryl®
- Glucotrol XL®

Biguanides

- Glucophage®

Thiazolidinediones

- Actos®
- Avandia®

Insulin

- Humalog®
- Humalin®

Blood Glucose Strips

- Accu-Check®

GASTROINTESTINAL

H₂ Antagonists

- cimetidine
- ranitidine tabs

Proton Pump Inhibitors

- Prilosec®

GLAUCOMA

Beta Blockers

- timolol maleate solution
- Betimol®

Alpha Agonists

- Alphagan®

Prostaglandins

- Xalatan®

Carbonic Anhydrase Inhibitors

- Azopt®

MIGRAINE

Selective Serotonin-1 Receptor

Agonists

- Imitrex®
- Zomig®

OSTEOARTHRITIS

NSAIDs

- ibuprofen
- indomethacin
- naproxen
- naproxen sodium
- salsalate
- sulfindac
- Relafen®

COX-2 Inhibitors

- Vioxx®

PAIN

Moderate to Severe

Pain Analgesics

- morphine ext-rel
- Oxy-Contin®

RESPIRATORY

Allergy

- Antihistamines - Nasal
- Astelin®

- Antihistamines - Non-sedating
- Allegra®/Allegra-D®
- Claritin®/Claritin-D®

Corticosteroids - Nasal

- Flonase®
- Nasacort®/Nasacort®AQ
- Nasonex®
- Rhinocort®

Sales

PURDUE

Enlarged Section from PCS PDL

PAIN

Moderate to Severe Pain Analgesics

morphine ext-rel

- OxyContin®

Sales



The 2007 Performance Drug List is a guide to excellent values within select therapeutic categories for AdvancePCS clients and their members. It is not a formulary and purposely omits many categories. Please refer to the 2007 PCS Health Systems Clinical Formulary and Prescribing Guidelines for a complete formulary listing (see www.AdvancePCS.com). Within the categories represented, this drug list will help the physician identify products which help maximize clinical results and economic value.

Sales



The *2001 Performance Drug List* is a guide to excellent values within select therapeutic categories for AdvancePCS clients and their members. It is not a formulary and purposely omits many categories. Please refer to the *2001 PCS Health Systems Clinical Formulary and Prescribing Guidelines* for a complete formulary listing (see www.AdvancePCSrx.com). Within the categories represented, this drug list will help the physician identify products which help maximize clinical results and economic value.

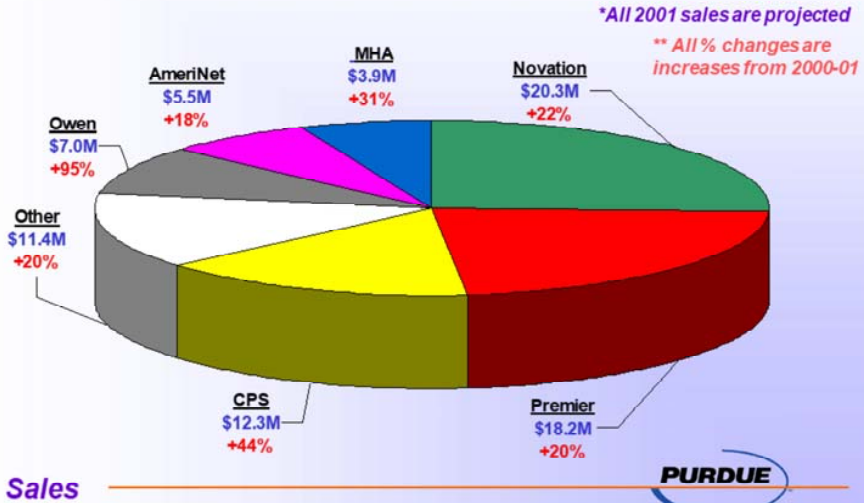
Sales

PURDUE

2001 GPO Sales

2001 Total Sales: \$80M*

(+30% Chg 2000-01)



Medicaid

- Covers 41M people across the nation
- Pharmacy Services are not mandated by the Federal Government. Instead, they are left to the individual state's decisions

Sales



Medicaid Expenditures

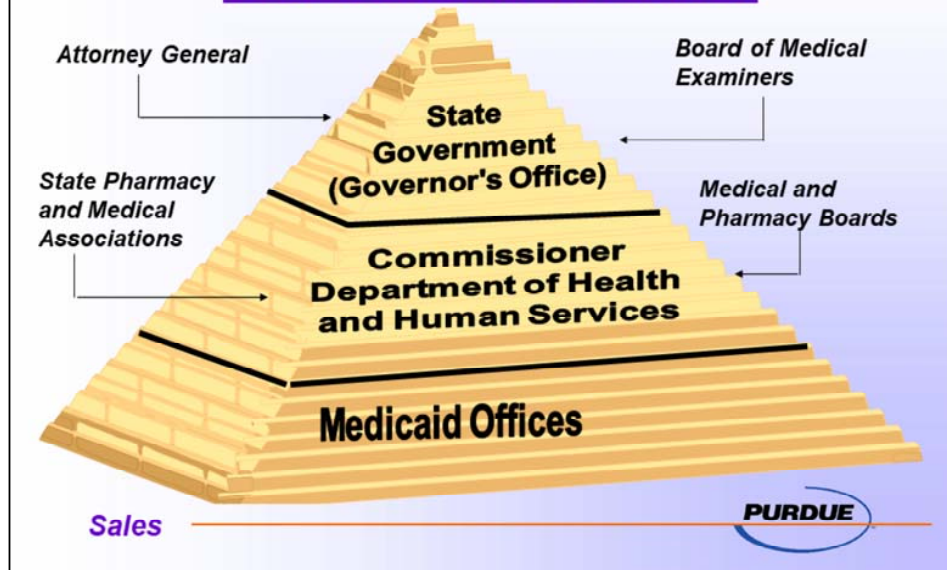
- Total Medicaid Expenditures were
 - \$187 Billion (1999)
 - \$200.6 Billion (2000)
 - 15.4% of National Healthcare Expenditures
 - More than doubled in last 10 years

- In 2002, 18 states will propose a budget reduction of 30% or more in Medicaid Prescription Benefit
 - “Supplemental rebates” are future challenges

Sales

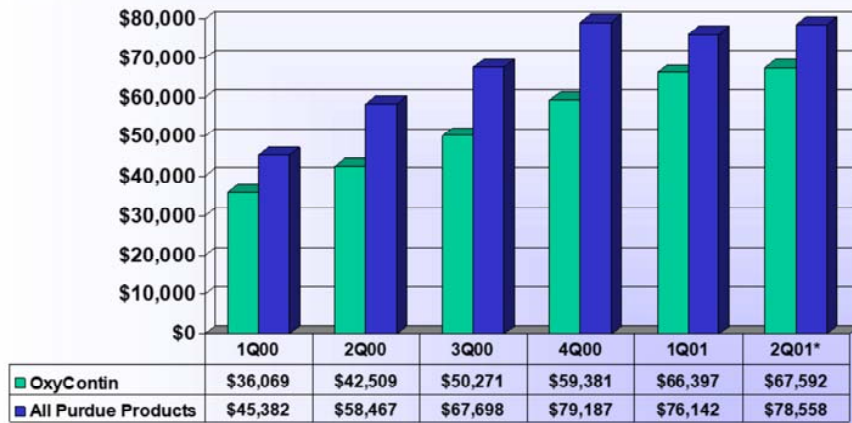


A Political "Web" Not Healthcare Decisions



Medicaid Gross Sales

in 000's - Nationally



**Projection based on 84% states reporting*

Sales



OxyContin Specifics in Medicaid

As of Nov. 1, 2001:

- 10 states have imposed limits
 - Either # of tablets or # of mgs.
 - 6 more states are seriously considering

- Vermont has “prior authorized”
 - Contrary to federal and Vermont statutes
 - 2 other states are considering

Sales



Prior Authorization through Medicaid

CMS stipulates - Center for Medicaid Services (Prev HCFA):

- “PA” for entire therapeutic class – Not 1 drug
- Consistency with Product Insert
 - Cannot limit to particular disease states
- State’s Committee (DUR) makes the recommendation
- State should allow for a hearing (public)
- All “PAs” must approve or deny within 24 hours

Sales



Battling Medicaid

A multi-pronged coordinated approach:

Account Executives	All specific market contacts
Government Affairs	Political/Government contacts
Medical Liaisons	Key Education/Advocacy Groups, Medical Boards
HSD/PSD	Key Healthcare Professionals
Law Department	Legal support
Outside Consultants	Counsel in specific states

Sales



“The pessimist sees the difficulty in every opportunity; the optimist, the opportunity in every difficulty”

- L.P. Jacks



Sales



WORKING TOGETHER WE
CAN DO GREAT THINGS!

THANK YOU



Sales



State Government Affairs



Mission Statement

To improve or maintain the state
legislative and regulatory environment
to the benefit of Purdue Pharma and
its promoted products

Sales

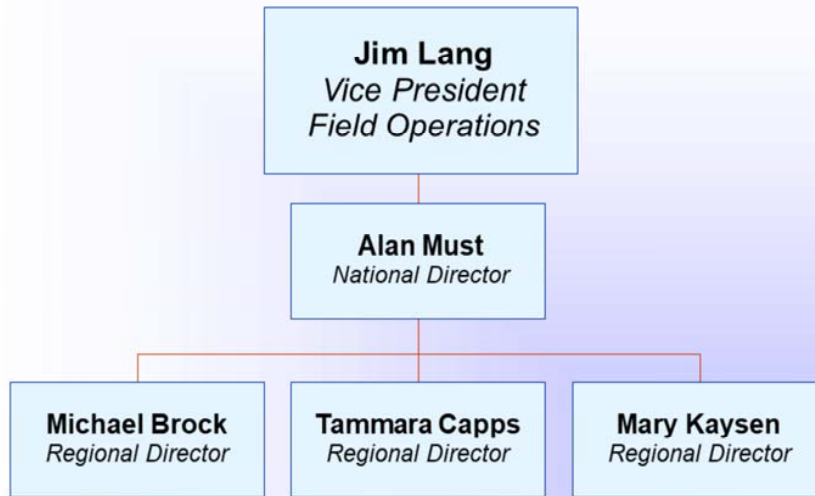


Departmental Organization

Sales



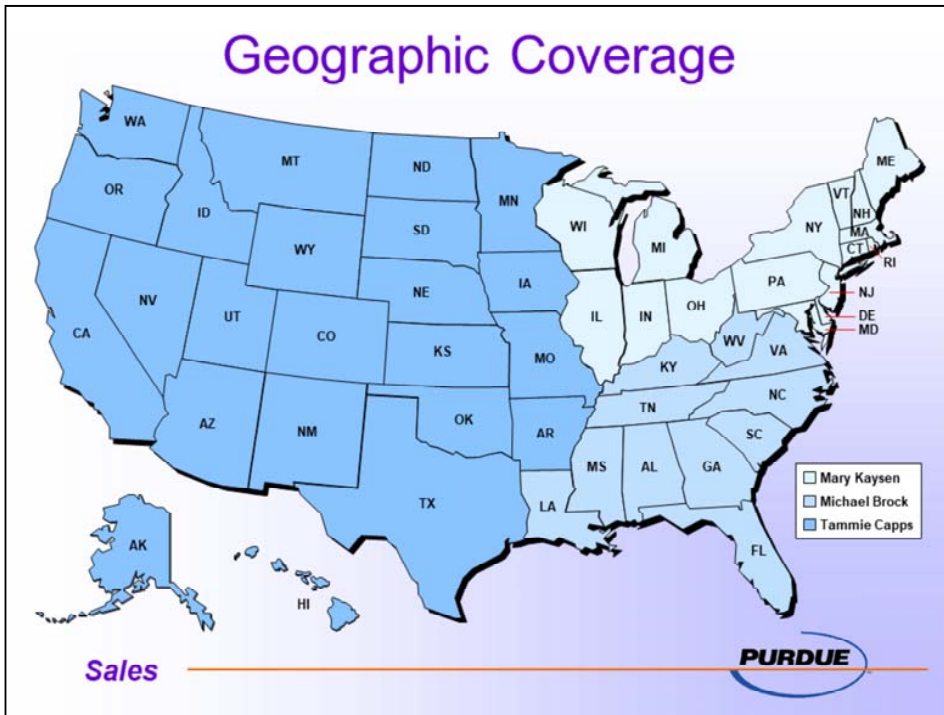
Organizational Chart



Sales



Geographic Coverage



Legislative Session Calendar

2002 State Legislative Sessions

State	Previous	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Con-venes	Adjourns	Carry-over	2002 Est. Bills
Alaska	Y	[Bar chart showing session from Jan to May]												1/14	5/15	01-02	500
Alabama	Y*	[Bar chart showing session from Jan to May]												1/8	4/22	NO	2350
Arkansas	Y	No Regular 2002 Session												No Regular 2002 Session			
Arizona	Y	[Bar chart showing session from Jan to Sep]												1/8	4/20	NO	1200
California	N	[Bar chart showing session from Jan to Sep]												1/7	8/31	01-02	2000
Colorado	Y*	[Bar chart showing session from Jan to Sep]												1/9	5/8	NO	850
Connecticut	Y*	[Bar chart showing session from Jan to May]												2/6	5/8	NO	1650
Delaware	Y	[Bar chart showing session from Jan to May]												1/15	6/30	01-02	700
Florida	Y	[Bar chart showing session from Jan to May]												1/22	3/22	NO	2750
Georgia	Y	[Bar chart showing session from Jan to Sep]												1/14	3/22	01-02	2000
Hawaii	Y	[Bar chart showing session from Jan to Sep]												1/16	5/3	01-02	3200
Iowa	Y*	[Bar chart showing session from Jan to Sep]												1/14	4/25	01-02	2000
Idaho	Y	[Bar chart showing session from Jan to Sep]												1/7	4/6	NO	900
Illinois	Y	[Bar chart showing session from Jan to Sep]												1/9	1/7/03	01-02	3500
Indiana	Y	[Bar chart showing session from Jan to Sep]												1/18	2/14	NO	1100
Kansas	Y	[Bar chart showing session from Jan to Sep]												1/14	5/24	01-02	1000
Kentucky	Y	[Bar chart showing session from Jan to Sep]												1/8	4/3	NO	1700
Louisiana	Y	[Bar chart showing session from Jan to Sep]												4/20	6/14	NO	1500
Massachusetts	Y	[Bar chart showing session from Jan to Sep]												1/2	12/31	01-02	1350
Maryland	Y	[Bar chart showing session from Jan to Sep]												1/9	4/8	NO	2500
Maine	Y	[Bar chart showing session from Jan to Sep]												1/2	4/17	01-02	450
Michigan	N	[Bar chart showing session from Jan to Sep]												1/9	12/31	01-02	2300
Minnesota	Y	[Bar chart showing session from Jan to Sep]												1/29	5/20	01-02	3000
Missouri	Y	[Bar chart showing session from Jan to Sep]												1/9	5/30	NO	1700
Mississippi	Y	[Bar chart showing session from Jan to Sep]												1/8	4/7	NO	3500

Sales

PURDUE

Legislative Session Calendar *(continued)*

2002 State Legislative Sessions

State	Previous	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Con-venes	Adjourns	Carry-over	2002 Est. Bills
Montana		No Regular 2002 Session												No Regular 2002 Session			
North Carolina	N													8/13	7/26	01-02	1000
North Dakota		No Regular 2002 Session												No Regular 2002 Session			
Nebraska	N													1/8	4/15	01-02	700
New Hampshire	Y													1/2	9/30	01-02	900
New Jersey	Y													1/8	1/14/03	02-03	5000
New Mexico	Y*													1/15	2/14	NO	1350
Nevada		No Regular 2002 Session												No Regular 2002 Session			
New York	Y													1/8	1/8/03	01-02	4150
Ohio	N													1/7	12/31	01-02	3000
Oklahoma	Y													2/4	5/31	01-02	2200
Oregon		No Regular 2002 Session												No Regular 2002 Session			
Pennsylvania	N													1/2	11/30	01-02	2200
Rhode Island	Y													1/8	6/28	01-02	3500
South Carolina	Y													1/8	6/6	01-02	1500
South Dakota	Y													1/8	3/15	NO	650
Tennessee	Y													1/8	6/28	01-02	4000
Texas		No Regular 2002 Session												No Regular 2002 Session			
Utah	Y													1/14	3/1	NO	800
Virginia	Y													1/9	3/8	02-03	3100
Vermont	Y													1/8	5/8	01-02	500
Washington	Y													1/14	3/14	01-02	1800
Wisconsin	N													1/22	5/15	01-02	800
West Virginia	Y													1/9	4/2	NO	2100
Wyoming	Y													2/11	3/5	NO	300
U.S. Congress	N													1/3	11/15	01-02	4600

Sales

PURDUE

Actions

Sales



Legislature

- Legislative Lobbying
- Task Forces
- Public Hearings
- Committee Testimony

Sales



Regulatory

- Controlled Substance Regulations
- Pain Statutes and Guidelines
- Professional Licensure Authorities
- Medicaid Policy

Sales



Executive

- Governor's Office
- Administrative Personnel

Sales



National Political Organizations

- **SGA** (*State Government Association*)
- **NCSL** (*National Council of State Legislators*)
- **RAGA** (*Republican Attorneys General Association*)
- **NAAG** (*National Association of Attorneys General*)
- **NASCSA** (*National Association State Controlled Substances Authorities*)
- **PhRMA** (*Pharmaceutical Research and Manufacturers of America*)
- **ALEC** (*American Legislative Exchange Council*)

Sales



Positive Results

Sales



Initiatives

- Kentucky HB 360 / Task Force
- New Castle, Pennsylvania
- Washington State DUE
- Attorney General Meetings
- Pennsylvania Legislation
- Ohio First Lady Hope Taft
- South Carolina Medicaid Prior Authorization
- West Virginia Legislation

Sales



Medical Liaisons and Lecture Programs

Joseph L. DaBronzo, PharmD

*Senior Director, Medical Liaisons
and Lecture Programs*

November 5, 2001

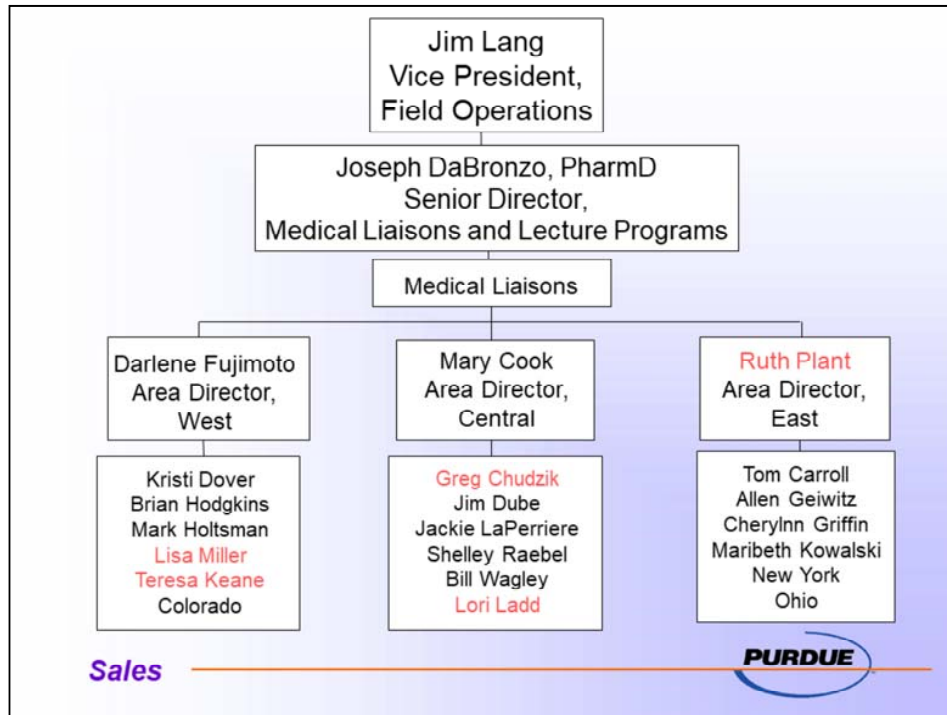


Medical Liaisons

- Year 2001 presented:
 - Challenges
 - Opportunities
 - *Accomplishments*

Sales





Medical Liaisons

■ Faculty

- Massachusetts College of Pharmacy
- Midwestern University Chicago
- Rutgers University
- University California San Francisco
- University Florida
- University of Minnesota
- University of Pacific
- University South Carolina
- University Southern California
- Western University

■ Board of Directors Nebraska Pharmacy Association

Sales

PURDUE

The Purdue logo consists of the word "PURDUE" in a bold, sans-serif font, enclosed within a blue oval shape.

Medical Liaisons

- Board of Pharmacy California
 - Chair of Enforcement Committee of Board Inspectors
 - Compliance Committee
- New Jersey Pain Initiative
- Board of Directors California Hospice Foundation
- “Regulatory Issues in Pain Management”
 - Clinics in Geriatrics, August 2001
- Guest Lecturers – Pharmacy Schools
- National and Local Pharmacy Associations

Sales

PURDUE

Medical Liaison Mission

***Advocate appropriate management of pain
by providing education and developing
partnerships with health care providers
and regulators.***

Sales



Evolving Role of Medical Liaisons

Educational
Programs



- Medical Boards
- Pharmacy Boards
- Medical / Pharmacy Associations
- Advocacy – Professional Associations
- Speaker / Thought Leaders
- Chain Pharmacies
- Medicaid

Sales



Key to Success

Balanced, non-product specific education with a message of appropriate pain management.

Sales

PURDUE

Accomplishments

■ Medical/Pharmacy Board Contacts	168
■ Professional Association Contacts	181
■ Advocacy Associations	139
■ Speaker/Thought Leader Contacts	691
■ Educational Programs	1,870

Sales



Medical / Pharmacy Boards and Associations

Sales



Accomplishments

Medical/Pharmacy Boards and Associations

- Pharmacy, Medical and Osteopathic endorsement of “Drug Diversion Pamphlets.”
- Ten Chronic Pain Programs for State of Minnesota
 - Minnesota Board of Medical Practice awarded Citizens Advocacy Center’s Spotlight Award.
- Minnesota Medical Board to send a resolution to the Federation of State Medical Boards that the standardized national exams (MD’s, DOs) contain questions on pain, pain assessment and pain management.

Sales



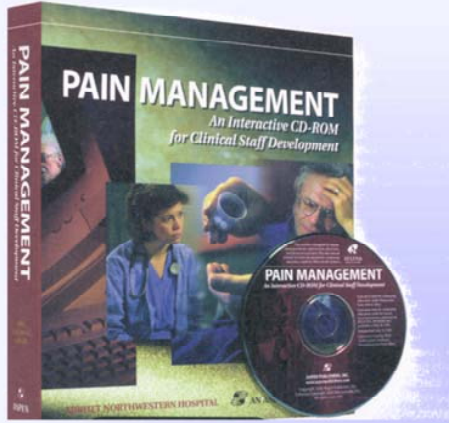
Educational Endeavors

Sales



Accomplishments

Educational Endeavors



Sales



The screenshot shows a software interface with a dark background. On the left, there is a photograph of a woman in a dark blazer and white shirt, smiling. To the right of the photo, the title 'Pharmacologic Treatment of Pain' is displayed in white text, followed by a small logo consisting of four white squares arranged in a 2x2 grid. Below the title, a list of topics is shown in white text, each preceded by a small white dot. At the bottom of the interface, there are three small white buttons labeled 'main menu', 'tools', and 'exit'.

Pharmacologic Treatment of Pain

- Introduction
- Patient Considerations
- Principles of Medication Administration
- Routes of Medication Administration
- Medication Selection
- Medication Scheduling/Regimens
- Adverse Effects
- Drug Interactions

main menu tools exit

Sales



Accomplishments

Educational Endeavors

- Access to difficult institutions to penetrate
 - Mayo Clinic
 - Barnes Jewish Medical Center
- Pain Management training of Physicians and Healthcare Professionals
 - Kaiser Southern CA
 - U. of Southern CA Pharmacy School
 - Desert Regional Medical Center

Sales



Accomplishments

Educational Endeavors

- Georgetown University Hospital
- Medical College of Virginia/Virginia Commonwealth University
- NIH Pain and Palliative Care
- Bethesda Naval Hospital
- Minnesota State Medical Board
- North Dakota Medical Board

Sales



Accomplishments

Educational Endeavors

- Dr. Dover provided mandatory pain management education to every employee with patient contact.
 - Documented pain assessments increased 36% to 83%
 - Documented treatments increased 62% to 96%
 - Sales OxyContin® increased 79%
 - Sales MS Contin® increased 92%
 - Sales Senokot® increased 31%

Sales



Advocacy Thought Leaders / Associations

Sales



FDA Opioid Advisory Committee

	Organization	Thought Leaders	Total
Contacts	55	81	136
Letter Sent	43	62	105
Attend Meeting	6	13	19
Plan to Speak	1	7	8

Sales



Accomplishments Advocacy

- Head of Pain Medicine at John's Hopkins.
- Thought Leaders in Florida to approach media and/or testify before key committees to advocate for patient's right to pain management.

Sales





NATIONAL HEADACHE FOUNDATION

428 W. St. James Pl., 2nd Floor, Chicago, IL 60614-2750

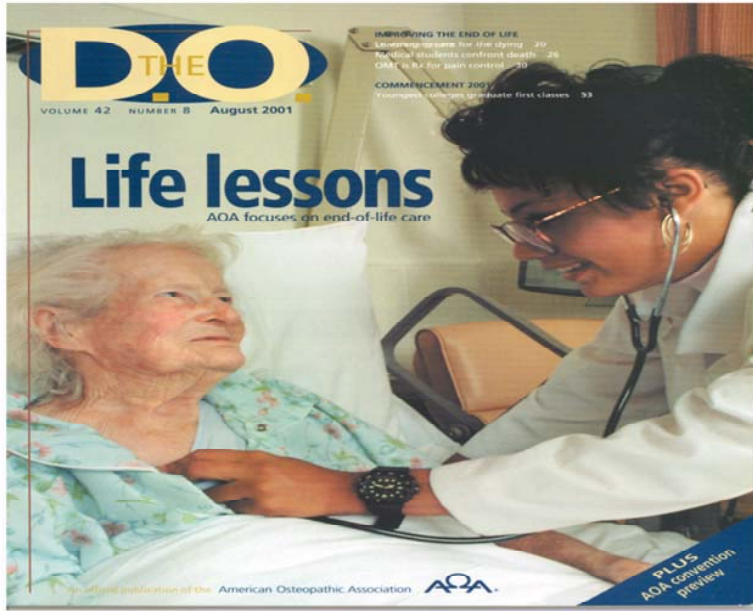
Toll Free (888) NHF-5552 Fax (773) 525-7357

Web Site Address: www.headaches.org

“It was a pleasure to meet you and discuss ways in which we might work together to educate the public about the appropriate use of pain medications. I was very glad to learn of the rather extensive measures Purdue Pharma is undertaking to reduce the abuse of OxyContin®. The company’s commitment to the ongoing effort is laudable.”

Sales





Sales

PURDUE

DOs can request NOM Week media information kits from AOA

- The AOA Public Relations Division has created a media information kit to promote National Osteopathic Medicine Week (NOM Week), which will be held Nov 11-18.
- The kit also includes public relations guidelines and publicity materials. A CD-ROM with electronic versions of all the printed information is included with the kit.
- The kit is being mailed to AOA accredited hospitals and other healthcare facilities, osteopathic state and specialty organizations as well as osteopathic physicians who have requested it.

-Nancy Vitucci

Source – *The DO* August 2001

Sales



Accomplishments

Advocacy

- Ohio Hospice and Palliative Care Organization
 - Highlighted Partners Against Pain website in Fall journal to over 70 hospices.

“This website is one of the finest in its field because of its ease of use, richness of information, and amount of resources offered.”

Sales



Accomplishments Advocacy

- Ohio Pharmacists Foundation (Ohio Pharmacy Association)
 - Highlighted tamper – resistant prescription pads in November 2001 edition of their journal.

Sales



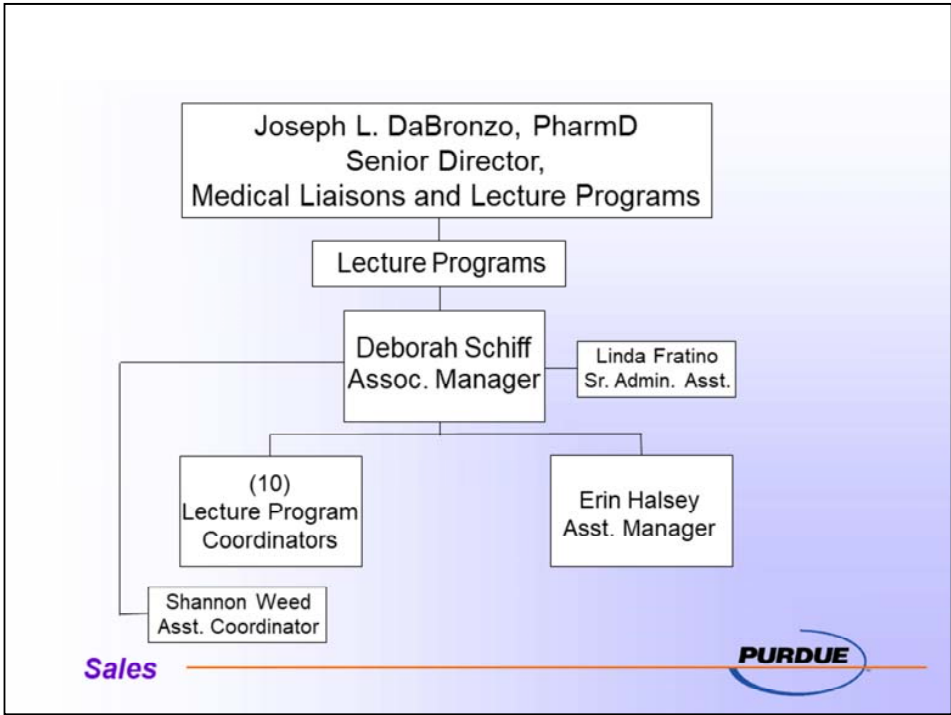
Accomplishments

Advocacy

- Sickle Cell Disease Association of America
- International Myeloma Foundation
- American Society of Pain Management Nurses
- Intercultural Cancer Council
- AIDs Action Committee, MA
- South Carolina Chapter of Carolinas Center for Hospice and End of Life Care

Sales

PURDUE



Lecture Program Department

2001 Programs

<u>Department</u>	<u>Programs</u>
PSD	3,969
HSD	723
Managed Care	414
Medical Liaisons	309
National Accounts	44
	<hr/>
	5,459

Sales



Lecture Program Department

Changes in 2001

- 800+ Members of the Speakers Bureau Received a Consultant Service Agreement
- Review of Speaker Presentation Material
- Majority of Lecture Programs will be Funded Through Educational Grants

Sales



Lecture Program Department

Budget Data Basis

- Program Expense Tracking
- Institution/Organization Tracking
- Detailed Management Reports

Sales



Medical Liaisons 2001

Thank You.

Working Together As A Team
Has Enabled Us
To Achieve
Beyond Our Goals!

Sales

