

Highlights of the impact Preferred Medical's workers' compensation programs are having on prescription medication costs and outcomes in 2017 compared to 2016.

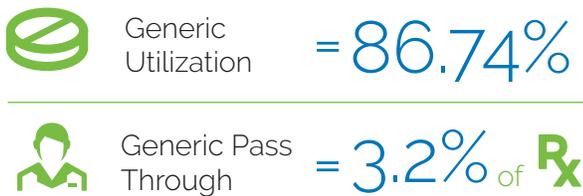
While manufacturer drug costs continue to drive up the average wholesale price of medications, our clients continue to achieve cost savings and lower utilization through a focused, tailored approach that is designed to give our clients the best offense and defense.

Specialty drugs only account for 0.2% of total prescriptions in 2017, but spend is increasing, which is making this an area for payers to watch. Preferred Medical offers solutions to help its clients get in front of these medications to drive down utilization.

Greater total savings nationwide

29.83% = Average Savings Below State Fee Schedule for All Clients

Higher generic utilization



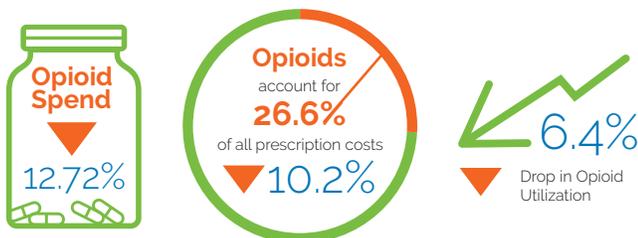
Our comprehensive PBM and clinical programs increased generic utilization despite rising medication costs. Clients leveraging our generic pass-through program have achieved even greater savings.

More appropriate medication dispensing



Preferred Medical's restrictive formularies are lowering the number of prescriptions that are dispensed as written for the brand medication when a generic or lower cost alternative is available.

Lower opioid spend & utilization



The decrease in opioid spend factors in a rise in medication costs, an indicator that our aggressive Strategic Opioid Solutions program helps our clients get more control over opioid analgesic utilization.

Greater control over compounded medications



Through our Clinical Compound Reviews and restrictive formularies the number of these expensive medications being approved for dispensing is almost negligible.