

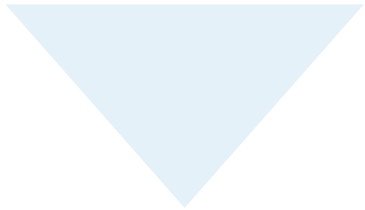
Affordable Pharmacy Benefits, Powered by a Modern Infrastructure





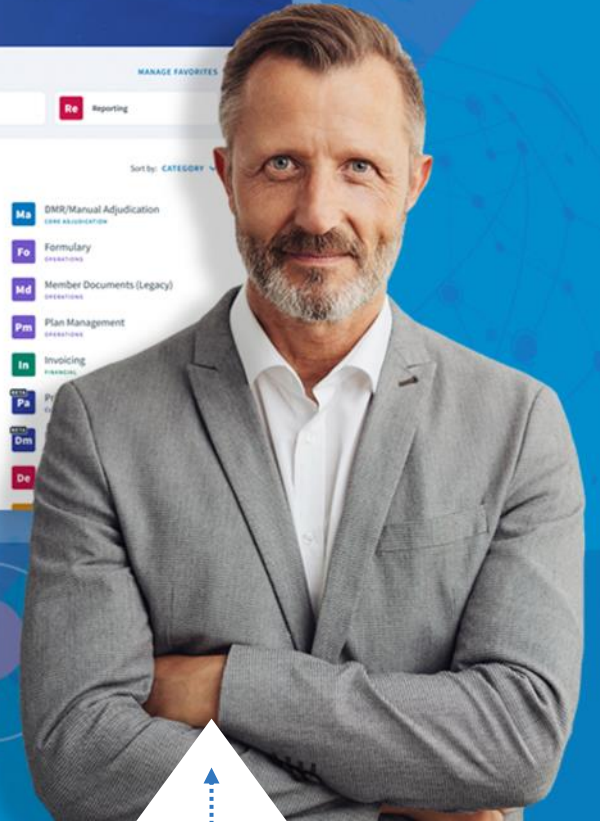
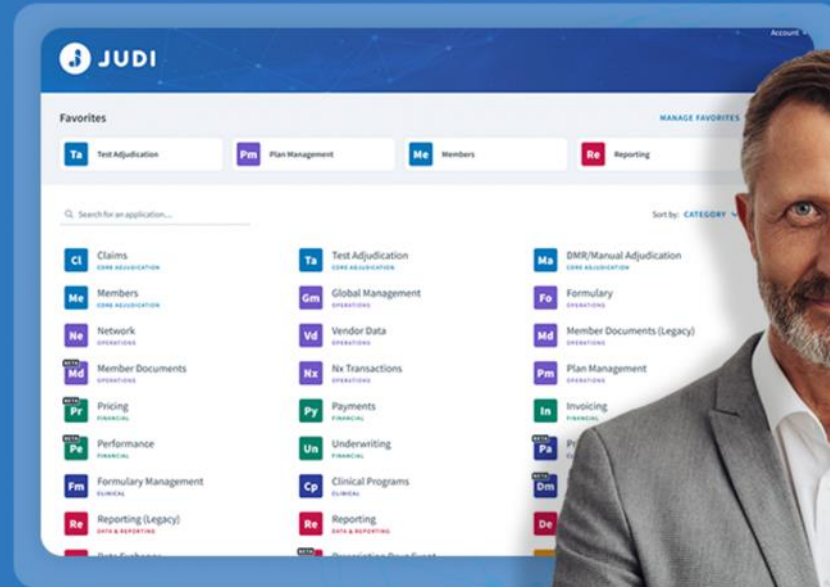
Our Evolving Mission

To change the way drugs are priced and patients are cared for to create enduring social change.



To give our nation the electronic infrastructure it needs, for the healthcare we deserve.





We are a...

health technology company that operates a next-generation enterprise platform (JUDI®) to service **employer groups** and deploy our solutions for **health plans**

Capital Rx At A Glance

THE FASTEST GROWING HEALTHCARE COMPANY IN AMERICA



225+ Active Clients



2.6M Member Lives



Commercial, Medicare, & Medicaid



Founded in 2018 | 500+ Employees



65,000+ Pharmacies In-Network



Next generation enterprise platform

100%

IMPLEMENTATION SATISFACTION

99.4%

CLIENT RETENTION

130%

YOY GROWTH RATE

>87 NPS

PATIENT SURVEY NET PROMOTER SCORE

INDUSTRY AVERAGE: 9 NPS

>90 NPS

CLIENT SURVEY NET PROMOTER SCORE

INDUSTRY AVERAGE: 8 NPS





Our Core Principles

DEFINING THE WAY THAT WE DO BUSINESS



ALIGNMENT



SERVICE



INNOVATION

Alignment Is The Only Defense

ADMINISTRATE BENEFIT PLANS

If you want to administrate a plan:



Do **NOT** make money on drugs



Do **NOT** repack or white label drugs



Do **NOT** own pharmacies or mail delivery



Do **NOT** own a GPO (rebate aggregation)

PARTICIPATE IN DRUG REVENUE

If you want to make money on drugs, be a:



Manufacturer



Wholesaler



Pharmacy



GPO

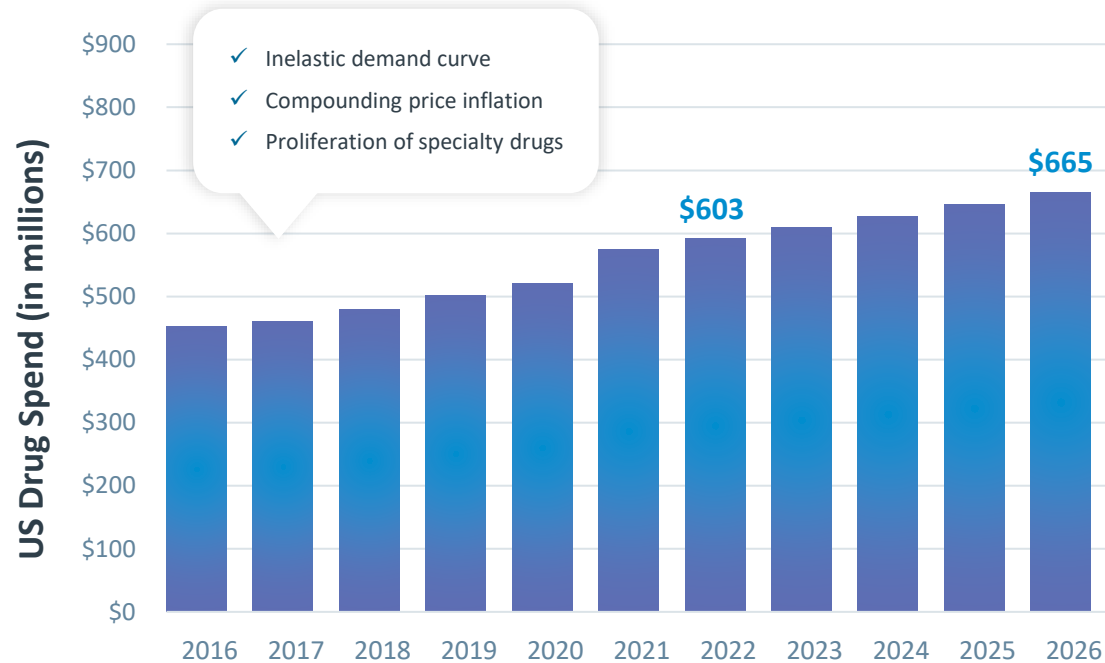
Alignment protects plan sponsors against financial bias, conflict of interest and liability.



A History of Rising US Drug Spend & Consolidation

QUESTION:

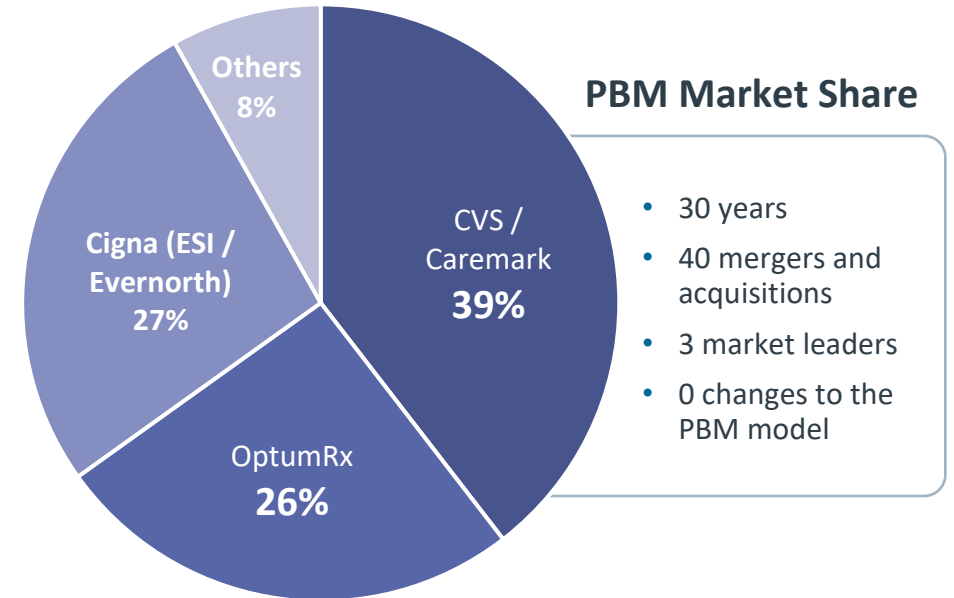
Why does nothing change in the PBM industry?



Sources: IQVIA, HIRC, Drug Channels, Capital Rx Estimates

ANSWER:

A perfect market led to consolidation, not innovation.



Data Source: HIRC, DrugChannels



How should drug pricing work?

The Tylenol Rule

Go into a pharmacy and reach for a bottle of Tylenol.

It doesn't matter if you are Insured or Uninsured, work for the Biggest company or the Smallest...

It's the same price.





The Nation's First Commercial NADAC Network



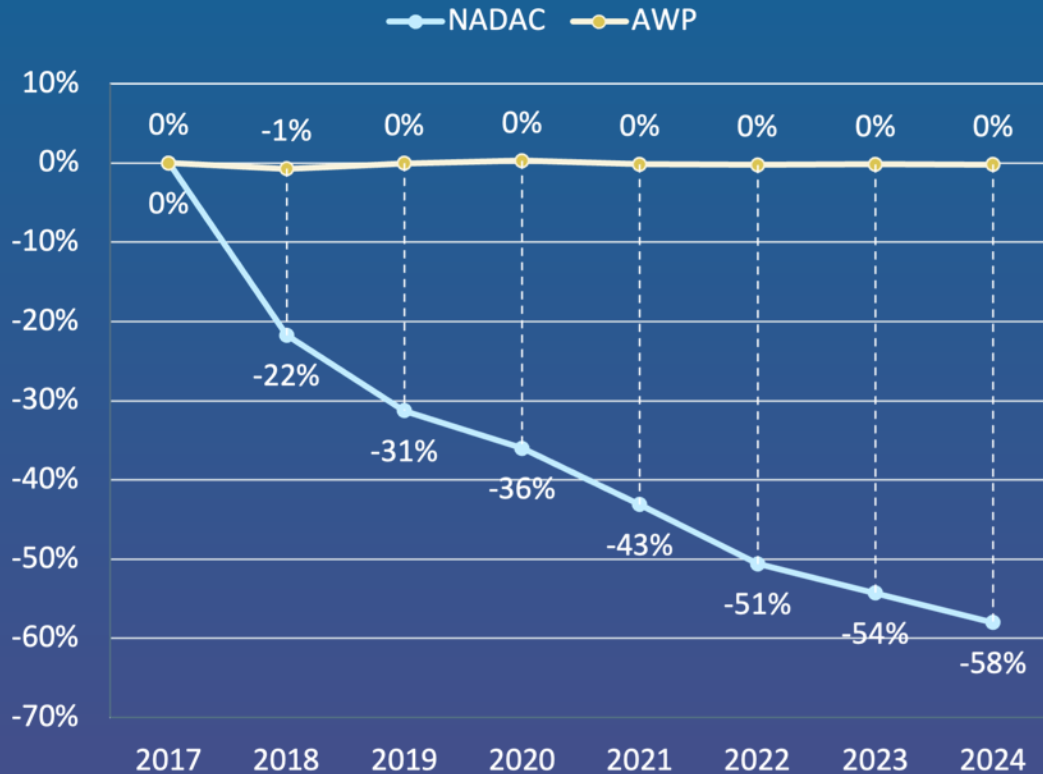
Why we chose NADAC:

- ✓ Published weekly by CMS, available for free
- ✓ Used for Medicaid reimbursements in 42 States
- ✓ Reflects reported prices from over 600 independents & chains
- ✓ Reported on an NDC-11 basis for 98.5% of dispensed drugs
- ✓ Enables clients to access 835 reimbursements to network

NADAC. Capital Rx's preferred benchmark.

NADAC PROVIDES A RATIONAL ALTERNATIVE TO AWP & MAC LISTS

AWP vs. NADAC:
Average Price Change Over Time (Generics)



NADAC

Deflation

- ✓ Reflects real-world transactional costs
- ✓ Stabilizes the patient price experience
- ✓ Patients receive the lowest price available and benefit from price reductions

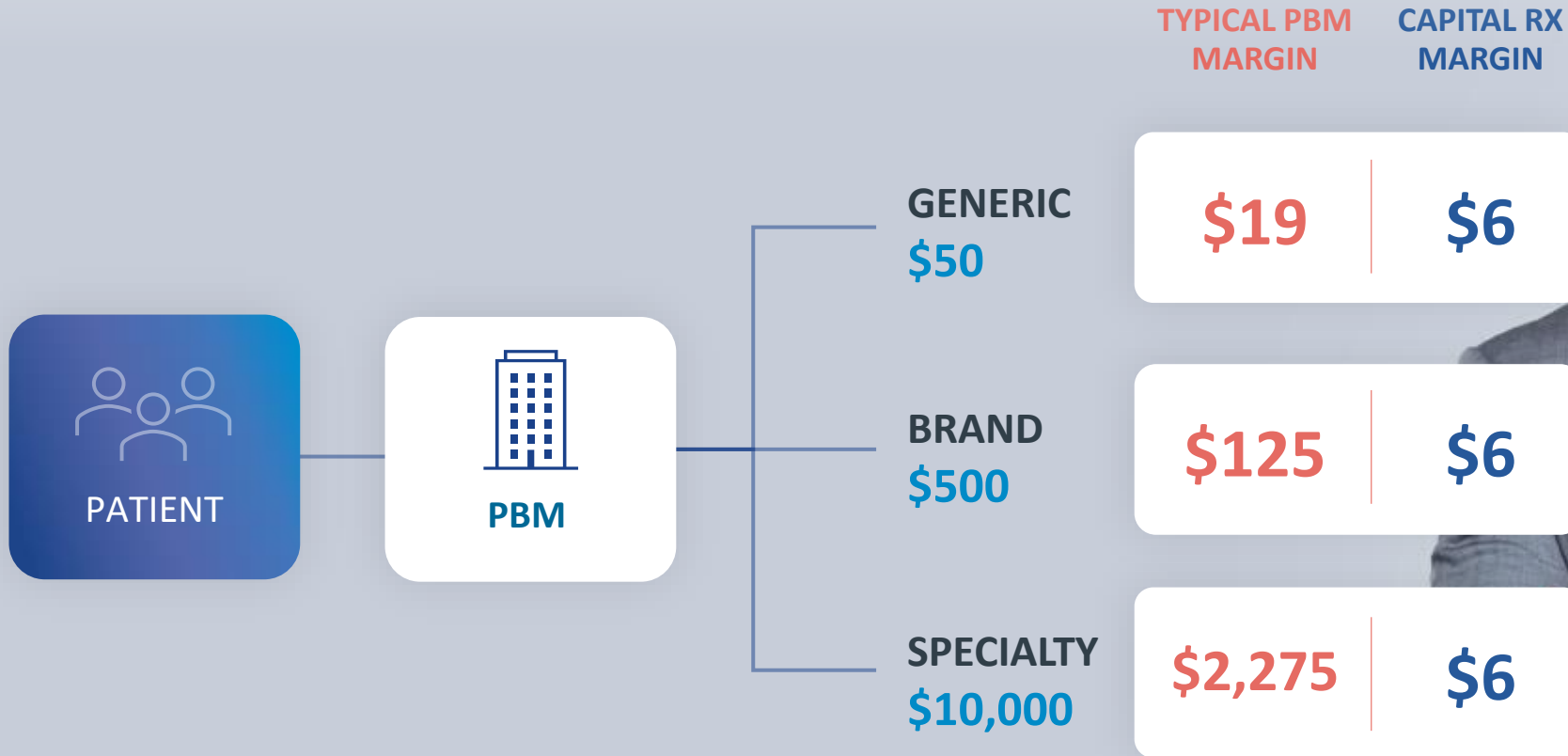
AWP

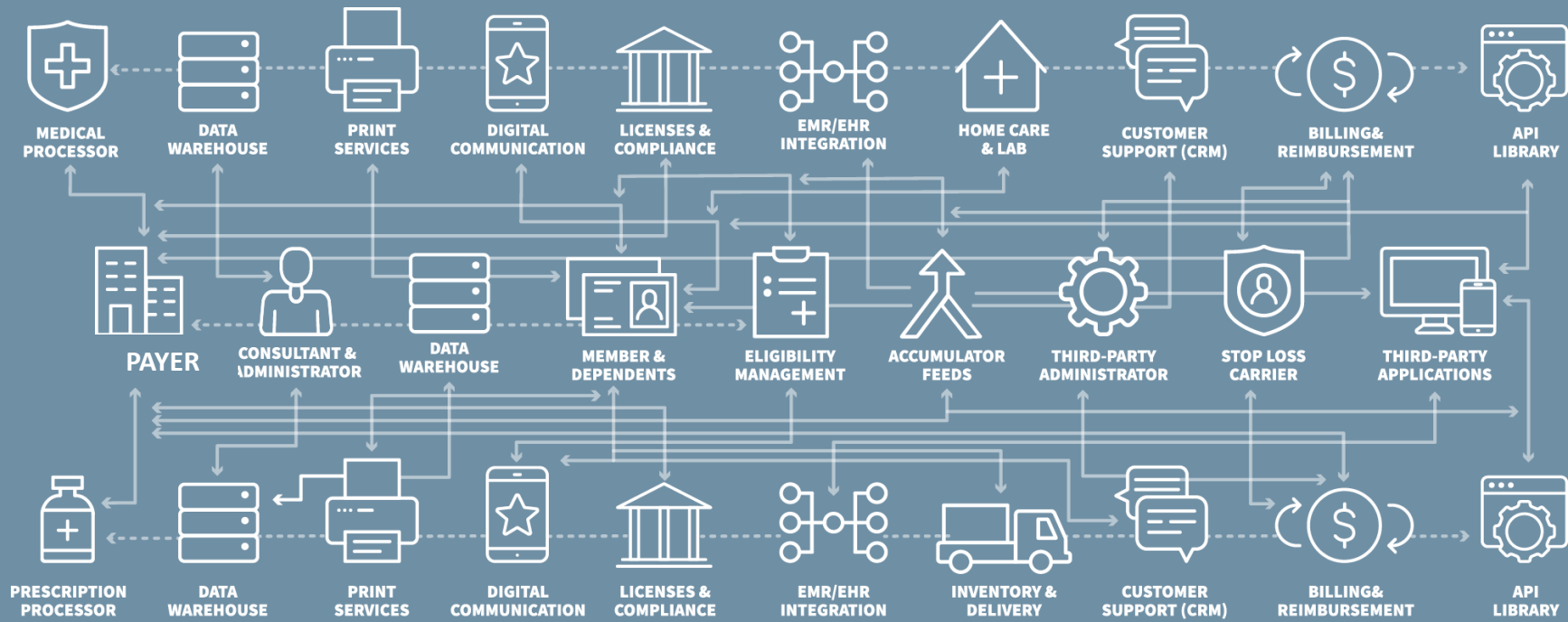
Stagnation

- ✗ Prevents claim-level price accountability
- ✗ Constant manipulation creates volatility for patients
- ✗ Patients are overcharged



Removing all conflicts of interest with an Ethical Pricing Model





US healthcare administration is a patchwork of disparate and antiquated systems that prevents the realization of value-based care.

The future of healthcare requires a unified platform for payer administration.





CLAIM
PROCESSOR



DATA
WAREHOUSE



COMMUNICATION
SERVICES



LICENSES &
COMPLIANCE



EMR/EHR
INTEGRATION



INVENTORY &
DELIVERY



HOME CARE
& LAB



CUSTOMER
SUPPORT (CRM)



BILLING &
REIMBURSEMENT



API
LIBRARY



PLAN
SPONSOR



CONSULTANT &
ADMINISTRATOR



DATA
WAREHOUSE



MEMBER &
DEPENDENTS



ELIGIBILITY
MANAGEMENT



ACCUMULATOR
FEEDS



THIRD-PARTY
ADMINISTRATOR



STOP LOSS
CARRIER



THIRD-PARTY
APPLICATIONS

JUDI® unifies all pharmacy operations into a single, scalable platform.





What's Old is New Again

EMBRACING THE BEST OF THE PAST WITH MODERN INNOVATIONS

The Old Way

- Independent, non-vertically integrated
- Flat fee for claim administration
- No profit from drug spend
- Aligned with payer interests
- Focus on efficient claim processing

The Future

- ✓ Return to independent, non-vertically integrated model
- ✓ Transparent pricing and aligned profit models
- ✓ Modern technology for seamless integration
- ✓ Centralized, secure data storage
- ✓ Modular services for customization and flexibility

The Current Way

- ✗ Vertical integration with pharmacies/insurers
- ✗ Profit-driven model
- ✗ Entangled contracts and opaque pricing
- ✗ Control over multiple profit centers
- ✗ Altering utilization to drive revenue
- ✗ Outdated systems and fragmented data



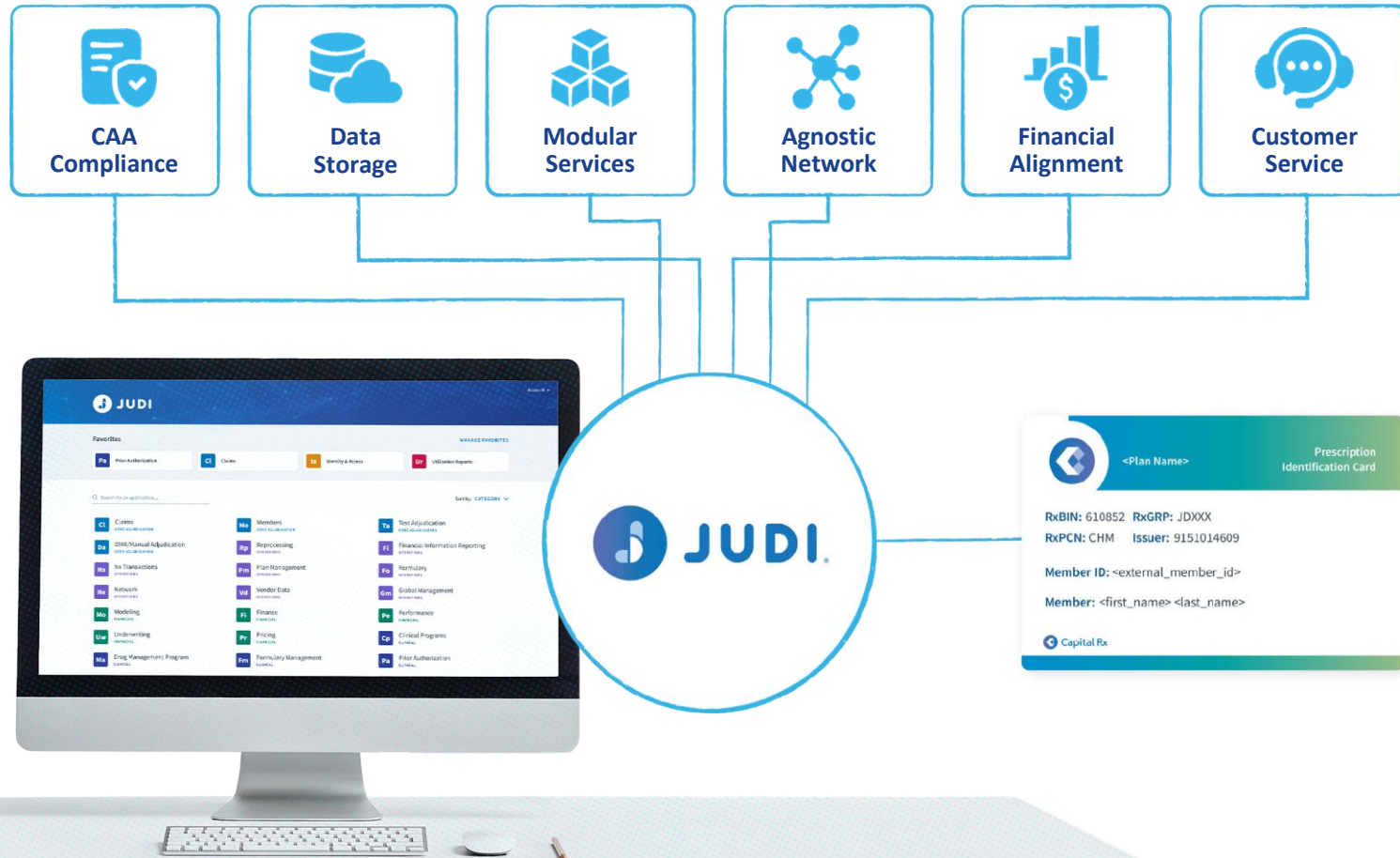
Maximum Flexibility. Minimum Hassle.

OUR MODULAR APPROACH TO PHARMACY BENEFITS ALLOWS YOU TO LEVERAGE ANY COMBINATION OF OUR SERVICES TO MEET YOUR MEMBERS' NEEDS.

 <p>ON</p> <p>Faster PRIOR AUTHORIZATION with higher resolution success</p>	 <p>ON</p> <p>Customizable FORMULARY and proactive UM MANAGEMENT</p>	 <p>ON</p> <p>Superior DATA ANALYTICS and REPORTING</p>	 <p>ON</p> <p>Accommodates ALL NETWORK needs and PRICING STRUCTURES to align with financial objectives</p>
 <p>ON</p> <p>Seamless DATA EXCHANGE through OPEN API ARCHITECTURE</p>	 <p>ON</p> <p>Industry-leading CLINICAL PROGRAMS improve outcomes while lowering cost</p>	 <p>ON</p> <p>24/7 WORLD-CLASS CALL CENTER run in-house</p>	 <p>ON</p> <p>Efficient and simplified INVOICING and PAYMENTS platform</p>



JUDI gives plans full flexibility and control of drug spend on a proven platform



Combine the power of JUDI® with our 24/7/365 domestic and multilingual customer support, and you have a pharmacy benefits program that can take you well into the future.

CASE STUDY

Teamsters Health & Welfare Fund

"If the scale could go higher, I would go higher. But I would have to say [Capital Rx ranks] a 10. From my members' experience to my member services staff's experience to management's experience and the financial experience, everything has been amazing."

*Maria Scheeler
Executive Director/Administrator
Teamsters Health & Welfare Fund*

**Teamsters H&W Fund
>14,500 Members**



Teamsters Health & Welfare Fund has trusted Capital Rx to be its pharmacy benefit management partner for its over **14,500 members** across **450+ employers** in three states (PA, DE, and NJ) since 2019.

- PEPM cost trend is **-11.8%** through the end of 2022
- Actual annual costs have beaten actuarial projections by an average of **-9.7%**

Teamsters Health & Welfare Fund Rx Benefit Costs Estimated Actuarial Cost vs. Actual (PEPM)

Year	Projected	Actual	Variance	YoY Cost Trend
2019*	\$258.87	\$228.20	-11.80%	
2020	\$235.65	\$225.22	-4.40%	-1.31%
2021	\$239.59	\$226.25	-5.60%	1.31%
2022**	\$241.88	\$201.33	-16.80%	-11.01%
OVERALL COST TREND (2019 - 2022)			-11.8%	

Average Actual Performance vs. Actuarial Estimates: -9.65%



>130k
Calls Handled



5 Seconds
to Answer Calls



96%
Post-Call Satisfaction



Member
NPS: 71

PHP Pharmacy Services

- 25 years of experience administering pharmacy benefits for Medicaid.
- New Mexico clinical pharmacists and technicians who focus on local build, testing and monitoring.
- Adopted NADAC reimbursement model, allowing for total price transparency and lower drug costs.
- Part of an integrated system, allowing for better drug coverage alignment.
- PBA model to ensure complete oversight of pharmacy benefits, formulary and utilization management.

What's different now?

PHP began our partnership with Capital Rx this year to improve quality, cost, access and transparency. We chose Capital Rx to:

- Align with PHP's mission, vision and values
- Disrupt rising drug costs through transparency and new pricing model that more accurately and fairly sets the cost of drugs. Prices are set using actual unit drug costs based on National Average Drug Acquisition Cost (NADAC).
- Pharmacies are reimbursed for services through higher dispensing fees. There are no claw backs.
- PHP leverages Capital Rx's enterprise pharmacy platform to increase efficiency and achieve high standards of clinical care. The platform enables real-time communication among physicians, pharmacies, patients, and plans, and facilitates faster and more efficient prescription processing for members.

PHP NM Medicaid Plan Total Cost savings for first 9 months

-17% Total Plan
Costs in first
9 months

\$42M Saving over
2023 Rates

\$22M Savings over
next best
RFP BID
for 2024

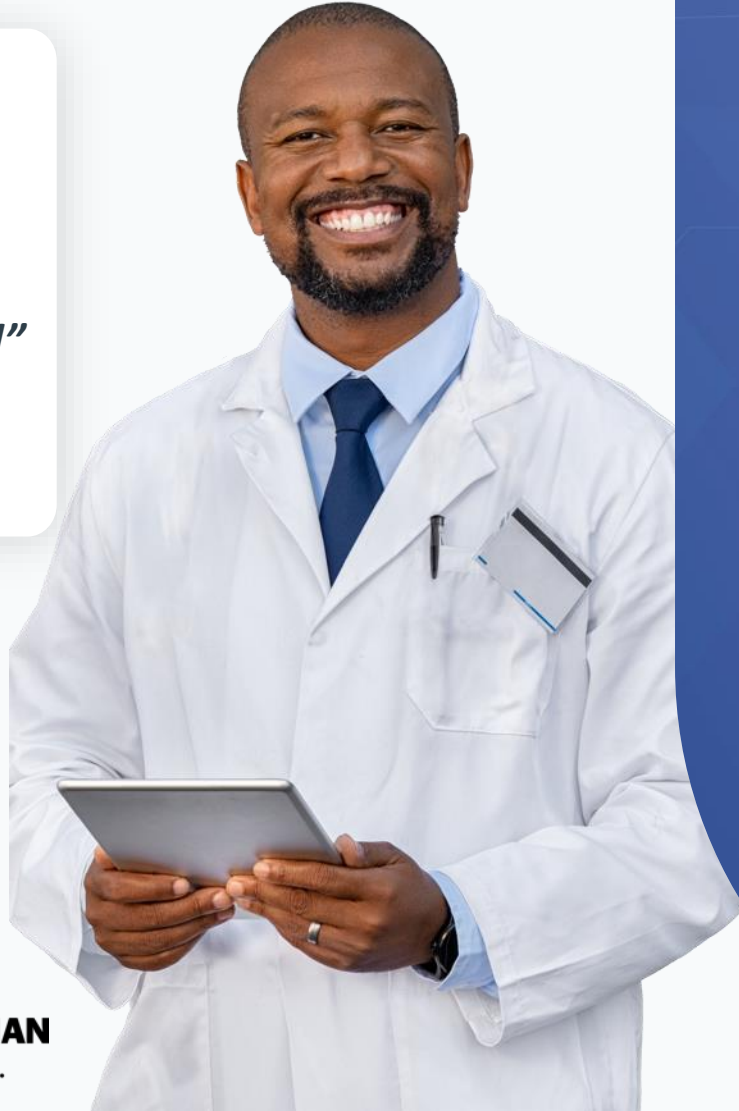


CASE STUDY



“Your team is extremely organized, transparent, and proactive!”

- Joe Borgioni,
Head of Pharmacy



St. Luke's University Health Network is a nationally recognized hospital system servicing Pennsylvania for over 145 years. Previously, St. Luke's used traditional PBMs to manage their 30,000-life employee plan, but costs were soaring, and satisfaction was abysmal. Capital Rx implemented a program that seamlessly integrated St. Luke's in-house pharmacy, retail access, and our clinical concierge services. The results were amazing.

-8% SLUHN costs vs. prior PBM 2020-2021

90 St. Luke's Client (NPS) Satisfaction

96 St. Luke's Patient (NPS) Satisfaction

PA Approval Rates

Industry Average

89%

Capital Rx

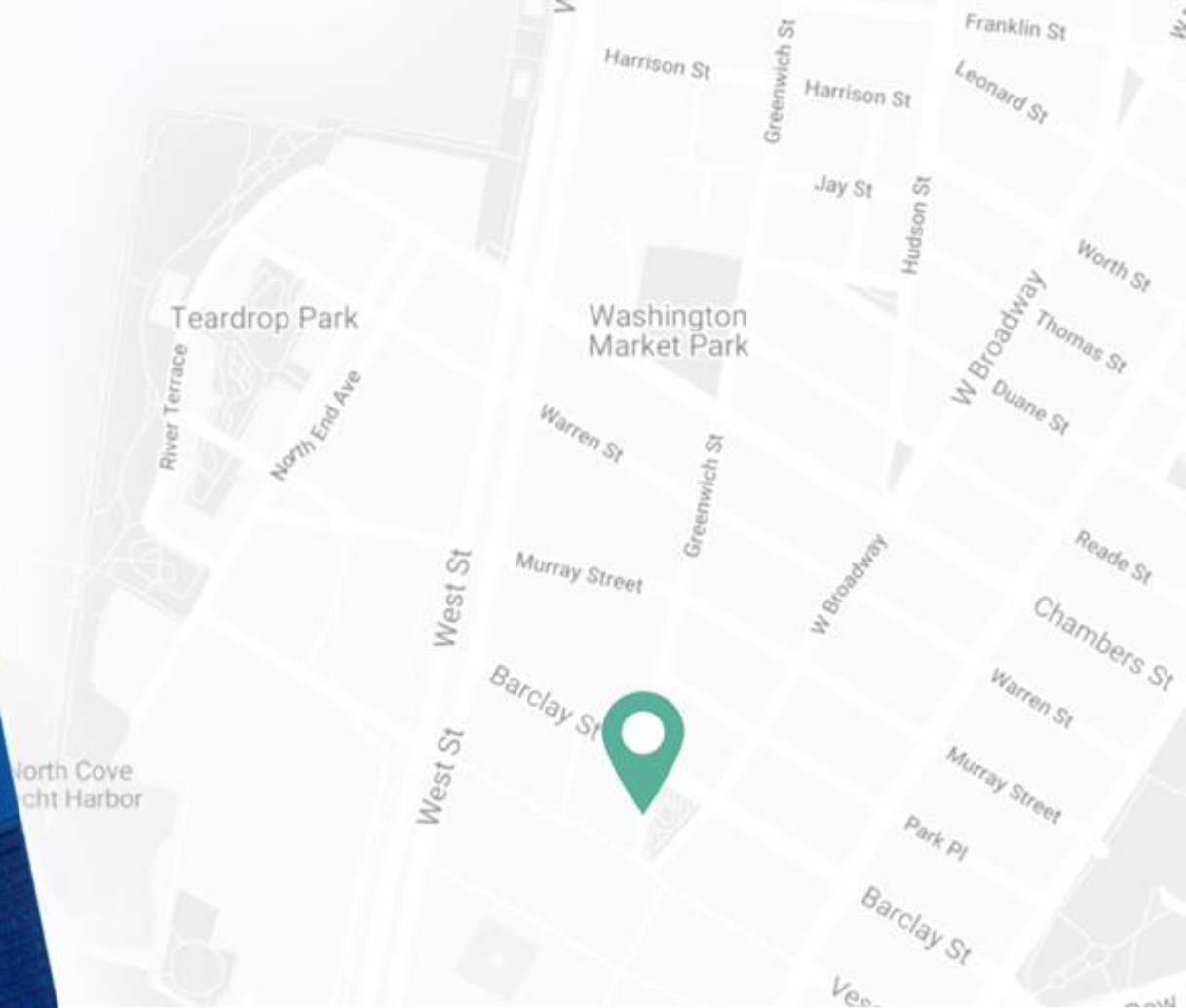
69%

18% SAVINGS ON SPECIALTY

Source: <https://www.evicore.com/annual-utilization-statistics>



Thank You



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