



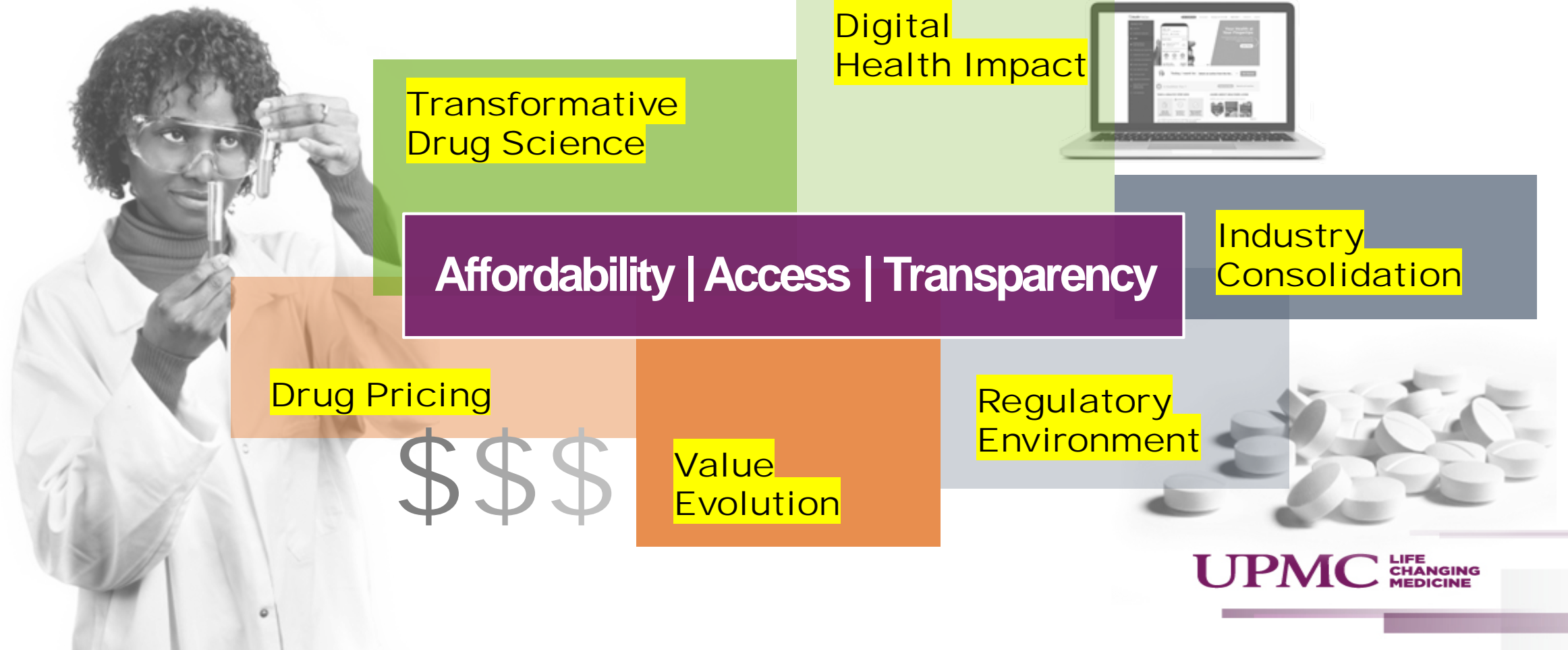
Pharmacy Innovation and the R&D Engine

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Unprecedented Pharmaceutical Industry Complexity

IMPACTING ALL STAKEHOLDERS



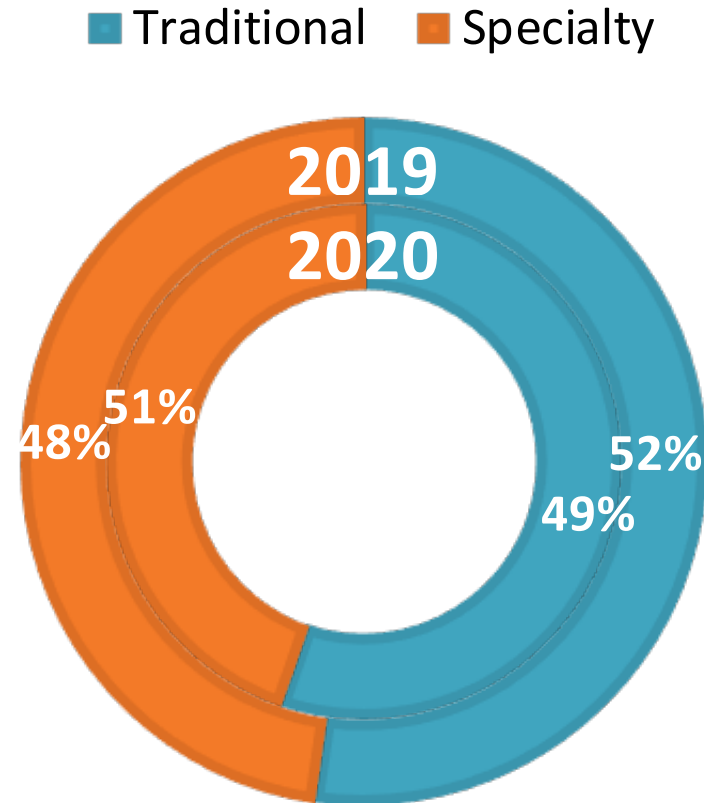
COVID Has Impacted Traditional Disease Disproportionately

- Diabetes
- Cardiovascular disease
- Chronic respiratory disease
- Obesity
- Hypertension

Specialty Utilization and Spend

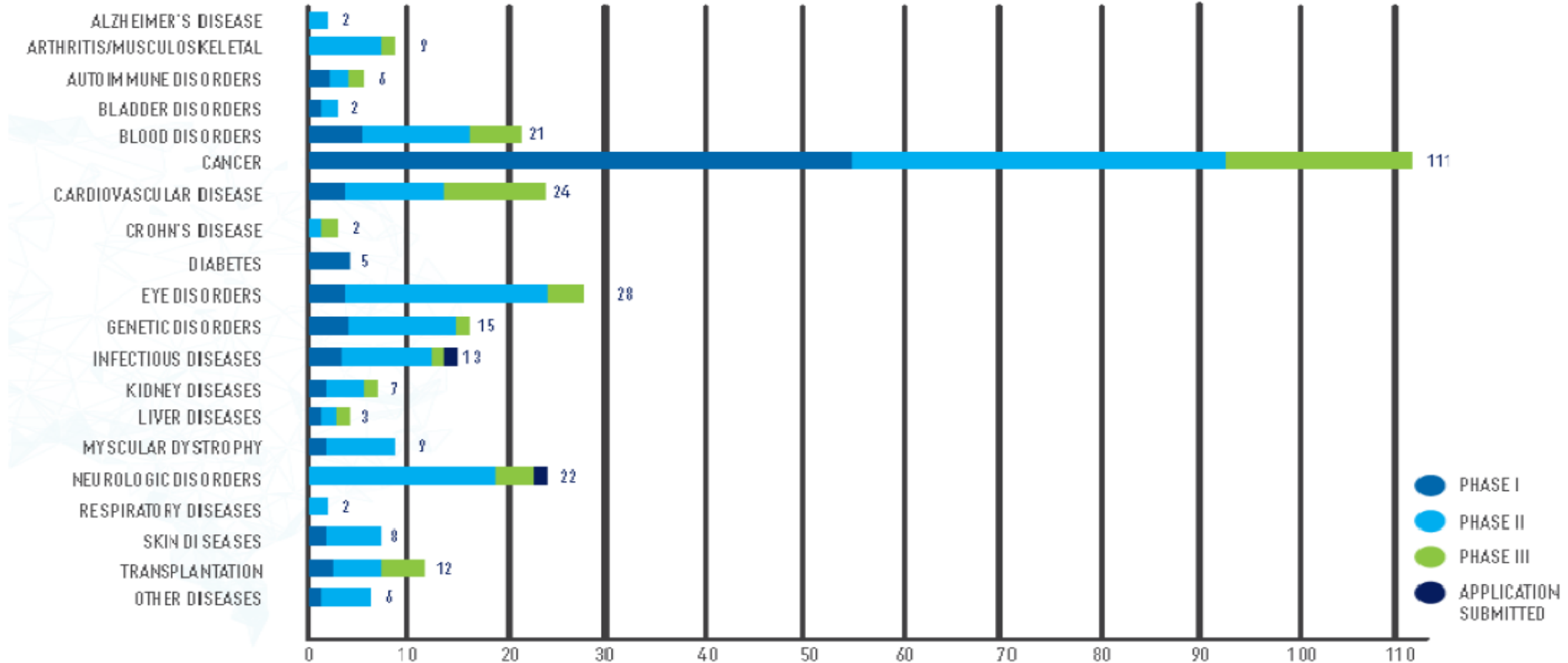
**Total Specialty Drug Costs
approaching and/or exceeding
50% of all pharmacy costs**

**Specialty Drugs were used
by ~2% of the population**



Robust Drug Pipelines

Medicines in Development by Disease and Phase



Innovation in Traditional Chronic Disease

Diabetes

SGLT2

GLP-1

Coagulation

DOACs

Anti-
Platelet

Migraine

Chronic
Therapy

Acute
Therapy

Payors Will Get Behind Innovation

- Formulary Status
- Total Cost Care Ultimate Goal
 - Payor Initiated Disease Education and Medication Adherence Goals
- Benefit Design
 - UPMC Medicare Diabetes drug experience
 - Zero copay tiers
- Value Based Construct

How Do We Mobilize the R&D Engine For Traditional Disease?

- Fix Unaligned Incentives Against Innovative New Brand Therapies
 - Donut Hole
 - PBM Rebate Machine
- Leverage Increasing Demand
 - ACO Risk Construct
 - Educated and Engaged Consumer
- What Does An Optimal Pharma Business Model Look Like/Need?
 - Can we Eliminate Waste Drivers
 - Patent Extension Tactics
 - Inflation