

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

**THE MUECKE COMPANY, INC., §
BRUCE ROGERS d/b/a §
ROGERS PHARMACY, §
BROOKSHIRE BROS. PHARMACY §
OF KIRBYVILLE TEXAS, §
DE LA ROSA PHARMACY, INC., §
HOMETOWN PHARMACY, LC, and §
ROBERT KINSEY INVESTMENTS, INC., §
d/b/a KINSEY’S PHARMACY §
Plaintiffs, §**

v. §

**CASE NO. 6:10-cv-78
JURY**

**CVS CAREMARK CORPORATION, §
CVS PHARMACY, INC., §
CAREMARK RX, LLC, and §
CAREMARK, LLC §
Defendants. §**

PLAINTIFFS’ ORIGINAL CLASS ACTION COMPLAINT AND JURY DEMAND

TO THE HONORABLE JUDGE OF SAID COURT:

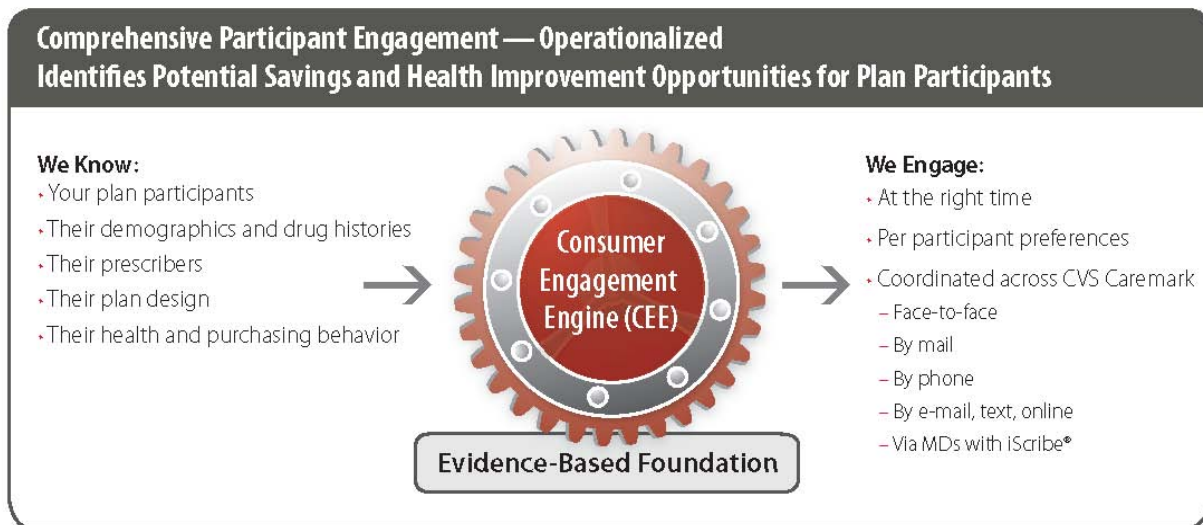
COME NOW The Muecke Company Inc.; Bruce Rogers d/b/a Rogers Pharmacy; Brookshire Bros. Pharmacy of Kirbyville Texas; De La Rosa Pharmacy Inc.; Hometown Pharmacy LC; and Robert Kinsey Investments Inc., d/b/a Kinsey’s Pharmacy (collectively “Plaintiffs”), and file this their Original Complaint and Jury Demand against the above-captioned defendants and in support thereof would respectfully show the Court as follows:

I. NATURE OF THE CASE

1. In 2007, CVS Corporation, one of the country’s largest pharmacy chains, merged with Caremark Rx Inc., one of the country’s largest pharmacy benefit managers. The result was the formation of the 18th largest company in the nation; a company that every retail pharmacy must do

business with (as a pharmacy benefit manager), even though CVS Caremark’s retail outlets (CVS pharmacies) are direct competitors to non-CVS pharmacies across the country.

2. CVS Caremark fills or manages more than 1.2 billion prescriptions annually. The information from these prescriptions is not simply used to process prescription claims. It is compiled by CVS Caremark to form a complete medical picture of the patient. As described in a CVS Caremark publication, CVS Caremark then utilizes these complete medical pictures for its own financial gain to market products and services to (or “engage”) the patients.



3. CVS Caremark collects proprietary patient information it receives from non-CVS pharmacies and transfers that same information to its own CVS pharmacies and other business segments and otherwise uses the information for CVS Caremark’s own financial benefit. CVS Caremark accepts payments from drug companies for directly marketing to those patients who are likely candidates for a drug because of their prescription history. CVS Caremark also directly targets non-CVS patients and solicits their business to CVS-owned retail stores and their purchase of CVS-branded over-the-counter products.

4. CVS Caremark also restricts a patient's access to the pharmacy of his or her choice. A patient's ability to utilize the pharmacy of choice increases the likelihood that the patient will fill their prescriptions and take their medicine. That is why Texas and several other states have enacted laws to ensure that pharmacy networks remain open to any willing provider. Yet in the face of these laws, CVS Caremark has established pharmacy networks through programs such as "Maintenance Choice" that require patients to fill their prescriptions for maintenance medications at only CVS Caremark-owned retail and mail pharmacies. This is in spite of public assurances by CVS Caremark CEO Tom Ryan, prior to the merger, that "We'll be agnostic [about] where the consumer fills their prescription." The results are that long-standing pharmacist-patient relationships are being disrupted and patients are less likely to fill their prescriptions, which will lead to their poorer health and ultimately increased health care costs.

5. The practice of CVS Caremark in violating the privacy of patients and unfairly competing with its rivals is well documented. From 2007 to 2009, the Federal Trade Commission (the "FTC") conducted an investigation into allegations that CVS Caremark discarded patient information improperly such that it would be publicly accessible. *See In the Matter of CVS Caremark Corporation*, Case No. 072-3119, in the Federal Trade Commission. CVS Caremark privacy officer Christine Egan admitted, "We are not safeguarding customer privacy as we are required to do. ... It's sad and intolerable." CVS Caremark entered into a settlement and consent decree as a result and paid a \$2.25 million fine to settle a companion investigation by the U.S. Department of Health and Human Services for related Health Information Portability and Accountability Act ("HIPAA") violations. CVS Pharmacy, Inc. paid \$315,000.00 to the State of Texas to settle similar allegations. From 2004 to 2008, 28 different states investigated allegations that Caremark hired itself out to drug

companies to target patients to switch to the pharmaceutical maker's drugs. *See, e.g., State of Texas v. Caremark RX LLC, et al.*, Cause No. D-1-GV-08-320, in the 98th Judicial District Court, Travis County, Texas. Again, CVS Caremark entered into a consent decree with the states and agreed to pay \$22 million to settle the claims. In spite of the assurances that patient privacy would be protected, as recently as June 13, 2010, it was reported that private patient prescriptions were found blowing in the street outside of a CVS pharmacy in New York City.

6. CVS Caremark is currently under investigation by the Federal Trade Commission and 24 states for issues of competition and privacy and the state of Texas is currently suing CVS Caremark alleging improper billing practices that have cost Texas over \$70 million.

II. PARTIES

A. PLAINTIFFS

7. Plaintiff The Muecke Company Inc. is a corporation organized under the laws of the state of Texas, with its principal place of business in Bay City, Matagorda County, Texas.

8. Plaintiff Bruce Rogers is an individual doing business as Rogers Pharmacy, residing and doing business in Victoria, Victoria County, Texas.

9. Plaintiff Brookshire Bros. Pharmacy of Kirbyville Texas is a Texas company, with its principal place of business in Kirbyville, Jasper County, Texas.

10. Plaintiff De La Rosa Pharmacy Inc. is a corporation organized under the laws of the state of Texas, with its principal place of business in Weslaco, Hidalgo County, Texas.

11. Plaintiff Hometown Pharmacy LC, is a limited liability company organized under the laws of the state of Texas, with its principal place of business in Fairfield, Freestone County, Texas.

12. Plaintiff Robert Kinsey Investments Inc., d/b/a Kinsey's Pharmacy, is a corporation

organized under the laws of the state of Texas, with its principal place of business in Tyler, Tyler County, Texas.

13. Plaintiffs are each retail pharmacies.

B. DEFENDANTS

14. Defendant CVS Caremark Corporation (“CVS Caremark”) is a corporation organized and existing under the laws of Delaware, and which has its principal place of business in the state of Rhode Island. CVS Caremark Corporation is a citizen of the state of Rhode Island. CVS Caremark Corporation may be served with summons and a copy of this Complaint by serving its registered agent, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801.

15. CVS Pharmacy Inc. is a corporation organized and existing under the laws of the state of Rhode Island, and which has its principal place of business in the state of Rhode Island. CVS Pharmacy is a citizen of the state of Rhode Island. CVS Pharmacy Inc. may be served with summons and a copy of this Complaint by serving its registered agent, CT Corporation System, 155 South Main Street, Suite 301, Providence, RI, 02903.

16. Caremark Rx LLC is a limited liability company organized and existing under the laws of the state of Delaware with its principal place of business in the state of Tennessee. Caremark Rx is a citizen of the states of Delaware and Tennessee. Caremark Rx’s sole member is CVS Pharmacy. Caremark Rx LLC may be served with summons and a copy of this Complaint by serving its registered agent, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801.

17. Caremark LLC is a limited liability company organized and existing under the laws of the

state of California with its principal place of business in the state of Tennessee. Caremark is a citizen of the states of California and Tennessee. Caremark LLC's sole member is Caremark Rx. Caremark LLC may be served with summons and a copy of this Complaint by serving its registered agent, CT Corporation System, 350 N. St. Paul Street, Suite 2900, Dallas, TX, 75201.

18. CVS Caremark Corporation, CVS Pharmacy Inc., Caremark Rx LLC, and Caremark LLC are referred to herein collectively as "Defendants."

III. JURISDICTION AND VENUE

19. This Court has federal question subject matter jurisdiction over Plaintiffs' claims for violations of the federal Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§1961, *et seq.*, under 18 U.S.C. §1964(a) and 1964(c), 28 U.S.C. §1331.

20. This Court has supplemental subject matter jurisdiction under 28 U.S.C. §1367 over Plaintiffs' claims pursuant to the Texas Any Willing Provider statute and Plaintiffs claims for trade secret misappropriation.

21. This Court has personal jurisdiction over each of the Defendants because, among other things, each regularly does business in the state of Texas and in this judicial district, and because Defendants have established minimum contacts with the forum and the exercise of jurisdiction over Defendants will not offend traditional notions of fair play and substantial justice. Each of the Defendants have voluntarily conducted business and solicited customers in the state of Texas, including in this judicial district. Each of the Defendants has committed and continues to commit acts in violation of the claims asserted herein in the state of Texas and in this judicial district.

22. Venue is proper in this judicial district under 18 U.S.C. §1965. Each of the Defendants resides in, can be found in, has one or more agents in, and/or transacts or has transacted business in

this district and division.

IV. BACKGROUND FACTS

A. PLAINTIFFS ARE RETAIL PHARMACIES.

23. There are more than 60,000 retail pharmacies in the United States with approximately 3,500 of them in Texas. Plaintiffs are each retail pharmacies located in Texas.

24. Retail pharmacies such as Plaintiffs are essential to the healthcare delivery system. Their convenience, pharmacist consultations with patients and ability to help patients take their medications as prescribed and prevent other health problems deliver remarkable value. Pharmacies not only represent a significant portion of the United States' health care delivery system but independent pharmacists are also among the most accessible and trusted sources of health care for many patients across the country. Annually, all retail pharmacies (independents and chains) fill over 3 billion prescriptions across the country. Independent pharmacies dispense 1.4 billion prescriptions annually. A single retail pharmacy will dispense an average of 62,379 prescriptions each year (200 per day). The average independent pharmacy in the United States has \$3.8 million in annual sales. Of that, 93.3% of sales are derived from prescription sales.

B. DEFENDANTS ARE BOTH A PHARMACY BENEFIT MANAGER AND A RETAIL PHARMACY CHAIN

25. CVS Caremark's corporate structure is divided into three segments: "Pharmacy Services," "Retail Pharmacy," and "Corporate."

1. CVS CAREMARK'S RETAIL PHARMACY SEGMENT

26. The president of the CVS Caremark Retail Pharmacy segment is CVS Caremark Corporation's Chief Operating Officer David Merlo.

27. CVS Caremark owns and operates approximately 7,000 retail CVS pharmacy locations.

Each is wholly-owned, directly or indirectly, by Defendant CVS Pharmacy Inc.

28. Plaintiffs and CVS-owned pharmacies are both engaged in the business of retail pharmacy and are direct competitors.

2. CVS CAREMARK'S PHARMACY SERVICES SEGMENT

29. The president of the CVS Caremark Pharmacy Services segment is CVS Caremark Corporation Executive Vice President Per Lofberg. The CVS Caremark Pharmacy Services segment operates through subsidiaries including Defendant Caremark Rx LLC, Defendant Caremark LLC and various other affiliates and subsidiaries.

30. CVS Caremark's Pharmacy Services segment generates net revenues primarily by contracting with clients to provide prescription drugs to plan members. Prescription drugs are dispensed by the Pharmacy Services segment's mail-order pharmacies, specialty pharmacies, and national network of retail pharmacies.

31. CVS Caremark's Pharmacy Services clients include entities that provide prescription drug insurance to their enrollees or members. CVS Caremark contracts with plan sponsors to provide pharmacy benefit management services to the plan sponsors' members through CVS Caremark's network of retail pharmacies. CVS Caremark has approximately 2,200 plan clients with 53 million members.

C. PHARMACY BENEFIT ADMINISTRATION

32. When a consumer fills a prescription at a pharmacy, the pharmacist usually asks whether the consumer has insurance to cover the prescription's cost. If there is coverage, the consumer provides the insurance card to the pharmacist. While the pharmacist fills the prescription, sophisticated computer interactions between the pharmacy and CVS Caremark's PBM operation

ensure that the prescription is filled according to the insurance coverage provided by the plan sponsor. The consumer usually is unaware of these processing interactions, and the consumer's only additional responsibility is to pick up the filled prescription and pay the retail pharmacy any co-payment that is due.

33. During these computer interactions, the pharmacy transmits the insurance coverage information to CVS Caremark's PBM operation, which verifies the insurance and determines if the consumer's insurance plan covers the prescribed drug. If so, CVS Caremark's PBM operation determines three amounts: (a) any consumer co-payment; (b) how much the PBM operation will reimburse the pharmacy to dispense the drug; and (c) how much the PBM operation will bill the plan sponsor for the transaction.

34. This process, known as "claims adjudication," is handled electronically through the CVS Caremark PBM operation's network of databases. In this process, CVS Caremark requires that the retail pharmacy supply several pieces of information to CVS Caremark including the name, address, date of birth, and gender of the patient; the identity of the patient's prescribing physician; the prescription data such as medication and dosage; and the pharmacy that dispensed the prescription drugs to the patient. (Ex. 1: CVS Caremark Payer Sheet v. 5.1, effective January 2010). This network transmits this information back to CVS Caremark corporate offices for claims processing.

35. CVS Caremark uses a network of databases to connect various components of its business, including Defendants' Pharmacy Benefits segment and its Retail Pharmacy segment, parts of the online and mail-order pharmacy businesses, corporate headquarters, and distribution centers. Among other things, Defendants use this database network to aggregate, store, and transmit to its various business units the personal information of the member patients, such as that referenced

above.

36. The Defendants are subject to the standards and regulations of HIPAA, which include rules governing the privacy and security of health-related information.

37. The information about Plaintiffs' patients that is received by the CVS Caremark PBM operation constitutes a "means of identification" of those patients pursuant to 18 U.S.C. § 1028(d), and each of the Defendants has knowingly possessed, transferred, and/or used this information, without lawful authority, with the intent to commit, or to aid or abet, or in connection with, unlawful activity constituting a violation of federal HIPAA laws.

38. HIPAA was passed in 1996. Its purpose was to improve the efficiency and effectiveness of the health care system in the United States. "It is the purpose of this subtitle to improve the Medicare program under title XVIII of the Social Security Act, the medicaid program under title XIX of such Act, and the efficiency and effectiveness of the health care system, by encouraging the development of a health information system through the establishment of standards and requirements for the electronic transmission of certain health information." Pub. L. 104-191, §261; see also 65 Fed. Reg. 82,463 (Dec. 28, 2000) (one major purpose of the Privacy Rule is "to improve the efficiency and effectiveness of health care delivery by creating a national framework for health privacy protection that builds on efforts by states, health systems, and individual organizations and individuals.")

39. The HIPAA Privacy Rule "requires appropriate safeguards to protect the privacy of protected health information, and sets limits and conditions on the uses and disclosures that may be made of such information without patient authorization."¹ Covered entities are subject to the

¹ www.hhs.gov/ocr/privacy/hipaa/administrative/privacyrule/index.html

Privacy Rule. 45 C.F.R. §160.102.

40. Covered entities are health plans, health care clearinghouses and health care providers who transmit any health information in electronic form in connection with a covered transaction. 45 C.F.R. §160.103. In addition, as of February 17, 2010, business associates of such entities are also subject to the Privacy Rule. Health Information Technology for Economic and Clinical Health Act (“HITECH”) §§ 13401(a), 13404(a).

41. CVS Caremark Corporation is made up of several companies, some of which are covered entities and/or business associates subject to the Privacy Rule. CVS Caremark Corporation owns several entities that are retail, mail order or specialty pharmacies.

42. The retail pharmacy operations of CVS are under the banner of CVS/pharmacy. CVS/pharmacy, including CVS retail outlets, Care Plus retail outlets and CVS.com, is part of an affiliated group of pharmacies that are owned by CVS Caremark Corporation. This affiliated group of pharmacies treats itself as a single entity for purposes of using and disclosing protected health information. (Ex. 2: CVS/pharmacy Notice of Privacy Practices, effective April 17, 2008).

43. The mail and specialty pharmacy operations of CVS are affiliated and treat themselves as a separate single entity for purposes of using and disclosing protected health information. (Ex. 3: CVS Caremark Participant Notice of Privacy Practices, effective July 21, 2009).

44. Also, the CVS Caremark Pharmacy Services Segment, including Caremark LLC, performs pharmacy benefit management (“PBM”) services for various clients. These PBM services render the CVS Caremark Pharmacy Services Segment, including Caremark LLC subject to the Privacy Rule.

45. Covered entities are required to ensure the confidentiality and integrity of all electronic protected health information that they create, receive, maintain or transmit, and to protect against

any reasonably anticipated threats or hazards to the security or integrity of such information. The HIPAA Privacy and Security Rules, 45 C.F.R. Parts 160 and 164, expressly forbid the Defendants from the unauthorized use and disclosure of protected health information for the marketing complained of here. The civil and criminal penalties for Defendants' violations of HIPAA are codified in 42 U.S.C. §§ 1320d-4, 1320d-5 and 1320d-6.

46. As discussed above, when a pharmacy claim is processed, several pieces of information are transmitted by the pharmacy to CVS Caremark for the purpose of adjudicating the pharmacy claim. This information includes the following: the identity of the pharmacy (typically using unique NPI number), the date of the pharmacy claim, the patient's first and last name, gender, date of birth, the NDC code showing the drug dispensed, quantity, days supply, the patient's prescriber. (Ex. 1: CVS Caremark Payer Sheet v. 5.1, effective January 2010).

47. As used herein, "protected health information" or "PHI" is individually identifiable information, including demographic information, related to the past, present, or future physical or mental health or condition, the provision of health care to an individual, or the past, present, or future payment for such health care, which is created or received by a covered entity. The form of the PHI is irrelevant. It may be oral or recorded in any medium, including electronic data, paper records, or any other form. 45 C.F.R. 160.103.

48. The Defendants are fully aware that the prescription information and related data that the CVS Caremark PBM operation receives from Plaintiffs as a pharmacy benefits manager constitute "protected health information" that "is protected under federal and state privacy and security laws," and that it must be "handled in a confidential manner." (Ex. 4: CVS Caremark Code of Conduct at p.7). Defendants know that PHI includes patients' "names, addresses, dates of birth, phone

numbers, social security numbers, medical diagnoses, and prescription histories,” all of which are received from Plaintiffs for claims adjudication and then unlawfully disclosed and used for the financial gain of CVS Caremark’s retail pharmacies, mail order pharmacies and other business segments.

49. The Defendants are also aware that “personally identifiable information” (“PII”) about a patient must also be protected. CVS Caremark describes such information in its Code of Conduct as follows:

PII is any piece of information which can potentially be used to uniquely identify, contact, or locate a single person. It includes the demographic information associated with PHI, as well as other unique identifiers such as credit card data, email addresses, driver’s licenses, finger prints, or handwriting.

(Ex. 4: CVS Caremark Code of Conduct at p.7). The CVS Caremark Code of Conduct further states:

It is critical that those we serve – including colleagues who also may be utilizing our retail or pharmacy services – are able to count on us to protect their personal and health information. . . [T]he people we serve trust CVS Caremark to use their PHI and PII only for purposes of providing our services to them.

(Ex. 4: CVS Caremark Code of Conduct at p.7-8).

50. Defendants’ misconduct, however, not only violates federal HIPAA laws and 18 U.S.C. § 1028, but also the requirements imposed as a result of the CVS-Caremark merger.

51. Upon information and belief, the FTC required as part of the merger that a firewall be placed between CVS Caremark’s PBM subsidiary and its retail pharmacy subsidiaries in order to prevent the type of misconduct complained of here. In its Code of Conduct, CVS Caremark claims that it “maintains firewalls between select businesses within the Company to separate and protect certain competitively sensitive information that each business possesses.” (Ex. 4: CVS Caremark Code of Conduct at p.18). CVS Caremark further admits that “[t]hese firewalls become important in

contract negotiations, where the businesses much compete on the same terms as their competitors.” (Ex. 4: CVS Caremark Code of Conduct at p.18). Yet, the Defendants either intentionally failed to implement, or are intentionally circumventing, this firewall to misappropriate and misuse confidential and proprietary information.

D. THE CONSUMER ENGAGEMENT ENGINE

52. After CVS merged with Caremark, the combined company built an information technology (“IT”) platform and IT infrastructure that straddles the combined company’s retail business and PBM business. This was publicly acknowledged on June 2, 2010 by CVS Caremark EVP and President of Pharmacy Services, Per Lofberg: “The other thing I could add is basically that what CVS Caremark did following the merger, they built kind of an IT platform and IT infrastructure that straddles the retail business and PBM business, which basically makes available patient level data and clinical opportunities both to the call-center operators when they talk to patients, and to the retail pharmacist when patients come and visit the retail stores.”

53. This IT platform and infrastructure enables what is euphemistically referred to by CVS Caremark as the “Consumer Engagement Engine.” On February 8, 2010, CVS Caremark CEO Tom Ryan acknowledged the full breadth of the patient information sharing: “Another tool that will help broaden our clinical capabilities across our asset base is what we are calling consumer engagement engine or CEE, which provides us with a single view of the patient.”

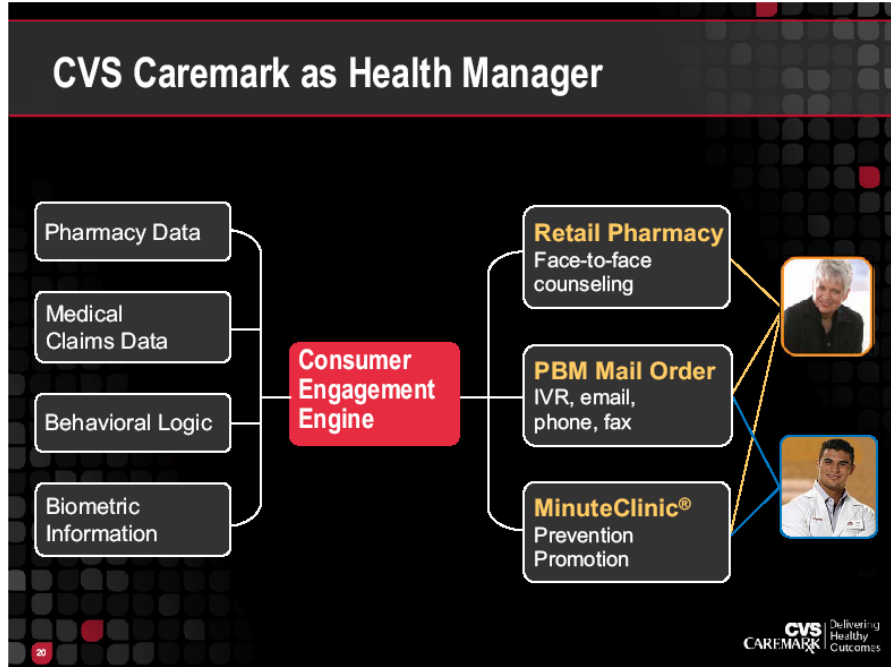
54. The Consumer Engagement Engine provides each of the Plaintiffs’ competitors -- the 7,000 CVS retail pharmacies across the country -- with access to information regarding each of Plaintiffs’ patients. As stated in the 2009 CVS Caremark Annual Report:

[The Consumer Engagement Engine] will provide us with a single view of the patient across all our touch points – from our retail and specialty pharmacies to their mail

order centers, MinuteClinics, and websites.

55. Essentially, each of CVS Caremark’s own retail, mail-order, and specialty pharmacies has a single view of each of the patients who have had their prescription filled or administered by CVS Caremark, including the name, address, date of birth and gender of the patient; the identity of the patient’s prescribing physician(s); the drugs the patient is taking; the prescription history of each patient; and the pharmacies that have filled such prescriptions. As described by CVS Caremark Executive Vice President and Chief Medical Officer Troy Brennan on May 15, 2009:

[W]hat the consumer engagement engine does is it provides this comprehensive view of her [the patient]. So we know what her drug history is, we know her demographics, we know who -- what doctors are prescribing for her. We know about her health behavior. We know about her plan design, and that's important. David did mention that. And then we know about her communication preferences. So all the information we have is in one place... We're building it into all of our workflows and all the workflows in the phone centers in the PBM, at the pharmacists desk in the PBM, in the retail pharmacy so that everyone can see this information.



Consumer Engagement Engine Provides A Comprehensive View of the Patient

Evelyn S.
DOB: 8/21/1947

- Her Demographics
- Her Drug History
 - Current Rxs: Digitek, Cozaar
 - New Rx: Glucophage
- Her Prescribers
 - Dr. Alejandro, Dr. Bradley, Dr. Charles
- Her Health Behavior
 - Suboptimal adherence
 - Uses 3 pharmacies: mail and 2 retailers
- Her Plan Design
 - Incentivized mail, Maintenance Choice™
- Communication Preferences
 - Face-to-face, IVR

12 Patient story is represented for illustrative purposes only. Any resemblance to an actual individual is coincidental.

CVS CAREMARK Delivering Healthy Outcomes

56. CVS Caremark launched the Consumer Engagement Engine in the second quarter of 2009 in its customer care, outward bound mail systems and IBR systems. It has also been launched in certain CVS pharmacy retail locations. CVS Caremark-owned retail pharmacies, mail-order pharmacies, and other CVS call centers then use this data to identify and target potential new CVS Pharmacy retail customers that are currently using competing pharmacy services such as Plaintiffs'. CVS Caremark then reaches out to Plaintiffs' patients by mail, in person, or by phone and markets CVS Caremark products and services directly to them and/or their prescribing physician(s). In fact, the senior "Consumer Engagement" job positions at CVS Caremark are all within CVS Caremark Corporation's marketing department.

57. The Consumer Engagement Engine is enabled by the enterprise data warehouse built by CVS Caremark since the merger of CVS and Caremark in 2007. A data warehouse is a centralized repository of an organization's electronically stored information, designed to facilitate business reporting and analysis. Data warehouses are used to answer a broad set of questions relating to

business operations and customer relationship management. Data warehouses are created by extracting and integrating data from different parts of a business into a central database. This extraction and centralization enables businesses to build a network of databases that span across their operations. An enterprise data warehouse refers to a business-wide data warehouse strategy. By centralizing large amounts of data, data warehouses also enable sophisticated data mining applications to find patterns in their business and customer data. These data mining applications process large amounts of information and automatically identify target information by applying data classification algorithms.

58. There are several software vendors that specialize in providing the database platforms required to warehouse large volumes of customer data. These data warehouse platforms include software and supporting hardware to enable storage and fast easy access to data warehouse data from across a business.

59. CVS Caremark uses Teradata as its data warehouse platform. CVS Caremark maintains a multinode Teradata-based enterprise data warehouse. The platform for CVS Caremark's enterprise data warehouse has grown from a single Teradata 5500 appliance node early in 2008 to approximately 14 5500 nodes in mid-2009. A single Teradata 5500 appliance node has a capacity of up to 1.5 TB of data.

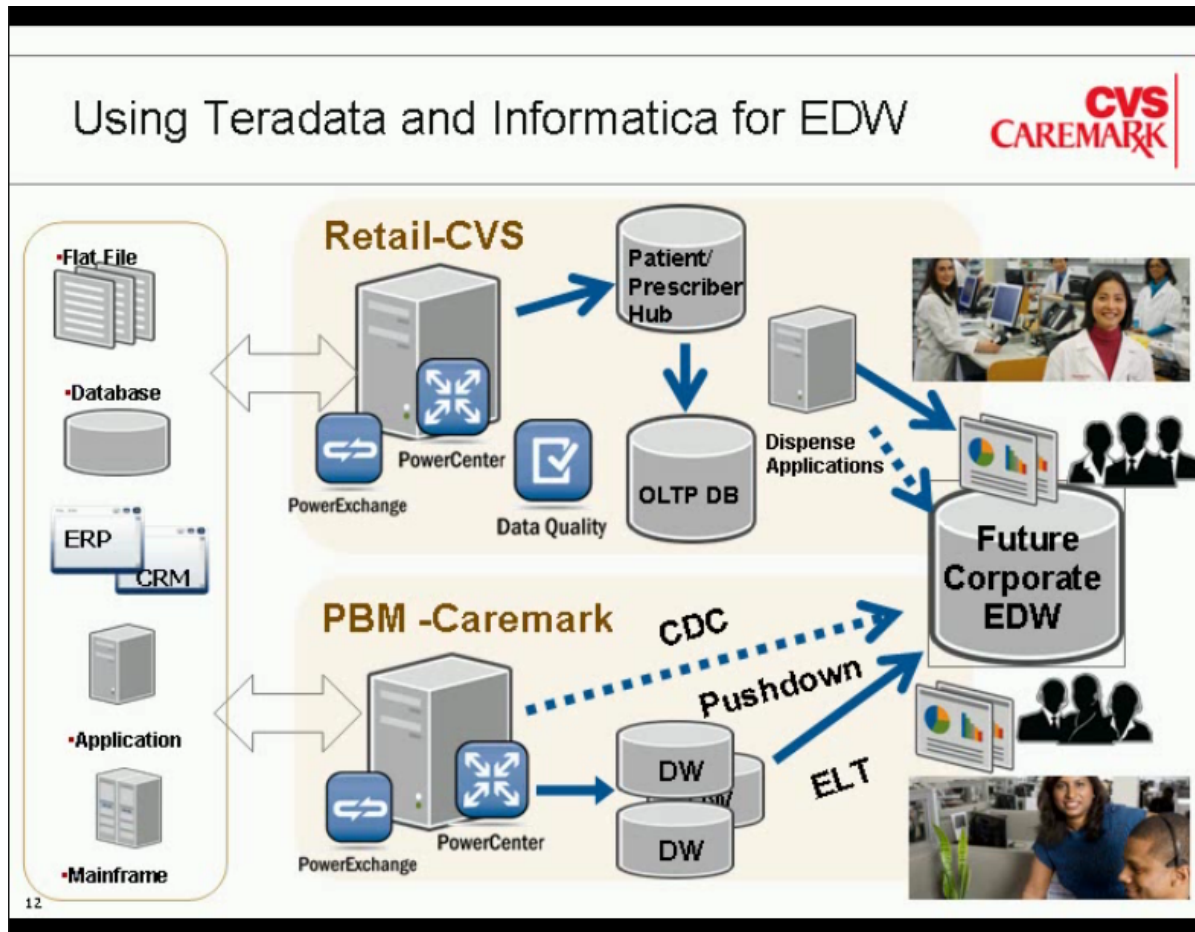
60. Since the merger of CVS and Caremark, the combined company has consolidated formerly siloed data marts and an operational data store into a Teradata grid. The CVS Caremark Teradata grid has a capacity of approximately 20 terabytes. A terabyte can hold 1,000 copies of the Encyclopedia Britannica. Ten terabytes can hold the printed collection of the Library of Congress. With this large storage capacity, CVS Caremark can consolidate all patient data, whether obtained

from its retail pharmacy, PBM or mail order pharmacy, into a single data warehouse for the purpose of mining all data by building applications on top of the Teradata platform. PBM operational databases process claims within the PBM business unit and then transmit the data back to corporate offices to be stored in the Teradata enterprise data warehouse.

61. Once a data warehouse is built, a business can take advantage of specialized software packages that mine the data warehouse for specific patterns or segment the data by desired criteria. These software packages are broadly categorized under business intelligence (BI).

62. BI software operates by building views of the data warehouse data. These views are subsets of the data warehouse organized to easily “slice and dice” information. BI software serves as a core processing component for business applications built on top of data warehouses.

63. Based on CVS Caremark’s marketing activities, including the Consumer Engagement Engine, and the description of its data warehouse strategy, it is apparent that CVS Caremark is sharing patient protected health information across its business units and integrating this information into a single data warehouse that is being mined for CVS Caremark’s financial and competitive gain. According to a presentation given by CVS Caremark’s Data Architect Dan Vaughan, all information, including protected health information, is transferred to and accessed from a single enterprise data warehouse. The presentation, given in November 2009, included the following figure describing CVS Caremark’s data warehouse architecture. Mr. Vaughan indicated that this platform was sponsored by upper management and was a key part of CVS Caremark’s long-term business strategy.



64. It is clear from information published by CVS Caremark that its Consumer Engagement Engine is a business intelligence application built on top of its enterprise data warehouse of patient information and that CVS Caremark is using its data warehouse to target customers. For example, the following is a recent job posting for a Marketing Manager position at CVS Caremark:

Position Summary: This position is responsible for executing a new cross-enterprise (PBM and Retail) capability for the “Grow Share Initiative” and the “Consumer Engagement Engine”. Grow Share and the Consumer Engagement Engine are primarily about using retail and PBM consumer data to target members with messages and offers that lower costs for clients and retain and build business for the PBM. This capability is of strategic importance for CVS/Caremark and will create a competitive advantage in the PBM marketplace. The position executes the day to day campaign targeting of Grow Share and Consumer Engagement campaigns, not limited to but including “retail to mail” member conversion communications, generic therapy conversion member communications, and other PBM related Consumer

Engagement Products. The position will interface with the Strategic Product Management team, Consumer Engagement Managers, and the Analytics and Outcomes, facilitating their needs to launch Consumer Engagement campaigns. ... Job Description: Work to build the list selection and analytics capabilities for the Consumer Engagement Analytics team. Requires extensive on-going hands on training with Analytics and Outcomes for direct data access into the PBM Enterprise Data warehouse. Uses new data structures and partners to develop new requirements for the new PBM Enterprise Data warehouse related to consumer campaign management. Write queries against the PBM and CVS Retail database in order to execute segmentation and file creation for successful Consumer Engagement Management Programs. Use complex test/control methodologies to store campaign data and conduct back-end campaign analytics querying data structures and develop SOPs for reporting and analysis. Execute lead generation (target opportunity) segmentation reports thru querying of the PBM data warehouse.

65. As demonstrated by this job description, CVS Caremark's Consumer Engagement Engine is a business intelligence application developed on top of the enterprise data warehouse, which is derived from confidential competitive data acquired through CVS Caremark's PBM network. Data mining patient information is part of an ongoing and growing set of CVS Caremark business initiatives as demonstrated by the establishment of a "Consumer Engagement Analytics Team" within its marketing organization. CVS Caremark's marketing department has access to the data warehouse containing patient information and is using this information for marketing purposes. The marketing organization is able to conduct *ad hoc* querying of the enterprise data warehouse in order to target customers based on their prescription history. Enterprise data warehouse report building is part of CVS Caremark marketing department's standard operating procedure (SOP). CVS Caremark is specifically using patient information to target customers for their mail campaigns and "lead generation." Lead generation in this context indicates leads for pharmacy and outside drug companies. PBM data is being used in the marketing context of building and growing "business for the PBM" devoid any health related purpose treating patients as marketing leads.

66. CVS Caremark's ability to create targeted mailing lists based on PBM data demonstrates

that the patient data and confidential business information are being openly accessed and shared among all CVS Caremark business segments and are being used for marketing purposes.

67. Using its access to personal information, CVS Caremark is able to build targeted customer lists that are based on pharmacy data provided through its PBM business. In order to build customer lists based on patient history, a database must have access to a patient record and transaction histories. Both of these sets of data originate from outside pharmacies such as Plaintiffs.

68. It is clear from the CVS Caremark job postings for business analysts and software developers that CVS Caremark's Consumer Engagement Engine is part of a data mining application used by CVS Caremark's marketing department to exploit detailed patient information from each of the CVS Caremark business segments and entities. The following is an excerpt for a recent CVS Caremark analyst job posting:

We need an experienced database programmer to join a new cross-enterprise team in establishing capabilities for a new health-care focused program. We're working to establish a new capability that will grow CVS Caremark's business, primarily using retail and PBM consumer data to target members with messages and offers that lower costs for PBM clients and retain and build business for the PBM. Once hired, the manager will develop technical solutions using our pharmacy benefits and retail systems to query and mine transactional data. The ideal candidate has a passion for solving technical challenges and is looking to pursue a career that is 75%+ focused in SAS / SQL code.

The manager will execute the day to day targeting and measurement for consumer-focused communication campaigns. The manager will be responsible for developing and testing advanced scenarios and algorithms on prescription claims data, writing technical specifications for calculations, and acting as a liaison with the subject matter experts, DBAs, product management and other analytics teams. Additionally, the position is a key liaison in determining requirements for fixes and production issues with IS with regard to the campaign management system and solving member services issues. The position requires deep technical (SQL programming) expertise, an ability to deliver results within tight timelines and a keen analytic mind with a passion for solving challenging technical and database issues.

In addition, the CVS Caremark Formulary Performance Services website indicates that CVS

Caremark is accepting payments from drug companies to target market to patients whose information is residing in CVS Caremark's enterprise data warehouse. It is clear that CVS Caremark's data warehouse contains PHI information and the data warehouse is being accessed by CVS Caremark's marketing organization in order to perform data mining services for outside business entities. By analyzing drug product information and PHI data together, CVS Caremark is using PHI data in a marketing role. (Ex. 5: CVS Caremark Formulary Performance Services: Rx C&P).

69. After the Defendants compile and mine Plaintiffs' proprietary patient lists and the integrated protected health information, Defendants target and direct market their retail pharmacy and mail-order pharmacy services to those patients.

70. Plaintiffs' pharmacy patient lists, including the demographic information and prescription history of each patient, are proprietary and confidential. Plaintiffs only disclose such information to CVS Caremark's PBM operation for the purpose of claims adjudication, and the Pharmacy Services segment is required to keep such information confidential, and to only use it for the authorized purpose of pharmacy benefits management.

71. CVS Caremark knows Plaintiffs' patient data is kept secret by and is valuable to Plaintiffs. To be sure, CVS Caremark considers this same category of information, which it obtains from its own retail pharmacy patients, to be "some of [CVS Caremark's] most valuable assets." (Ex. 4: CVS Caremark Code of Conduct at p.9). CVS Caremark admits that this information "might be of use to competitors or harmful to the Company or those we serve if disclosed to others." (Ex. 4: CVS Caremark Code of Conduct at p.9). CVS Caremark describes this "proprietary information" as information that "might give our competitors an advantage if disclosed to them." (Ex. 4: CVS

Caremark Code of Conduct at p.9). Yet, CVS Caremark uses Plaintiffs' proprietary patient lists and the integrated protected health information to target Plaintiffs' patients, and even worse, to target Plaintiffs themselves for acquisition and/or to scout new locations for new CVS retail pharmacies or locations to relocate existing CVS pharmacies.

E. CVS CAREMARK PURCHASES 250 INDEPENDENT PHARMACIES EACH YEAR

72. CVS Caremark has an ongoing program of purchasing independent pharmacies by purchasing their patient lists. In 2009, CVS Caremark purchased approximately 250 independent pharmacies by purchasing their patient lists. CVS Caremark intends to purchase approximately 200 independent pharmacies each year going forward.

73. Speaking to CVS Caremark investors on November 5, 2009, Tom Ryan stated: "We also completed 37 file buys in the quarter and we expect to do about 250 for the year, which is up about 10% versus last year and it's good to have this obviously because this is a great return for us and in fact many times the pharmacy staff and the owners actually come to work for us."

74. As recently as June 2, 2010, CVS Caremark CEO Tom Ryan reiterated this intention stating: "[W]e'll buy about 200 independents a year consistently. It's just the situation. It's just tough for them to survive, right? So we're going to continue to do that and we don't operate the stores. We move them into our stores."

75. It is not just independent pharmacies that CVS Caremark seeks to acquire. On October 20, 2008, CVS Caremark acquired 529 Longs retail drug stores.

76. The fact that CVS Caremark intends to purchase non-CVS pharmacies renders the Plaintiffs' pharmacy patient information even more sensitive.

77. The information supplied by the Plaintiffs' patients is confidential. The reason that patients

supply this information to Plaintiffs is because it is required in order to have a prescription filled. The Plaintiff pharmacies must transmit confidential patient information to CVS Caremark in order to have CVS Caremark adjudicate the claim and process payment. However, once CVS Caremark obtains this information, it misuses the information to target market the pharmacy services of CVS Caremark-owned retail and mail-order pharmacies, as well as to sell its knowledge of the patient population to drug makers so that they may also directly market to the patient population. As a result, patients who believe only their doctor and their pharmacy know their medical condition and the prescriptions they are taking are receiving various forms of direct marketing from CVS Caremark leading to the assumption that the Plaintiffs are behind the marketing campaign.

F. CVS CAREMARK USES THE COLLECTED DATA TO DERIVE INCOME FROM PHARMACEUTICAL COMPANIES

78. The marketing services that CVS Caremark sells to drug manufacturers take many forms and fully exploit the various methods CVS Caremark has to “engage the consumer” through the mail, telephone, or in-person. These marketing efforts include various formal and informal programs. One of the programs is called “Rx C&P,” a program by which drug companies pay CVS Caremark to make communications to market drugs to patients and their doctors. CVS Caremark touts that this “proactive prescription compliance program is based on our understanding of a patient’s complete retail and mail service prescription history.” In this program, CVS Caremark sends the patient a letter after a prescription is filled (whether the prescription is filled at a CVS or non-CVS pharmacy), as well as timed communications from CVS Caremark, refill reminders, and even a letter from CVS Caremark if they do not refill their medications.

79. Another program is called “Rx Review.” In this program, CVS Caremark touts to drug makers that CVS Caremark can directly market to patients and their doctors with messages that can

be customized based on a variety of factors including prescribing habits, specialty, diagnosis, and geography.

80. In addition, when a patient fills his or her prescription at a non-*CVS* store, *CVS Caremark* then directly communicates with such patient, offering the patient an “*ExtraCare Health Card*” for discounts on over-the-counter products which are valid only at *CVS* retail pharmacies or on *CVS*’s website. (Ex. 6: *ExtraCare Health Card Solicitation*). This marketing does not in any way relate to *CVS Caremark*’s PBM operation; it is purely for the financial and competitive advantage of *CVS Caremark*’s retail pharmacy subsidiaries and its direct consumer services.

81. Despite Defendants’ full knowledge of the proprietary and protected nature of this information, as well as their clear understanding of the limited purpose and terms of Plaintiffs’ disclosure of such information, they nevertheless unlawfully appropriate, disclose, and misuse the information in order to gain a competitive and financial advantage. This misconduct by Defendants violates 28 U.S.C. § 1028(a)(7) (relating to fraud and related activity in connection with a means of identification), multiple HIPAA regulations, the federal antitrust requirements of the *CVS-Caremark* merger, and constitutes a willful misappropriation of Plaintiffs’ proprietary and trade-secret patient lists.

G. CVS CAREMARK SEEKS TO RESTRICT CHOICE OF A PATIENT’S THEIR PREFERRED PHARMACY

82. *CVS Caremark* PBM operation (*CVS Caremark* Corporation through *Caremark Rx, LLC*, *Caremark LLC* and related subsidiaries and affiliates involved in the PBM operation of *CVS Caremark*) also seek to enter agreements in violation of Texas’s and various states’ any willing provider laws.

83. *CVS Caremark* PBM operation (*CVS Caremark* Corporation through *Caremark Rx, LLC*,

Caremark LLC and related subsidiaries and affiliates involved in the PBM operation of CVS Caremark) contract with insurers and plan sponsors to form pharmacy networks that exclude non-CVS retail pharmacies outright and/or provide consumer incentives to exclude non-CVS pharmacies through lower co-payments or other similar means. As the entity that forms the network of pharmacies, CVS Caremark's PBM operation has the power to act as a gatekeeper to the market of patients that is formed through a private health plan. It is to CVS Caremark's direct benefit to structure a restricted network. As stated on May 15, 2009 by CVS Caremark's then-Chief Financial Officer: "CVS Caremark has a full voice in structuring the product. Why would we structure it any other way? ... If it wasn't more profitable for us to fill it at retail, we wouldn't do it that way."

84. For example, CVS Caremark leverages this role as gatekeeper to the particular health plan's patient market by accepting payments from drug companies called "market share rebates." "Market share rebates" are payments by drug makers to CVS Caremark's PBM operation based on the sales of the manufacturers' drugs to members of the plans administered by the CVS Caremark. Such payments are based on measures of the manufacturers' "market share." Market share is calculated by taking the number of prescriptions or units of a drug dispensed to members of a plan, and dividing that number by the number of prescriptions or units of all drugs dispensed in the defined market class during the same time period. CVS Caremark unleashes the marketing operation described above to increase the share of the plan's patient market that takes the drug of the manufacturer making the rebate payment.

85. CVS Caremark also uses its PBM role in forming pharmacy networks and prescription benefit plans to favor CVS Caremark-owned pharmacies. As a result, CVS Caremark captures the health plan's market of members for its CVS Caremark-owned pharmacies.

86. These networks exclude and/or discriminate against non-CVS pharmacies from the sale of maintenance medications used to treat chronic health conditions. Maintenance medications are those drugs taken on a regular basis to treat chronic conditions such as high cholesterol, high blood pressure, or diabetes. Every year, these maintenance medications typically account for the most prescriptions and highest sources of pharmacy revenues. Approximately one third of Americans take one or more chronic medications (those filled three or more times per year). Yet this 1/3 of the population account for over 90% of all prescriptions filled by retail pharmacies.

87. “Maintenance Choice” is the term CVS Caremark uses to describe its program of contracting with health plans to form exclusive pharmacy networks made up of CVS Caremark’s own mail order pharmacy and CVS retail pharmacies. Patients are forced to leave their preferred pharmacy for CVS Caremark mail order pharmacies or CVS retail pharmacies.

88. On February 8, 2010, Per Lofberg voiced criticisms of mandatory mail programs even though Maintenance Choice similarly restricts patient choice. He said: “And you know we listed some of them before, but the mail service model that I’ve been involved in for almost 20 years now, that model has basically sort of grown, largely in the past decade by putting in benefit designs that are quite disruptive to the members, where they literally cease to have coverage if they stay at the retail stores.” Prior to CVS merging with Caremark, even Tom Ryan acknowledged that networks that limit the patient’s ability to go to their local pharmacy are “anti-competitive.” In 2004 he stated: “However, we are opposed to forcing patients to use a mail order service and then dictating which mail order pharmacy to use. At best, this practice eliminates patient choice and deprives them of the opportunity to obtain personal counseling from a pharmacist. At worst, it is unfair and anti-competitive.” (Ex. 7: January 9, 2004 CVS Press Release).

89. For example, in those Anthem Blue Cross Blue Shield drug benefit plans administered by CVS Caremark, CVS Caremark has formed a restricted network of pharmacies. In these Anthem Blue Cross Blue Shield plans, members can obtain a 30-day supply of medication at the pharmacy of their choice. However, for long-term medication needs typically prescribed for chronic conditions, members can only obtain these drugs from either CVS Caremark Mail Service Pharmacy or a CVS/Pharmacy retail location. The list of “maintenance medications” is long. (Ex. 8: CVS Caremark Maintenance Drug List). There are 371 medications on this list including top sellers such as Lipitor, Nexium, Simvastatin, Plavix, Advair Diskus, Prevacid, Singulair, Lexapro, Actos, Cymbalta, Crestor, Vytorin, Lisonopril, Metformin, Atenolol and Enbrel. These 371 drugs account for 52 of the top 100 most prescribed medicines (2008) and 44 of the top 100 prescription products by dollars spent (2008).

90. CVS Caremark’s PBM operation has established similar restricted networks with the Texas Municipal League Intergovernmental Employee Benefits Pool, the Texas Association of Counties Health and Employee Benefits Pool, Webb County, Texas, the City of Kyle Texas, and others. To date, more than 525 of CVS Caremark’s clients representing more than 6.3 million covered lives have adopted Maintenance Choice. Other CVS Caremark clients have adopted similar forms of restricted networks.

91. In addition, recently CVS Caremark announced that it would manage the pharmacy benefit for Aetna health plans and seek to establish Maintenance Choice and other restricted networks for Aetna health plans. According to public statements by CVS Caremark, the implementation of this new role will commence in January 2011.

92. As a result of Maintenance Choice and similar restricted networks, patients of Plaintiffs are

forced to go to Plaintiffs' direct competitor to obtain their maintenance medications.

93. One of the purposes of Maintenance Choice is to have patients of non-CVS pharmacies move all their prescriptions (both maintenance and acute prescriptions) to CVS Caremark-owned mail and retail pharmacies. As David Rickard, then Chief Financial Officer of CVS Caremark, stated in 2009: "Any transfer of 30-day CVS scripts to 90-day CVS Caremark scripts is more than offset by our gain in share of non-CVS 30-day maintenance scripts at mail or retail, plus our gain in share from our non-CVS 30-day acute scripts, as people choose to aggregate all their scripts at the most convenient pharmacy."

V. CAUSES OF ACTION

94. Plaintiffs incorporate the foregoing allegations into each of the following causes of action. Plaintiffs' allegations and the causes of action are asserted in the alternative to the extent of any conflict.

COUNT 1 – VIOLATIONS OF THE RACKETEER INFLUENCE AND CORRUPT ORGANIZATIONS ACT, 18 U.S.C. §§ 1961 et seq. ("Civil RICO")

95. **The PBM Network Enterprise:** CVS Caremark contracts and associates with 64,000 pharmacies nationwide (including CVS retail pharmacy stores, independent pharmacies, independent pharmacy franchises, and other chain pharmacies) to form a structured PBM pharmacy network that engages in the business of offering and dispensing prescription drugs to individuals, and establishing and processing payment for such drugs. This PBM pharmacy network enterprise ("PBM Network Enterprise") constitutes an association-in-fact enterprise among CVS and its network pharmacies pursuant to 18 U.S.C. 1961(4).

96. CVS Caremark's PBM operation and the network pharmacies associate together to form this organized enterprise that provides specific claims processing services to subscribing health plans

and their members (i.e., the pharmacy patients). By assembling together in this structured network, CVS Caremark's PBM operation and the network pharmacies are able to provide the health plans' members with a mechanism to fill prescriptions in multiple locations under the terms of their health plan and to process the payment for such prescriptions. Thus, the PBM Network Enterprise maintains an existence separate and apart from the pattern of racketeering activity through which its affairs are conducted by Defendant CVS Caremark.

97. As set forth above, the PBM Network Enterprise is an ongoing organization that maintains an identifiable structure and a decision-making framework. The employees of CVS Caremark work together with the employees of the network pharmacies within this identifiable structure and decision-making framework to form and operate the PBM Network enterprise.

98. The enterprise has an established mechanism for controlling the group. Its associates (CVS Caremark's PBM operation and the network pharmacies) function as a continuing unit with a common purpose: offering health plans a standard mechanism to fill and pay for their members' prescription drugs.

99. The PBM Network Enterprise is engaged in and affects interstate commerce through its processing of prescription drug claims under national health plans. It not only utilizes interstate commerce, through the mails and wires, to process an individual's health plan benefits, but also facilitates the flow of significant monies (for payment of the prescribed drugs) in and out of interstate commerce.

100. **The CVS/Caremark Enterprise:** Alternatively, or in addition to the PBM Network Enterprise, an association-in fact enterprise exists between Defendant CVS Caremark Corporation and its subsidiaries Caremark LLC, Caremark Rx LLC, and CVS Pharmacy Inc. (hereinafter

collectively referred to as the “CVS/Caremark Enterprise”).

101. The CVS/Caremark Enterprise maintains an identifiable structure and decision-making framework, which consists of associates, including its distinct PBM and retail store segments/subsidiaries and their respective employees and agents, that function as a continuing unit. It maintains an existence separate and apart from the pattern of racketeering activity through which its affairs are conducted.

102. The PBM subsidiary (Caremark LLC) and the retail pharmacy store subsidiary (CVS Pharmacy Inc.) purport to have separate and distinct roles. Caremark LLC provides pharmacy benefit management services to health plan clients, while the CVS Pharmacy Inc. subsidiaries provide general pharmacy/retail store services to consumers.

103. The subsidiaries' participation in the CVS/Caremark Enterprise allows the enterprise to function more effectively since they play distinct roles and perform separate tasks that normally would be conducted by independent entities. In fact, it was a direct requirement of the CVS-Caremark merger for antitrust compliance purposes that the enterprise's PBM business and retail pharmacy store businesses be operated through separate and distinct subsidiary entities.

104. In addition, it was a direct requirement of the merger that a firewall be established between these subsidiary businesses to further separate their distinct tasks that should, and would normally be, conducted by independent entities. One of the main reasons for requiring a firewall between these subsidiaries is to prevent the type of illegal activity being complained of here.

105. The CVS/Caremark Enterprise is an ongoing organization that utilizes interstate commerce, including the mails and wires, in providing, among other things, nationwide PBM services to 2,200 health plan clients and retail pharmacy store services. The CVS/Caremark Enterprise additionally

affects interstate commerce through its significant profits, which flow in and out of interstate commerce.

106. **The RICO Defendants:** Defendants CVS Caremark Corporation, CVS Pharmacy Inc., Caremark Rx LLC, and Caremark LLC are each “persons” within the meaning of 18 U.S.C. § 1961(3).

107. Defendants are employed by or associated with the PBM Network Enterprise, and they conduct or participate, directly or indirectly, in the operation and management of the PBM Network Enterprise as further described above.

108. Defendants also are employed by or associated with the CVS/Caremark Enterprise, and they conduct or participate, directly or indirectly, in the operation and management of the CVS/Caremark Enterprise as further described above.

109. **Predicate Acts of Racketeering:** Defendants' disclosure of individually identifiable protected health information received by Caremark LLC from non-CVS network pharmacies (such as Plaintiffs' pharmacies) to CVS Pharmacy Inc.'s retail and mail-order pharmacy business and CVS Caremark Corporation, as well as their subsequent unauthorized use of such information, constitute violations of 18 U.S.C. § 1028(a)(7).

110. Specifically, as discussed herein, Defendants have knowingly transferred, possessed, and used (and continue to do so), without lawful authority, a means of identification of another person with the intent to commit, or to aid or abet, or in connection with, unlawful activity that constitutes a violation of Federal law, namely HIPAA.

111. Defendants are subject to HIPAA's regulations, and their unauthorized use and disclosure of the personal information and prescription history of the Plaintiff pharmacies' patients (i.e.,

“individually identifiable health information” and a “means of identification”) directly violates HIPAA’s privacy regulations, 45 C.F.R. § 164.302 *et seq.* and 45 C.F.R. § 164.500 *et seq.*, and further constitute HIPAA offenses pursuant to 42 U.S.C. §§ 1320d-5 and 1320d-6.

112. For their own financial and competitive gain, Defendants willfully and wrongfully used and disclosed (and continue to use and disclose) the protected health information of Plaintiffs’ pharmacy patients. Each and every unauthorized use and disclosure of such information (and means of identification) constitutes a separate and distinct act in violation of 18 U.S.C. § 1028(a)(7).

113. The criminal acts described above and throughout this Complaint constitute “predicate acts” under 18 U.S.C. § 1961.

114. These predicate acts are related and continuous, and constitute a “pattern of racketeering” within the meaning of 18 U.S.C. 1961(b).

115. The predicate acts are related in that they have same or similar participants, victims, methods of commission, and results, as described in detail throughout this Complaint.

116. Defendants’ criminal conduct is repeated, and there exists a real and imminent threat that they will continue to conduct the affairs of the PBM Network Enterprise and CVS/Caremark Enterprise through this pattern of criminal conduct. Indeed, the Defendants engage in the criminal conduct described above as part of their regular way of conducting business for the PBM Network Enterprise and CVS/Caremark Enterprise.

117. **Violation of 18 U.S.C. 1962(c):** As described in detail throughout this Complaint, each of the Defendants unlawfully, willfully, and knowingly conduct and participate, directly and indirectly, in the conduct of the PBM Network Enterprise’s affairs through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c).

118. Additionally or in the alternative, the Defendants have each unlawfully, willfully, and knowingly conducted and participated, directly and indirectly, in the conduct of the CVS/Caremark Enterprise's affairs through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c).

119. In conducting the affairs of the PBM Network Enterprise, each of these defendants committed at least two acts of racketeering activity, the last of which occurred within 10 years after the commission of a prior act of racketeering activity.

120. Additionally or in the alternative, in conducting the affairs of the CVS/Caremark Enterprise, the Defendants each committed at least two acts of racketeering activity, the last of which occurred within 10 years after the commission of a prior act of racketeering activity.

121. The Defendants' racketeering activities described herein are the substantial and proximate cause of the injuries to Plaintiff's business and property, thus entitling Plaintiff to recover three times their actual damages, as well as attorneys' fees. This action is brought by Plaintiffs to recovery such damages and attorney's fees.

122. In addition, Plaintiffs seek an injunction pursuant to 18 U.S.C. § 1964(a) to prevent future violations of 18 U.S.C. §1962 by enjoining Defendants from using or disclosing the patient information of Plaintiffs, the National Class and the Texas Class except solely for the purpose of adjudication of pharmacy benefit claims.

COUNT 2 – TRADE SECRET MISAPPROPRIATION

123. Each of the Plaintiffs has spent time and effort to build relationships with their patients and the communities that they serve. Pharmacists are one of the most trusted professions. That is because patients come to know their pharmacists and consult with them about matters affecting their health. Building these relationships not only serves the health of the Plaintiffs' patients, but these

relationships are the true business value of the pharmacies (since pharmacies derive the vast majority of their revenue from prescriptions).

124. Each of the Plaintiffs own trade secrets in their patient lists, including the form of the identity of their pharmacy patients and the compilation of protected health information for those patients as well as their prescription files.

125. Plaintiffs' patient lists, prescription files and integrated patient information derive independent economic value, both actual and prospective, because they are not generally known or readily ascertainable to other persons who can obtain economic value from their disclosure or use, and they are the subject of reasonable efforts by Plaintiffs to maintain their secrecy.

126. These trade secret patient lists and integrated patient information were created and compiled by Plaintiffs though significant expenditures of time, effort, and expense, and Plaintiffs use the information to obtain an advantage over competitors – including CVS Caremark-owned retail and mail-order pharmacies.

127. This information was disclosed to the CVS Caremark PBM operation (CVS Caremark Corporation through Caremark Rx, LLC, Caremark LLC and related subsidiaries and affiliates involved in the PBM operation of CVS Caremark) in confidence and solely for the purpose of adjudicating the prescription claims of the Plaintiffs' patients. Defendants use(d) and disclose(d) the trade secret information without the Plaintiffs' authorization. The Defendants have misappropriated and continue to misappropriate for their own use and benefit, the confidential patient information supplied to them by the Plaintiffs through the claims adjudication process. Such use proximately causes damages to the Plaintiffs. Plaintiffs seek recovery of their actual damages, the disgorgement of any benefit received by Defendants as a result of their misappropriation, and the recovery of

exemplary damages for such conduct.

**COUNT 3 – REQUEST FOR DECLARATORY RELIEF RELATED TO THE TEXAS
ANY WILLING PROVIDER LAW**

128. The CVS Caremark PBM operation has entered into contracts with at least 525 plan sponsor clients and established pharmacy networks that explicitly exclude pharmacies, including Plaintiffs, from providing maintenance medications to the members of such plans. In addition, the CVS Caremark PBM operation has entered into contracts with plan-sponsor clients establishing pharmacy networks that provide incentives for the members of such plans to utilize CVS Caremark-owned retail and mail order pharmacies to fill prescriptions for their maintenance medications and correspondingly disincentivizes their use of non-CVS pharmacies.

129. The agreements between CVS Caremark's PBM operation and its health plan clients contain contractual provisions prohibit and limit a person who is a beneficiary of the policy from selecting a pharmacy or pharmacist of the person's choice to be a provider under the policy to furnish pharmaceutical services offered or provided by that policy and interfere with that person's selection of a pharmacy or pharmacist.

130. The agreements between CVS Caremark's PBM operation and its health plan clients contain contractual provisions that deny Plaintiffs the right to participate as a contract provider under the policy or plan even if the Plaintiffs agree to provide pharmaceutical services that meet all terms and requirements and include the same administrative, financial, and professional conditions that apply to pharmacies and pharmacists who have been designated as providers under the policy or plan.

131. As non-CVS pharmacies, Plaintiffs are excluded from the participation in those plans including a Maintenance Choice or similar network that mandates mail order pharmacy and/or CVS-

owned retail pharmacies. In addition, the policies and plans set up by CVS Caremark's PBM operation disfavor and discriminate against non-CVS pharmacies in the sale of maintenance medications.

132. Plaintiffs seek a judgment of the Court declaring those contracts and/or those provisions in such contracts which exclude or disfavor Plaintiffs are void in violation of the Texas Any Willing Provider Law (TEX. INS. CODE ART. 21.52B).

133. In addition, Plaintiffs seek an injunction requiring the admission of Plaintiffs into such networks and participation on equal terms to CVS-owned retail pharmacies.

134. Plaintiffs also seek the recovery of such attorney's fees as this Court may find to be equitable and just.

VI. REQUEST FOR INJUNCTIVE RELIEF

135. Plaintiffs seek the entry of a preliminary and permanent injunction.

136. The Plaintiffs request that the Court enter a preliminary and permanent injunction requiring the admission of Plaintiffs, the National Class, and the Texas Class into such networks and participation on equal terms to CVS-owned retail and mail-order pharmacies.

137. Additionally, the Plaintiffs request that the Court enter a preliminary and permanent injunction to prevent future violations of 18 U.S.C. §1962 by enjoining Defendants from using or disclosing the patient information of Plaintiffs, the National Class and the Texas Class except solely for the purpose of adjudication of pharmacy benefit claims.

138. Plaintiffs will likely suffer irreparable injury. Specifically, Defendants' PBM operation currently contracts with plans which exclude or discriminate against Plaintiffs in the filling of maintenance medications and 90+ day scripts. Additionally, Defendants are utilizing the

confidential patient information of Plaintiffs unlawfully and for the purpose of directly targeting Plaintiffs' patients to switch to a CVS Caremark-owned pharmacy. In both cases, the injury suffered by Plaintiffs as a result of such conduct will be irreparable as the relationships built by Plaintiffs with their respective patients are being disrupted and breached. There is no adequate remedy at law for such harm.

139. As demonstrated throughout this Complaint, there is a substantial likelihood of success on Plaintiffs' claims pursuant to Counts 1, 2 and 3 of this Complaint. For example, it is indisputable that CVS Caremark's PBM operation has constructed pharmacy networks which exclude or disfavor non-CVS pharmacies from the filling of maintenance and 90+ day scripts. In addition, it is indisputable that means of identification and patient protected health information supplied by Plaintiffs to CVS Caremark's PBM operation is being unlawfully disclosed and used by Defendants.

140. The requested injunctive relief will not adversely affect public policy or the public interest. Rather, the entry of the requested injunctive relief will favorably affect the public interest. Patient protected health information will be protected in accordance with applicable Federal law and the admission of Plaintiffs into the currently restricted networks will only be on equal financial terms to those currently within the network.

141. Plaintiffs are willing to post an appropriate bond in support of the requested injunctive relief.

142. Plaintiffs have been able to ascertain much about Defendants' practices from information in the public domain. However, in order to further establish their right to a preliminary injunction, Plaintiffs seek an expedited briefing and discovery schedule related to Plaintiffs' request for injunctive relief. Therefore, prior to a hearing on Plaintiffs' request for preliminary injunction,

Plaintiffs ask the Court to expedite the deadline for the parties' Rule 26(f) conference and report, shorten the time for discovery related to Plaintiffs' request for injunctive relief, and, pursuant to Rule 16(b) enter an expedited briefing schedule related to Plaintiffs' request for injunctive relief.

VII. CLASS ACTION ALLEGATIONS

143. **The National Class.** Plaintiffs bring this action pursuant to Fed. R. Civ. P. 23(b)(1)(A), 23(b)(2) and 23(b)(3) on behalf of themselves and a class consisting of all retail pharmacies in the United States (other than those wholly-owned, directly or indirectly, by CVS Caremark Corporation) (the "National Class"). The National Class period commences from March 22, 2007 (the date of the closing of the merger between CVS and Caremark) to the date of judgment.

144. **The Texas Class.** Plaintiffs bring this action pursuant to Fed. R. Civ. P. 23(b)(1)(A), 23(b)(2) and 23(b)(3) on behalf of themselves and a class consisting of all retail pharmacies in Texas (other than those wholly-owned, directly or indirectly, by CVS Caremark Corporation) (the "Texas Class"). The Texas Class period commences from March 22, 2007 (the date of the closing of the merger between CVS and Caremark) to the date of judgment.

145. The National Class is so numerous that it is impracticable to join all members of the National Class before the Court. The exact number of National Class members is unknown to Plaintiffs, but is believed to consist of more than 40,000 retail pharmacies within the United States.

146. The Texas Class is so numerous that it is impractical to join all members of the Texas Class before the Court. The exact number of Texas Class members is unknown to Plaintiffs, but is believed to consist of more than 2,750 retail pharmacies within the state of Texas.

147. There are questions of law and fact common to the National Class and Texas Class, and the claims of the Plaintiffs are typical of the claims of the members of both the National Class and the

Texas Class.

148. Plaintiffs will fairly and adequately protect the interests of the National Class and the Texas Class and there are no apparent conflicts between the Plaintiffs and the Classes.

149. Plaintiffs have retained competent counsel who have significant experience in prosecuting class action litigation and who will vigorously pursue the National Class' claims and the Texas Class' claims throughout the course of this litigation.

150. The prosecution of separate actions by individual members of the National Class or the Texas Class would create a risk of inconsistent adjudications with respect to individual members of the Classes and incompatible standards of conduct for the Defendants.

151. The questions of law and fact common to the members of the National Class and the Texas Class predominate over any questions affecting only individual members of the classes.

152. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

153. Plaintiffs anticipate no difficulty in the management of this litigation. Defendants' records permit identification of and notice to the members of the respective classes.

154. Additionally, Defendants have acted and refused to act on grounds that apply generally to the classes, so that final injunctive relief (as described in Part IV) and/or corresponding declaratory relief (as described in Part V Count 3) is appropriate respecting the classes as a whole.

VIII. JURY DEMAND

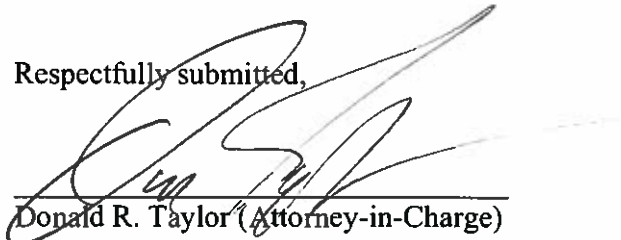
155. Plaintiffs hereby demand a trial by jury on all claims asserted herein.

IX. PRAYER

156. WHEREFORE, Plaintiffs respectfully request that:

- A. Defendants be summoned to appear and answer;
- B. Plaintiffs be granted judgment against Defendants;
- C. the Court enter a judgment declaring those contracts and/or those provisions in the CVS Caremark PBM operations' contracts with plan sponsors that exclude or disfavor Plaintiffs, the National Class, and the Texas Class are void;
- D. the Court enter a preliminary and permanent injunction requiring the admission of Plaintiffs, the National Class, and the Texas Class into such networks and participation on equal terms to CVS-owned retail and mail-order pharmacies;
- E. the Court enter a preliminary and permanent injunction to prevent future violations of 18 U.S.C. §1962 by enjoining Defendants from using or disclosing the patient information of Plaintiffs, the National Class and the Texas Class except solely for the purpose of adjudication of pharmacy benefit claims;
- F. the Court enter an award to Plaintiffs, the National Class, and the Texas Class of all damages adequate to compensate them, such damages to be determined by a jury and trebled;
- G. the Court award Plaintiffs, the National Class, and the Texas Class prejudgment and post judgment interest as allowed by law;
- H. the Court award Plaintiffs, the National Class, and the Texas Class their attorneys fees and all costs of court; and
- I. the Court grant Plaintiffs, the National Class, and the Texas Class such further relief to which Plaintiffs may show themselves justly entitled.

Respectfully submitted,



Donald R. Taylor (Attorney-in-Charge)

State Bar No. 19688800

Southern District of Texas Bar No. 8997

David E. Dunham

State Bar No. 06227700

Southern District of Texas Bar No. 37992

Miguel S. Rodriguez

State Bar No. 24007938

Southern District of Texas Bar No. 348959

TAYLOR, DUNHAM & BURGESS, L.L.P.

301 Congress Ave., Suite 1050

Austin, Texas 78701

(512) 473-2257 Telephone

(512) 478-4409 Facsimile

ATTORNEYS FOR PLAINTIFFS

EXHIBIT 1



Payer Sheet



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HIGHLIGHTS– Updates, Changes & Reminders

The following is a summary of our new requirements. The items highlighted in the payer sheet illustrate the updated processing rules.

NOTE: To prevent point of service disruption, the RxGroup must be submitted on all claims and reversals.

- Updated the Fill Number for Medicare Part D billing transactions
- Updated the Prescription Origin Code for Medicare Part D billing transactions

Please carefully review the payer sheet below since the submission of certain optional data elements in NCPDP Version 5.1 is required by CVS Caremark Plan Sponsors and must be submitted for processing.

PART 1: GENERAL INFORMATION

Payer/Processor Name: CVS Caremark

Plan Name/Group Name: All

Effective as of: January 2010

NCPDP Version/Release #: 5.1

➤ Pharmacy Help Desk Information

Inquiries can be directed to the Interactive Voice Response (IVR) system or the Pharmacy Help Desk. [24 hours a day)

The Pharmacy Help Desk numbers are provided below:

CVS Caremark System	BIN	Help Desk Number
Legacy ADV	*004336	1-800-364-6331
Legacy PCS	*610415	1-800-345-5413
Legacy CRK	*610029	1-800-421-2342
Legacy PHC	610468 006144 004245 610449 610474 603604	1-800-777-1023

*Help Desk phone number serving Puerto Rico Providers is available by calling toll-free 1-800-842-7331.

PART 2: BILLING TRANSACTION / SEGMENTS AND FIELDS

The following table lists the segments available in a Billing Transaction. The table also lists values as defined under Version 5.1. The Transaction Header Segment is mandatory. The segment summaries included below list the mandatory data fields.

M=Mandatory as defined by NCPDP
R=Required as defined by the Processor
S=Situational as defined by Plan

Transaction Header Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
1Ø1-A1	BIN Number	610415, 004336, 610029, 012114, 610084, 013089, 610468, 006144, 004245, 610449, 610474, 603604	M	BIN 610084 is used for health plans that participate in the State of MD ProDUR program. These prescriptions are transmitted to ACS, Inc. and are routed to CVS Caremark.
1Ø2-A2	Version/Release Number	51	M	NCPDP v5.1
1Ø3-A3	Transaction Code	B1	M	Billing Transaction
1Ø4-A4	Processor Control Number	Refer to Appendix C for PCN values.	M	Use value as printed on ID card, as communicated by CVS Caremark or as stated in Appendix D.
1Ø9-A9	Transaction Count	1, 2, 3, 4	M	BINs 610415, 004336, 610468, 006144, 610449, 004245, 610474, 603604 accept up to four billing transactions (B1) per transmission Only 1 transaction is permitted for Medicare Part D and COB Billing.
2Ø2-B2	Service Provider ID Qualifier	Ø1	M	
2Ø1-B1	Service Provider ID	NPI Provider ID Number	M	
4Ø1-D1	Date of Service		M	CCYYMMDD
11Ø-AK	Software Vendor/Certification ID		M	The Software Vendor/Certification ID is the same for all BINs

Patient Segment: Required

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø1	M	Patient Segment
3Ø4-C4	Date of Birth		R	CCYYMMDD
3Ø5-C5	Patient Gender Code		R	
31Ø-CA	Patient First Name		R	Required for all BINs
311-CB	Patient Last Name		R	Required for all BINs
322-CM	Patient Street Address		S	Required for some federal programs
323-CN	Patient City Address		S	Required for some federal programs
324-CO	Patient State/Province Address		S	Required for some federal programs
325-CP	Patient Zip/Postal Zone		S	Required for some federal programs
3Ø7-C7	Patient Location		S	Required for Home Infusion & Long Term Care billing

Insurance Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø4	M	Insurance Segment
3Ø2-C2	Cardholder ID		M	
3Ø1-C1	Group ID		R	As printed on the ID card or as communicated.
3Ø3-C3	Person Code		R	As printed on the ID card
3Ø6-C6	Patient Relationship Code		R	
3Ø9-C9	Eligibility Clarification Code		S	Submitted when requested by processor.
336-8C	Facility ID		S	Submitted when requested by processor.

Claim Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø7	M	Claim Segment
455-EM	Prescription/Service Reference Number Qualifier	1= Rx Billing	M	
4Ø2-D2	Prescription/Service Reference Number		M	Rx Number for Rx/Service Billing
436-E1	Product/Service ID Qualifier	Ø3 Ø6	M	NDC Number Qualifier DUR/PPS Qualifier supported for BIN 610029 only
4Ø7-D7	Product/Service ID		M	NDC Number

Claim Segment: Mandatory (cont.)

442-E7	Quantity Dispensed		R	
4Ø3-D3	Fill Number	Ø-99	S	Ø=Original dispensing 1 to 99=Refill Number Required for all Medicare Part D (or as communicated) billing transactions; if the value = Ø (original dispensing) then Prescription Origin Code (419-DJ) must equal 1-4.
4Ø5-D5	Days Supply		R	
4Ø6-D6	Compound Code		R	
4Ø8-D8	DAW / Product Selection Code		R	
414-DE	Date Prescription Written		R	CCYYMMDD, Required for all BINs
415-DF	Number of Refills Authorized		R	
419-DJ	Prescription Origin Code	Ø,1,2,3,4	S	Ø=Not Specified 1=Written 2=Telephone 3=Electronic 4=Facsimile Required for Medicare Part D (or as communicated) billing transactions when Fill Number (4Ø3-D3) = Ø (original dispensing).
42Ø-DK	Submission Clarification Code	Ø3, Ø4, Ø6, Ø7	S	Ø3=Leave of absence vacation supply Ø4=Drug missing Ø6=1st Fill after emergency box dose Ø7=Emergency supply Supported for BIN's 610415 and 004336 only.
418-DI	Level of Service	Ø3	S	Emergency Box medication for treatment until standard supply can be dispensed. Supported for BIN's 610415 and 004336 only.
461-EU	Prior Authorization Type Code		S	Required for Specific Overrides
462-EV	Prior Authorization Number Submitted		S	Required for Specific Overrides

Claim Segment: Mandatory (cont.)

3Ø8-C8	Other Coverage Code	2, 3, 4, 5, 6, 7, 8	R	<p>For COB Segment Billing: Use value 2 when payment was collected from the previous payer.</p> <p>Use value 4 when payment was not collected due to previous payers deductible.</p> <p>Use values 3, 5, 6, 7 when payment was not collected from the previous payer.</p> <p>For Copay Only Billing: Use value 4 when payment was not collected due to previous payers deductible.</p> <p>Use values 3, 5, 6, 7 when payment was not collected from the previous payer.</p> <p>Use value 8 when payment was collected from previous payer and the claim is a billing for copay.</p>
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Claim Segment: Mandatory (These fields are mandatory for partial fills applicable to BIN 610029 only)
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Field #	NCPDP Field Name	Value		Comment
343-HD	Dispensing Status	P=Partial Fill C=Partial Fill Completion	S	Required for Partial Fills – Must Be P or C for partial fills Partial Fills will not be accepted for COB Billing
456-EN	Associated Prescription/Service Reference Number		S	Required for Partial Fill Completion – Rx Number of Associated Partial Fill Transaction
457-EP	Associated Prescription/Service Date		S	Required for Partial Fill Completion – Fill Date of Associated Partial Fill Transaction
4Ø3-D3	Fill Number	Ø=Original Fill 1 to 99=Refill Number	S	Required for Partial Fills
344-HF	Quantity Intended To Be Dispensed		S	Required for Partial Fills
345-HG	Days Supply Intended To Be Dispensed		S	Required for Partial Fills

**Pharmacy Provider Segment: Required for Workers Compensation only
(This segment and fields applicable to BIN 610029 and 004336 only)**

Pharmacy Provider Segment: Situational

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø2	M	Pharmacy Provider Segment
465-EY	Provider ID Qualifier	Ø2	R	Ø2 = State License Number Required for workers comp claims
444-E9	Provider ID		R	Pharmacist State License Number (must be the number of the pharmacist dispensing the medication). Required for Workers Compensation claims.

Prescriber Segment: Required

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø3	M	Prescriber Segment
466-EZ	Prescriber ID Qualifier		R	Ø1 = NPI 12=DEA Number 99=Other
411-DB	Prescriber ID		R	

COB/Other Payments Segment: Situational

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø5	M	COB/Other Payments Segment
337-4C	Coordination of Benefits/Other Payments Count		M	Up to 3 occurrences
338-5C	Other Payer Coverage Type		M	Ø1 = Primary, Ø2 = Secondary, Ø3 = Tertiary, 99 = Composite
339-6C	Other Payer ID Qualifier		R	Ø3 = BIN
34Ø-7C	Other Payer ID		R	
443-E8	Other Payer Date		R	
341-HB	Other Payer Amount Paid Count		R	Required if the Eligible Person has previous payers/processors
342-HC	Other Payer Amount Paid Qualifier		S	Ø7= Drug Benefit, Ø8 = Sum of all Reimbursement
431-DV	Other Payer Amount Paid		S	Required if other payer(s) paid
471-5E	Other Payer Reject Count		S	Required if other payer rejected
472-6E	Other Payer Reject Code		S	Required if other payer rejected

DUR/PPS Segment: Situational

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø8	M	DUR/PPS Segment
473-7E	DUR / PPS Code Counter	1-9 Occurrences	S	Submitted when requested by processor
439-E4	Reason for Service Code	NP	S	NP=LTC Admission/Level of Care Change. Supported for BIN's 610415 and 004336 only.
44Ø-E5	Professional Service Code	MA	S	Value of MA required for Primary and Secondary Medicare Part D Vaccine Administration billing transactions. MA value must be in first occurrence of DUR/PPS segment.
441-E6	Result of Service Code		S	Submitted when requested by processor

Pricing Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	11	M	Pricing Segment
4Ø9-D9	Ingredient Cost Submitted		R	
412-DC	Dispensing Fee Submitted		R	
43Ø-DU	Gross Amount Due		R	Required for BIN 610029 only
423-DN	Basis Of Cost Determination		R	Required for BIN 610029 only
433-DX	Patient Paid Amount Submitted		R	Required for BIN 610029 only
438-E3	Incentive Amount Submitted		S	Required for Medicare Part D Primary and Secondary Vaccine Administration billing. If populated, then Data Element 44Ø-E5 Professional Service Code must also be transmitted.
478-H7	Other Amount Claimed Submitted Count		R	Required for Coordination of Benefits (COB) Copay only billing
479-H8	Other Amount Claim Submitted Qualifier		R	Required for Coordination of Benefits (COB) Copay only billing
48Ø-H9	Other Amount Claimed Submitted		R	Required for Coordination of Benefits (COB) Copay only billing
481-HA	Flat Sales Tax Amount Submitted		S	Required when provider is claiming sales tax
426-DQ	Usual and Customary Charge		R	Required for all BINs
482-GE	Percentage Sales Tax Amount Submitted		S	Required when provider is claiming sales tax
483-HE	Percentage Sales Tax Rate Submitted		S	Required when provider is claiming sales tax
484-JE	Percentage Sales Tax Basis Submitted		S	Required when submitting Percentage Sales Tax Amount Submitted and Percentage Sales Tax Rate Submitted.

Clinical Segment: Optional (BINs 610029, 610468, 004245, 610449 and 004336 only)
Diagnosis Code is required when the Eligible Person and the drug is covered by Medicare.

Clinical Segment: Situational

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	13	M	Clinical Segment
491-VE	Diagnosis Code Count	1-9	R	
492-WE	Diagnosis Code Qualifier	Ø1	R	ICD9
424-DO	Diagnosis Code		R	

PART 3: REVERSAL TRANSACTION**Transaction Header Segment: Mandatory**

Field #	NCPDP Field Name	Value		Comment
1Ø1-A1	BIN Number	610415, 004336, 610029, 012114, 610084, 013089, 610468, 006144, 004245, 610449, 610474, 603604	M	
1Ø2-A2	Version/Release Number	51	M	
1Ø3-A3	Transaction Code	B2	M	
1Ø4-A4	Processor Control Number	See Appendix D – for BIN / PCN Combinations	M	Use value as printed on ID card, as communicated by CVS Caremark or as stated in Appendix D of this document.
1Ø9-A9	Transaction Count	Ø1=For BIN 610029	M	BINs 610415, 004336, 610468, 006144, 610449, 004245, 610474, 603604 accept up to four billing transactions (B1) per transmission Only 1 transaction is permitted for Medicare Part D and COB Billing.
2Ø2-B2	Service Provider ID Qualifier	Ø1, Ø5, Ø8	M	
2Ø1-B1	Service Provider ID	NPI Provider ID Number	M	
4Ø1-D1	Date of Service		M	CCYYMMDD
11Ø-AK	Software Vendor/Certification ID		M	The Software Vendor/Certification ID is the same for all BINs

Claim Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø7	M	Claim Segment
455-EM	Prescription/Service Reference Number Qualifier	1=Rx Billing	M	Same value as in request billing
4Ø2-D2	Prescription/Service Reference Number		M	Same value as in request billing
436-E1	Product/Service ID Qualifier	Ø3=NDC ID	M	Same value as in request billing
4Ø7-D7	Product/Service ID		M	Same value as in request billing
343-HD	Dispensing Status	P=Partial Fill C=Partial Fill Completion	S	Same value as in request billing

Insurance Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	Ø4	M	Insurance Segment
3Ø2-C2	Cardholder ID		M	
3Ø1-C1	Group ID		R	As printed on the ID card or as communicated.

PART 4: PAID (OR DUPLICATE OF PAID) RESPONSE**Transaction Header Segment: Mandatory**

Field #	NCPDP Field Name	Value		Comment
1Ø2-A2	Version/Release Number	Same value as in request billing	M	NCPDP v5.1
1Ø3-A3	Transaction Code	Same value as in request billing	M	Billing Transaction
1Ø9-A9	Transaction Count	Same value as in request billing	M	1-4 occurrences supported for B1 transaction
5Ø1-F1	Header Response Status	A	M	
2Ø2-B2	Service Provider ID Qualifier	Same value as in request billing	M	
2Ø1-B1	Service Provider ID	Same value as in request billing	M	
4Ø1-D1	Date of Service	Same value as in request billing	M	CCYYMMDD

Response Insurance Segment: Optional

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	25	M	Response Insurance Segment
524-FO	Plan ID		S	
568-J7	Payer ID Qualifier	99	S	99 = Other
569-J8	Payer ID		S	

Response Message Segment: Optional

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	20	M	Response Message Segment
504-F4	Message		R	

Response Status Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	21	M	Response Status Segment
112-AN	Transaction Response Status	P=Paid D=Duplicate of Paid	M	
503-F3	Authorization Number		R	
526-FQ	Additional Message Information		R	

Response Claim Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	22	M	Response Claim Segment
455-EM	Prescription/Service Reference Number Qualifier	1=Rx Billing	M	
402-D2	Prescription/Service Reference Number		M	Rx Number

Response Pricing Segment: Mandatory

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	23	M	Response Pricing Segment
505-F5	Patient Pay Amount		R	This data element will be returned on all paid claims. Please read this data element to assist in COB billing.
506-F6	Ingredient Cost Paid		S	
507-F7	Dispensing Fee Paid		S	
509-F9	Total Amount Paid		R	This data element will be returned on all paid claims. Please read this data element to assist in COB billing.
512-FC	Accumulated Deductible Amount		S	
513-FD	Remaining Deductible Amount		S	
514-FE	Remaining Benefit Amount		S	
517-FH	Amount Applied to Periodic Deductible		S	
518-FI	Amount Copay / Coinsurance		S	
519-FJ	Amount Attributed to Product Selection		S	
520-FK	Amount Exceeding Periodic Benefit Maximum		S	
521-FL	Incentive Amount Paid		S	
522-FM	Basis of Reimbursement Determination		S	
523-FN	Amount Attributed Sales Tax		S	
558-AW	Flat Sales Tax Amount Paid		S	
559-AX	Percentage Sales Tax Amount Paid		S	Tax dollar amount paid to pharmacy
560-AY	Percentage Sales Tax Rate Paid		S	Rate used to calculate Percentage Sales Amount Paid
561-AZ	Percentage Sales Tax Basis Paid		S	Code indicating basis of dollars used in calculating tax in the final paid claim
562-J1	Professional Service Fee Paid		S	
563-J2	Other Amount Paid Count		S	This data element will only be returned in COB Copay only billing
564-J3	Other Amount Paid Qualifier		S	99 = Other This data element will only be returned in COB Copay only billing
565-J4	Other Amount Paid		S	This data element will only be returned in COB Copay only billing
566-J5	Other Payer Amount Paid Recognized		S	
557-AV	Tax Exempt Indicator		S	This indicator, a value of "1", identifies those plans that are exempt from sales tax.

Response Pricing Segment: Mandatory (cont.)

346-HH	Basis Of Calculation— Dispensing Fee		S	
347-HJ	Basis Of Calculation—Copay		S	
348-HK	Basis Of Calculation—Flat Sales Tax		S	
349-HM	Basis Of Calculation— Percentage of Sales Tax		S	

Response DUR/PPS Segment: Optional

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	24	M	Response DUR/PPS Segment
567-J6	DUR / PPS Response Code Counter		S	
439-E4	Reason for Service Code		S	
528-FS	Clinical Significance Code		S	
529-FT	Other Pharmacy Indicator		S	
530-FU	Previous Date of Fill		S	
531-FV	Quantity of Previous Fill		S	
532-FW	Database Indicator		S	
533-FX	Other Prescriber Indicator		S	
544-FY	DUR Free Text Message		S	

PART 5: REJECT RESPONSE**Transaction Header Segment: Mandatory**

Field #	NCPDP Field Name	Value		Comment
102-A2	Version/Release Number	Same value as in request billing 51	M	NCPDP v5.1
103-A3	Transaction Code	Same value as in request billing B1	M	Billing Transaction
109-A9	Transaction Count	Same value as in request billing	M	
501-F1	Header Response Status	A	M	
202-B2	Service Provider ID Qualifier	Same value as in request billing	M	
201-B1	Service Provider ID	Same value as in request billing	M	
401-D1	Date of Service	Same value as in request billing	M	CCYYMMDD

Response Message Segment: Optional

Field	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	20	M	Response Message Segment
504-F4	Message		R	

Response Insurance Segment: Optional

Field	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	25	M	Response Insurance Segment
301-C1	Group ID		S	
524-FO	Plan ID		S	

Response Status Segment: Mandatory

Field	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	21	M	Response Status Segment
112-AN	Transaction Response Status	R = Reject	M	
503-F3	Authorization Number		S	
510-FA	Reject Count		R	
511-FB	Reject Code		R	
526-FQ	Additional Message Information		S	

Response Claim Segment: Mandatory

Field	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	22		Response Claim Segment
455-EM	Prescription/Service Reference Number Qualifier	1=Rx Billing	M	
402-D2	Prescription/Service Reference Number		M	Rx Number

Response DUR/PPS Segment: Optional

Field #	NCPDP Field Name	Value		Comment
111-AM	Segment Identification	24	M	Response DUR/PPS Segment
567-J6	DUR / PPS Response Code Counter		S	
439-E4	Reason for Service Code		S	
529-FT	Other Pharmacy Indicator		S	
530-FU	Previous Date of Fill		S	
531-FV	Quantity of Previous Fill		S	
532-FW	Database Indicator		S	
533-FX	Other Prescriber Indicator		S	
544-FY	DUR Free Text Message		S	
528-FS	Clinical Significance Code		S	

APPENDIX A: BIN / PCN COMBINATIONS**Primary BIN and PCN values**

Other PCNs may be required as communicated or printed on card.

BIN	PCN	Note
610415	PCS	
004336	ADV	
610029	CRKblankblank	For BIN 610029, if set to 'CRKblankblank', the RXGRP must be submitted as printed on the card.
610468	PC2 MDP HP FCHP COMHP AHP PC3 PC5 HPI FALLON	
006144	AI	
610474	TDI SSP CAP EBMS	
603604	CAP	
610449	U07, U12	

Secondary Commercial COB - Copay Only Billing

BIN	PCN	Note
013089	COMPCS COMADV COMCRK	

Secondary Commercial COB – COB Segment Billing

BIN	PCN	Note
013089	COMSEGPCS COMSEGADV COMSEGCRK	
013089	AMGSEGADV	
610084	COMSEGPCS	State of MD ProDUR

Medicare Part D COB Secondary BIN and PCN Values:

Other Medicare Part D COB PCNs may be required as communicated or printed on card.

BIN	PCN	Note
012114	COBPCS COBADV COBCRK	Copay only billing
012114	COBSEGADV COBSEGPCS COBSEGCRK	COB Segment Billing
610468	UAFC VNS MDARBCBS (Arkansas BCBS) MDFCHP (Fallon) MDMP (Martin's Point)	

COB claims that are secondary/supplemental to Part-D

BIN	PCN	Note
610449	MD2U	
610468	MD2FCHP (Fallon) MD2MP (Martin's Point)	
004245	MD2C	
610474	MD2E	

APPENDIX B: MEDICARE PART D**➤ Medicare Part D Patient Location Codes**

To ensure proper reimbursement, it is important that your pharmacy submit accurate patient location codes. Patient location codes must be entered in field 307-C7 (Patient Location) for every claim submission in order for appropriate adjudication and payment. As recommended by The National Council for Prescription Drug Programs (NCPDP), CVS Caremark will accept the following values:

Patient Location (NCPDP Data Element 307-C7)	NCPDP Definition	CVS Caremark Claim Type
Ø as a default	Not specified	Retail claims
1	Home	Home infusion claims
3	Nursing Home	Qualified LTC claims

Note: Home infusion and long-term care claims must meet the CMS qualifications (i.e., skilled nursing unit, etc.) in order to submit these patient location codes and receive appropriate payment.

➤ Reject Messaging**Medicare Part B versus Medicare Part D Drug Coverage Determinations**

In order to comply with CMS guidance encouraging adoption of a new standardized procedure using structured reject "coding" in the message field, CVS Caremark implemented this standardization, effective July 2006. This guidance and outcome resulted from retail pharmacists needing more specific reject messages in order to assist a Medicare Eligible Person.

This process has been approved by the National Council for Prescription Drug Programs (NCPDP) for two specific messages addressing rejections for (1) drugs excluded from Part D coverage as mandated by the Medicare Modernization Act; and (2) drugs that are covered under Medicare Part B for the designated Medicare beneficiary.

The codes below are returned to your pharmacy system in the free text message fields per the NCPDP standard. The codes cannot be used in the reject code field until a new claim standard is named through CMS guidance. Your software must interpret these codes from the free text message field so that the proper messages are displayed.

Reject Code	Description
A 5	Not covered under Part D Law
A 6	This medication may be covered under Part B and therefore cannot be covered under the Part D basic benefit for this beneficiary.

➤ **Medicare Part D Vaccine Processing****Dispensing and Administering the Vaccine**

If Provider dispenses the vaccine medication and administers the vaccine to the enrollee, submit both drug cost and vaccine administration information on a single claim. The following fields are required in order for the claim to adjudicate and reimburse Provider appropriately for vaccine administration:

NCPDP Field	Segment & Field Name	Required Vaccine Administration Information for Processing
44Ø-E5	DUR/PPS Segment Professional Service Code Field	MA (Medication Administration)
438-E3	Pricing Segment Incentive Amount Submitted Field	(Submit Administration Fee)

Dispensing the Vaccine Only

If Provider dispenses the vaccine medication only, submit the drug cost electronically according to current claims submission protocol.

Vaccine Administration Only

CVS Caremark will reject on-line claim submissions for vaccine administration only.

Therefore, if Provider dispenses the vaccine medication and administers the vaccine to the enrollee, submit both elements on a single claim transaction electronically to CVS Caremark.

Vaccine Drug Coverage

Please rely on CVS Caremark's on-line system response to determine Medicare Part D vaccine drug coverage for Medicare Part D plans adjudicating through CVS Caremark. As a reminder—pharmacists are required to be certified and/or trained to administer Medicare Part D vaccines. Please check with individual state boards of pharmacy to determine if pharmacists can administer vaccines in your respective state(s).

Submitting a Primary Claim	
Dispensing and administering vaccine	Professional Service Code Field = MA Incentive Amount Submitted Field = "Submit Administration Fee"
Dispensing vaccine only	Submit drug cost using usual claim submission protocol
Submitting U&C Appropriately	
U&C to submit when dispensing and administering vaccine medication	Your U&C drug cost + Administration Fee



Submitting Secondary Claims for Vaccine Administration (COB)

When submitting secondary/tertiary claims when dispensing and administering vaccine medication:

- you are required to submit **“MA”** in the **Professional Service Code Field** in order for the appropriate reimbursement to occur
- If the pharmacy receives an M5 reject <<Requires Manual Claim>> on a secondary claim:

DO NOT tell the enrollee the drug is not covered

DO NOT submit a UCF on behalf of the enrollee

DO collect the patient pay amount from Eligible Person as indicated on the on the previous claim response

DO tell the Eligible Person to submit a paper claim to his/her supplemental insurance

➤ **Medicare Part D Long-Term Care Automated Override Codes**

If a provider is enrolled within the Medicare Part D Long-Term Care network and is submitting a Qualified Long Term Care claim (Patient Location Code of 03) and receive a reject; the Provider may elect to use the following instructions for an automated claim override.

These override code values are applicable to BIN's 004336 and 610415 only.

Field #	Code Value	Situation	Description	Days Supply
418-DI Level of Service Claim Segment	Ø3	Emergency Box (Emergency dose)	Emergency Box (E-Box) meds for emergency treatment until standard supply can be dispensed.	5
42Ø-DK Submission Clarification Code Claim Segment	Ø6	First Fill Following Emergency Box Dose	Follow-up fill after Emergency dose has been dispensed. This prescription should be filled for the full prescribed amount minus the Emergency Dosing.	Written RX Less E.R. Box Dose given
42Ø-DK Claim Segment	Ø3	Leave of Absence Vacation supply	Separate dispensing of small quantities of medications for take-home use allowing beneficiaries to leave facility for weekend visits, holidays, etc.	5
42Ø-DK Claim Segment	Ø4	Drug Missing, Dropped, Patient "Spit Out"	Medication cannot be located, has been dropped, or "spit out"	5
42Ø-DK Claim Segment	Ø7	Emergency Supply	Emergency supply of non-formulary drugs & formulary w/ PA or Step Therapy Requirements	31
439-E4 Reason for Service Code DUR/PPS Segment	NP	LTC Admission/ Level of Care Change	Newly admitted due to clinical status change. Medications may have: been filled at retail pharmacy prior to admit; been filled prior to transfer and discontinued; not followed beneficiary to new facility due to regulatory and compliance issues and same meds reordered upon re-admit	31 Days Supply with multiple fills



➤ **Medicare Part D Update – Use of Prescription Origin Code**

The September 17, 2009, memorandum from Medicare and Medicaid Services (CMS) provided clarification on earlier guidance on the Prescription Origin Code (“Upcoming Drug Data Processing System (DDPS) Changes”).

Providers must use a valid Prescription Origin Code (values 1-4) when submitting **original fills** for Medicare Part D electronic point of sale claims. Effective January 1, 2010, **original fills** claims submitted without one of the values below will be rejected.

Blank and “Ø” (Not Specified) Prescription Origin Code values will no longer be valid values for original fill Medicare Part D claims submitted in standard format with dates of service beginning January 1, 2010.

Effective January 1, 2010 all Medicare Part D claims with a 2010 date of service, will require the Prescription Origin Code and Fill number on all Original Dispensing.

A. Please submit one of the following data elements within Prescription Origin Code (419-DJ):

- Blank or Ø = Not Specified (not valid on Medicare Part D Original Fill)**
- 1 = Written**
- 2 = Telephone**
- 3 = Electronic**
- 4 = Facsimile**

B. Please submit one of the following data elements within Fill Number (403-D3):

- Ø=Original dispensing**
- 1 to 99=Refill Number**

NCPDP Field	Segment & Field Name	Required for Original Fill Medicare Part D transactions.
419-DJ	Claim Segment Prescription Origin Code	1 = Written 2 = Telephone 3 = Electronic 4 = Facsimile
403-D3	Claim Segment Fill Number	Ø=Original dispensing

APPENDIX C: COORDINATION OF BENEFITS (COB)**➤ Medicare Part D Submission Requirements for COB**

For all other primary Medicare Part D plan sponsors that have not implemented Single Transaction Coordination of Benefits (ST COB), the following coordination of benefits information is essential when submitting claims for Medicare Part D Eligible Person:

- If Medicare Part D is the primary coverage, the standard BIN/RXPCN combinations should be used (refer to the CVS Caremark plan sponsor grid distributed annually in December)
- For supplemental coverage **after** the primary Medicare Part D claim is processed, or if Medicare Part D falls into a secondary/supplemental status due to other existing primary coverage (commercial coverage, workers comp, etc.), please use the following BIN/RXPCN combinations:

BIN	Processor Control Number (PCN)	Other Coverage Code
012114	COBPCS	Ø3-Ø8
	COBADV	Ø3-Ø8
	COBCRK	Ø3-Ø8
	COBSEGPCS	Ø2-Ø7
	COBSEGADV	Ø2-Ø7
	COBSEGCRK	Ø2-Ø7

004245	MD2C	Blank, ØØ and Ø1 are not supported
610449	MD2U	Blank, ØØ and Ø1 are not supported
610468	MD2 MD2FCHP MD2MP	Blank, ØØ and Ø1 are not supported
610474	MD2E	Blank, ØØ and Ø1 are not supported

Note: Claims submitted with the above BIN/PCN combinations must be routed through the TrOOP Facilitator (Relay Health)—do not use lines that are directly connected to CVS Caremark.

CVS Caremark will respond back to the pharmacy in the message text fields indicating any other coverage that may apply to Medicare Part D members. Please ensure that pharmacy employees can easily read this information so that supplemental claims can be submitted according to the message instructions.

➤ **Single Transaction COB (STCOB)****Medicare Part D Single Transaction Coordination of Benefits**

CVS Caremark has developed a Single Transaction Coordination of Benefits (ST COB) process whereby the pharmacy provider sends one transaction to CVS Caremark and, the claim adjudicates against both primary and secondary plans before returning one final response to the pharmacy provider with the message "Single Transaction COB Processed Used". This type of COB is for certain Medicare Part D Plan Sponsors whose plan design resides predominantly on BIN 004336, and whose benefit is comprised of a group of Eligible Person's that have a Med D Plan where the primary and secondary benefit are coordinated for the Eligible Person.

➤ **Commercial COB****Submission Requirements for Commercial Coordination of Benefits (COB)**

For Primary BINs 610415, 004336, 610029 & 610084 only, CVS Caremark has assigned Commercial Coordination of Benefits BINs & PCNs for Eligible Person claims when Medicare is not a Payer. The pharmacy provider will send the supplemental transaction directly to CVS Caremark and not through the TrOOP Facilitator.

	BIN	Processor Control Number (PCN)	Comments	Other Coverage Code
Primary	610415	PCS		
Secondary	013089	COMPCS	Copay Only Billing	Ø3-Ø8
Secondary	013089	COMSEGPCS	COB Segment Billing	Ø2-Ø7
Primary	004336	ADV		
Secondary	013089	COMADV	Copay Only Billing	Ø3-Ø8
Secondary	013089	COMSEGADV	COB Segment Billing	Ø2-Ø7
Primary	610029	CRK		
Secondary	013089	COMCRK	Copay Only Billing	Ø3-Ø8
Secondary	013089	COMSEGCRK	COB Segment Billing	Ø2-Ø7
Primary	004336	ADV		
Secondary	013089	AMGSEGADV	COB Segment Billing	Ø2-Ø7

State of Maryland Medicaid ProDUR Commercial COB

	BIN	Processor Control Number (PCN)	Comments	Other Coverage Code
Primary	610084	PCS		
Secondary	610084	COMSEGPCS	COB Segment Billing	Ø2-Ø7

This communication and any attachments may contain confidential information. If you are not the intended recipient, you are hereby notified that you have received this communication in error and that any review, disclosure, dissemination, distribution, or copying of it or its contents, is prohibited. If you have received this communication in error, please notify the sender immediately by telephone and destroy all copies of this communication and any attachments. This communication is a CVS Caremark Document within the meaning of the Provider Manual.

EXHIBIT 2

NOTICE OF PRIVACY PRACTICES**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

This Notice of Privacy Practices (the "Notice") describes the privacy practices of CVS/pharmacy, including CVS retail outlets, Care Plus retail outlets and CVS.com. CVS/pharmacy is part of an affiliated group of pharmacies that are owned by CVS Caremark Corporation. This affiliated group of pharmacies treats itself as a single entity for purposes of using and disclosing health information about you.

CVS/pharmacy wants you to know that nothing is more central to our operations than maintaining the privacy of your health information ("Protected Health Information" or "PHI"). PHI is information about you, including basic information that may identify you and relates to your past, present, or future health or condition and the dispensing of pharmaceutical products to you. We take this responsibility very seriously.

Our Pledge Regarding Your Health Information

We are required by federal and applicable state law, regulations, and other authorities to protect the privacy of your health information and to provide you with this Notice. Our pharmacy staff is required to protect the confidentiality of your PHI and will disclose your PHI to a person other than you or your personal representative only when permitted under federal or state law. This protection extends to any PHI that is oral, written, or electronic, such as prescriptions transmitted by facsimile, modem, or other electronic device. This Notice describes how we may use and disclose your PHI. In some circumstances, as described in this Notice, the law permits us to use and disclose your PHI without your express permission. In all other circumstances, we will obtain your written authorization before we use or disclose your PHI.

This Notice also describes your rights and the obligations we have regarding the use and disclosure of your PHI. Under federal and applicable state law, we are required to follow the terms of the Notice currently in effect.

HIPAA's standards may be pre-empted by certain state laws relating to the privacy of health information. Please see state provisions at the end of this Notice.

How We May Use and Disclose Your PHI Without Your Permission.**Treatment, Payment or Health Care Operations.**

Below are examples of how Federal law permits use or disclosure of your PHI for these purposes without your permission:

- 1. Treatment:** Dispensing medications. PHI obtained by CVS/pharmacy will be used to dispense prescription medications. We will document information related to the medications dispensed and services provided in your record. Patient Contacts. We may contact you to provide treatment-related services, such as refill reminders, treatment alternatives (e.g., available generic products), and other health related benefits and services that may be of interest to you.
- 2. Payment:** We may contact your insurer, payor, or other agent and share your PHI with that entity to determine whether it will pay for your prescription and the payment amount. We may also contact you about a payment or balance due for prescriptions dispensed to you at CVS/pharmacy.
- 3. Health care operations:** Service. Your PHI may be used to monitor the effectiveness of our services. Transfer. Your PHI may be transferred for purposes of carrying out the pharmacy services if we buy or sell pharmacy locations. Benefits/Research. We may also use your PHI to tell you about opportunities that may be of interest to you, such as benefits for preferred CVS customers or clinical research projects.

Other Special Circumstances.

We are permitted under federal and applicable state law to use or disclose your PHI without your permission only when certain circumstances may arise, as described below.

We are likely to use or disclose your PHI for the following purposes:

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Business associates: We provide some services through other companies termed "Business Associates." Federal Law requires us to enter into business associate contracts to safeguard your PHI as required by CVS and by law.

Individuals involved in your care or payment for care: We may disclose your PHI to a friend, personal representative, or family member involved in your medical care. For example, if we can reasonably infer that you agree, we may provide prescriptions and related information to your caregiver on your behalf.

Disclosures to parents or legal guardians: If you are a minor, we may release your PHI to your parents or legal guardians when we are permitted or required under federal and applicable state law.

Worker's compensation: We may disclose your PHI to the extent authorized and necessary to comply with laws relating to worker's compensation or similar programs established by law.

Law enforcement: We may disclose your PHI for law enforcement purposes as required by law or in response to a court order, subpoena, warrant, summons, or similar process; to identify or locate a suspect, fugitive, material witness, or missing person; about a death resulting from criminal conduct; about crimes on the premises or against a member of our workforce; and in emergency circumstances, to report a crime, the location, victims, or the identity, description, or location of the perpetrator of a crime.

As required by law: We must disclose your PHI when required to do so by applicable federal or state law.

Judicial and administrative proceedings: If you are involved in a lawsuit or a legal dispute, we may disclose your PHI in response to a court or administrative order, subpoena, discovery request, or other lawful process.

Public health: We may disclose your PHI to federal, state, or local authorities, or other entities charged with preventing or controlling disease, injury, or disability for public health activities. These activities may include the following: disclosures to report reactions to medications or other products to the U.S. Food and Drug Administration or other authorized entity; disclosures to notify individuals of recalls, exposure to a disease, or risk for contracting or spreading a disease or condition.

Health oversight activities: We may disclose your PHI to an oversight agency for activities authorized by law. These oversight activities include audits, investigations, and inspections, as necessary for our licensure and for government monitoring of the health care system, government programs, and compliance with federal and applicable state law.

United States Department of Health and Human Services: Under federal law, we are required to disclose your PHI to the U.S. Department of Health and Human Services to determine if we are in compliance with federal laws and regulations regarding the privacy of health information.

Although we may not engage in the following activities, under federal or applicable state law, we are allowed to use or disclose your PHI without your permission for these purposes:

Research: Under certain circumstances, we may use or disclose your PHI for research purposes. However, before disclosing your PHI, the research project must be approved by an institutional review board or privacy board that has reviewed the research proposal and established protocols to ensure the privacy of your PHI.

Coroners, medical examiners, and funeral directors: We may release your PHI to assist in identifying a deceased person or determine a cause of death.

Administrator or executor: Upon your death, we may disclose your PHI to an administrator, executor, or other individual so authorized under applicable state law.

Organ or tissue procurement organizations: Consistent with applicable law, we may disclose your PHI to organ procurement organizations or other entities engaged in the procurement, banking, or transplantation of organs for the purpose of tissue donation and transplant.

Notification: We may use or disclose your PHI to assist in a disaster relief effort so that your family, personal representative, or friends may be notified about your condition, status, and location.

Correctional institution: If you are or become an inmate of a correctional institution, we may disclose to the institution or its agents PHI necessary for your health and the health and safety of others.

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To avert a serious threat to health or safety, we may use and disclose your PHI to appropriate officials when necessary to prevent a serious threat to your health and safety or the health and safety of another person or the public.

Military and veterans: If you are a member of the armed forces, we may release your PHI as required by military command authorities. We may also release PHI about foreign military personnel to the appropriate military authority.

National security and intelligence activities: We may release your PHI to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

Protective services for the President and others: We may disclose your PHI to authorized federal officials so that they may provide protection to the President, other authorized persons, or foreign heads of state, or conduct special investigations.

How We May Use or Disclose Your PHI For Other Purposes Only With Your Authorization.

We will obtain your written authorization before using or disclosing your PHI for purposes other than those described above (or as otherwise permitted or required by law). You may revoke this authorization at any time by submitting a written notice to our Privacy Office at the address listed below. Your revocation will become effective upon our receipt of your written notice.

You have the following rights with respect to your PHI:

- *Obtain a paper copy of the Notice upon request.* To obtain a copy at any time, go to www.cvs.com/patientprivacy or contact the **CVS/pharmacy Privacy Office**. The address, telephone and facsimile number are set forth in the box below.
- *Inspect and obtain a copy of your PHI.* You have the right to access and copy your PHI contained in the “designated record set”, which includes prescription and billing records. To inspect or copy your PHI, submit a written request to the **CVS/pharmacy Privacy Office**. We will respond to your request in writing within 30 days. A fee may be charged for the expense of fulfilling your request. We may deny your request to inspect and copy in certain limited circumstances, such as if we have reasonably determined that providing access to PHI would endanger your life or safety or cause substantial harm to you or another person. If we deny your request, we will notify you in writing and provide you with the opportunity to request a review of the denial.
- *Request an amendment of PHI.* If you feel that your PHI is incomplete or incorrect, you may request that we amend it for as long as we maintain the PHI. To request an amendment, submit a written request to the **CVS/pharmacy Privacy Office**. Requests must identify: (i) which information you seek to amend, (ii) what corrections you would like to make, and (iii) why the information needs to be amended. We will respond to your request in writing within 60 days (with a possible 30-day extension). In our response, we will either: (i) agree to make the amendment, or (ii) inform you of our denial, explain our reason, and outline appeal procedures. If denied, you have the right to file a statement of disagreement with the decision. We will provide a rebuttal to your statement and maintain appropriate records of your disagreement and our rebuttal.
- *Receive an accounting of disclosures of PHI.* You have the right to request an accounting of your PHI disclosures for purposes other than treatment, payment, or health care operations. This accounting will also exclude disclosures: made directly to you, made with your authorization, made incidentally, made to caregivers, made for notification purposes, and certain other disclosures, including any disclosures made before April 14, 2003. To obtain an accounting, submit a written request to the **CVS/pharmacy Privacy Office**. Requests must specify the time period, not to exceed six years. We will respond in writing within 60 days of receipt of your request (with a possible 30-day extension). We will provide an accounting per 12-month period free of charge, but you may be charged for the cost of any subsequent accountings. We will notify you in advance of the cost involved, and you may choose to withdraw or modify your request at that time.
- *Request communications of PHI by alternative means or at alternative locations.* You have the right to request that we communicate with you in a certain way or at a certain location. For example, you may request that we contact you only in writing at a specific address. To request confidential communication of your PHI, submit a written request to the **CVS/pharmacy Privacy Office**. Your request must state how, where, or when you would like to be contacted. We will accommodate all reasonable requests.
- *Request a restriction on certain uses and disclosures of PHI.* You have the right to request a restriction or limitation on our use or disclosure of your PHI by submitting a written request to the **CVS/pharmacy Privacy Office**. You must identify in this request: (i) what particular information you would like to limit, (ii) whether you want to limit use, disclosure, or both, and (iii) to whom you want the limits to apply. All requests will be carefully considered, but we are not required to agree to those restrictions. We will provide you with a written response to your request within 30 days. If we do agree to restrict use or disclosure of your PHI, we will not apply these restrictions in the event of an emergency. We also have the right to terminate the

restriction if: (i) you agree orally or in writing, or (ii) we inform you of the termination, which becomes effective only with respect to your PHI created or received after we inform you of the termination.

Contact the CVS/pharmacy Privacy Office at One CVS Drive, Woonsocket, RI 02895. Call us at (800) 287-2414. Our fax number is (401) 652-1593. All requests for PHI must include patient’s full name, date of birth, and address.

Complaints. If you believe your privacy rights have been violated, you can file a complaint with the **CVS/pharmacy Privacy Office** at the address above or the Secretary of the United States Department of Health and Human Services. All complaints must be submitted in writing. You will not be penalized in any way for filing a complaint.

Changes to this Notice. We reserve the right to change our privacy practices. We reserve the right to make the revised Notice effective for PHI we already have about you as well as any information we receive in the future, as of the effective date of the revised Notice. Upon request to the Privacy Office, CVS will provide a revised Notice to you. We will also post the revised Notice in our retail stores and on our Web site at www.cvs.com/patientprivacy.

Effective Date. This Notice is effective as of April 17, 2008.

State Specific Provisions: TEXAS

Disclosure

We will only release your confidential record to you, your agent, or to:

- (a) a practitioner or another pharmacist if, in the pharmacist’s professional judgment, the release is necessary to protect your health and well-being;
- (b) the pharmacy board or another state or federal agency authorized by law to receive the record;
- (c) a law enforcement agency engaged in investigation of a suspected violation of the controlled substances laws, or the Comprehensive Drug Abuse Prevent Control Act of 1970;
- (d) a person employed by a state agency that licenses a practitioner, if the person is performing the person’s official duties; or
- (e) an insurance carrier or other third party payor authorized by the patient to receive the information.

Acknowledgement of Receipt of CVS/pharmacy’s Notice of Privacy Practices

I _____ (printed name) have received CVS/Pharmacy’s Notice of Privacy Practices.

Signature: _____ Date: _____

Please detach and return this Acknowledgement to your local CVS/Pharmacy or to the address specified on the Notice.

EXHIBIT 3

CVS Caremark Participant Notice of Privacy Practices

The Health Insurance Portability and Accountability Act (“HIPAA”)

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

This Notice of Privacy Practices (the “Notice”) describes the privacy practices of CVS Caremark mail and specialty pharmacies (“CVS Caremark”). CVS Caremark is part of an affiliated group of pharmacies that are owned by CVS Caremark Corporation. This affiliated group of pharmacies treats itself as a single entity for purposes of using and disclosing health information about you. CVS Caremark wants you to know that nothing is more central to our operations than maintaining the privacy of your health information (“Protected Health Information” or “PHI”). PHI is information about you, including basic information that may identify you and relates to your past, present or future health or condition and dispensing of pharmaceutical products to you. We take this responsibility very seriously.

Our Pledge Regarding Your Health Information

We are required by federal and applicable state law to protect the privacy of your health information and to provide you with this Notice. Our pharmacy staff is required to protect the confidentiality of your PHI and will disclose your PHI to a person other than you or your personal representative only when permitted under federal or state law. This protection extends to any PHI that is oral, written or electronic, such as prescriptions transmitted by facsimile, modem or other electronic device. This Notice describes how we may use and disclose your PHI. In some circumstances, as described in this Notice, the law permits us to use and disclose your PHI without your express permission. In all other circumstances, we will obtain your written authorization before we use or disclose your PHI. This Notice also describes your rights and the obligations we have regarding the use and disclosure of your PHI. Under federal and applicable state law, we are required to follow the terms

of the Notice currently in effect. In some situations, state privacy or other applicable laws may provide greater privacy protections than those stated in this Notice. For example, depending on the state in which you reside, there may be additional state law privacy protections related to communicable diseases, reproductive health, substance abuse and mental health. When appropriate, we will follow these state or other applicable laws. Please contact the CVS Caremark

Chief Privacy Officer at CVS Caremark, P.O. Box 52072 Phoenix, AZ 85072-2072, if you would like a copy of the more protective privacy laws, if any, in your state.

How We May Use and Disclose Your PHI Without Your Permission For Treatment, Payment or Health Care Operations

Below are examples of how federal law permits use or disclosure of your PHI for these purposes without your permission:

1. Treatment: PHI obtained by CVS Caremark will be used to dispense prescription medications. We may also use and disclose your PHI to your physician or other health care provider to recommend treatment options or alternatives, or to tell them about potential drug interactions, dosing issues, side effects and issues related to your therapy. We may contact you to provide treatment-related services, such as refill reminders, treatment alternatives, compliance programs and other health care services that may be of interest to you.
2. Payment: We may contact your insurer, payor or other agent and share your PHI with that entity to determine whether it will pay for your prescription and the payment amount. We may also contact you about a payment or balance due for prescriptions sent to you by CVS Caremark.
3. Health care operations: Your PHI may be used to monitor the effectiveness of our services. Your PHI may be transferred for purposes of carrying out the pharmacy services if we buy or sell pharmacy locations. We may also use your PHI to tell you about health savings available (e.g., generic products) and other opportunities that may be of interest to you, such as health education programs, health-related benefits for preferred CVS Caremark customers or clinical research projects. We may also disclose your PHI to another health care provider or health plan for purposes of their treatment, payment or health care operations. However, we will only do so for their health care operations if they have or have had a relationship with you, if the PHI they request pertains to that relationship, and only for limited purposes, such as conducting quality improvement activities, reviewing the performance of a health care provider, or training purposes.

OTHER SPECIAL CIRCUMSTANCES: In addition to the above, we are permitted under federal and applicable state law to use or disclose your PHI without your permission only in certain circumstances, as described below.

Business associates: We provide some services through other entities termed "business associates." Federal law requires us to enter into contracts with these entities to require them to safeguard your PHI and use and disclose it only as specified by CVS Caremark. **Individuals involved in your care or payment for care:** We may disclose your PHI to a friend, personal representative or family member involved in your medical care or payment for your care. For example, if

we can reasonably infer that you agree, we may provide prescription information to your caregiver on your behalf. Disclosures to parents or legal guardians: If you are a minor, we may release your PHI to your parents or legal guardians when we are permitted or required under federal and applicable state law.

Workers' compensation: We may disclose your PHI to the extent authorized and necessary to comply with laws relating to workers' compensation or similar programs established by law. Law enforcement: We may disclose your PHI for law enforcement purposes as required by law or in response to a court order and in certain conditions, a subpoena, warrant, summons or similar process; to identify or locate a suspect, fugitive, material witness or missing person; about a death resulting from criminal conduct; about crimes on the premises or against a member of our workforce; and in emergency circumstances, to report a crime, the location, victims, or the identity, description, or location of the perpetrator of a crime. As required by law: We must disclose your PHI when required to do so by applicable federal or state law. Judicial and administrative proceedings: We may disclose your PHI in response to a court or administrative order, and under certain conditions, a subpoena, discovery request or other lawful process. Public health: We may disclose your PHI to federal, state or local authorities, or other entities charged with preventing or controlling disease, injury or disability for public health activities. These activities may include the following: disclosures to report reactions to medications or other products to the U.S. Food and Drug Administration or other authorized entity; disclosures to notify individuals of recalls, exposure to a disease or risk for contracting or spreading a disease or condition. Health oversight activities: We may disclose your PHI to an oversight agency for health oversight activities authorized by law. These activities include audits, investigations, inspections, licensing and for government monitoring of the health care system, government programs, and compliance with federal and applicable state law. United States Department of Health and Human Services: Under federal law, we are required to disclose your PHI to the U.S. Department of Health and Human Services to determine if we are in compliance with federal laws and regulations regarding the privacy of health information. Research: Under certain circumstances, we may use or disclose your PHI for research purposes. However, we will only do so if the research project has been approved by an institutional review board or privacy board that has established protocols to ensure the privacy of your PHI. Coroners, medical examiners and funeral directors: We may release your PHI to assist in identifying a deceased person or determine a cause of death. Administrator or executor: Upon your death, we may disclose your PHI to an administrator, executor or other similarly authorized individual under applicable state law. Organ or tissue procurement organizations: Consistent with applicable law, we may disclose your PHI to organ procurement organizations or other entities engaged in the procurement, banking or transplantation of organs for the purpose of tissue donation and transplant. Notification: We may use or disclose your PHI to assist in a disaster

relief effort so that your family, personal representative or friends may be notified about your condition, status and location.

Correctional institution: If you are or become an inmate of a correctional institution, we may disclose to the institution or its agents PHI necessary for your health and the health and safety of others. To avert a serious threat to health or safety: We may use and disclose your PHI to appropriate authorities when necessary to prevent a serious threat to your health and safety or the health and safety of another person or the public. Military and veterans: If you are a member of the armed forces, we may release your PHI as required by military command authorities. We may also release PHI about foreign military personnel to the appropriate military authority. National security and intelligence activities: We may release your PHI to authorized federal officials for intelligence, counterintelligence and other national security activities authorized by law. Protective services for the President and others: We may disclose your PHI to authorized federal officials so that they may provide protection to the President, other authorized persons, or foreign heads of state, or conduct special investigations.

How We May Use or Disclose Your PHI for Other Purposes Only With Your Authorization

We will obtain your written authorization before using or disclosing your PHI for purposes other than those described. You may revoke this authorization at any time by submitting a written notice to our Customer Care address listed below. Your revocation will not apply to information released before we receive it. You have the following rights with respect to your PHI:

- Obtain a paper copy of the Notice upon request. To obtain a copy at any time, go to www.caremark.com or contact the CVS Caremark

Customer Care Department at the toll-free phone number on your benefit identification card.

- Inspect and obtain a copy of your PHI. You have the right to access and copy your PHI contained in a “designated record set,” which includes prescription and billing records. To inspect or obtain a copy of your PHI, submit a written request to the CVS Caremark Customer Care Department. We will respond to your request in writing within 30 days. A fee may be charged for the expense of fulfilling your request. We may deny your request in certain limited circumstances, such as if we have reasonably determined that providing access to PHI would endanger your life or safety or cause substantial harm to you or another person. If we deny your request, we will notify you in writing and provide you with the opportunity to request a review of the denial.

- Request an amendment of PHI. If you feel that your PHI maintained by us in a “designated record set” is incomplete or incorrect, you may request that we amend it. To request an amendment, submit a written request to the CVS Caremark Customer Care Department.. Requests must identify: (i) which information you seek to amend, (ii) what corrections you would like to make, and

(iii) why the information needs to be amended. We will respond to your request in writing within 60 days (with a possible 30-day extension). In our response, we will either: (i) agree to make the amendment, or (ii) inform you of our denial, explain our reason and outline appeal procedures. If denied, you have the right to file a statement of disagreement with the decision. We will provide a rebuttal to your statement and maintain appropriate records of your disagreement and our rebuttal.

- Receive an accounting of disclosures of PHI. You have the right to request an accounting of disclosures of your PHI for purposes other than treatment, payment or health care operations. This accounting will also exclude disclosures: made directly to you, made with your authorization, made to your caregivers, and certain other disclosures, including any disclosures made before April 14, 2003. To obtain an accounting, submit a written request to the CVS Caremark Customer Care Department. Requests must specify the time period, not to exceed six years. We will respond in writing within 60 days of receipt of your request (with a possible 30-day extension). We will provide one free accounting per 12-month period, but you may be charged for the cost of any subsequent accountings during the same period. We will notify you in advance of the cost involved, and you may choose to withdraw or modify your request at that time.

- Request communications of PHI by alternative means or at alternative locations. You have the right to request that we communicate with you in a certain way or at a certain location. For example, you may request that we contact you only in writing at a specific address. To request confidential communication of your PHI, submit a written request to the CVS Caremark Customer Care Department. Your request must state how, where or when you would like to be contacted. We will accommodate all reasonable requests.

- Request a restriction on certain uses and disclosures of PHI. You have the right to request a restriction or limitation on our use or disclosure of your PHI by submitting a written request to the CVS Caremark Customer Care Department.

You must identify in this request: (i) what particular information you would like to limit, (ii) whether you want to limit use, disclosure or both, and (iii) to whom you want the limits to apply. All requests will be carefully considered, but we are not required to agree to those restrictions. We will provide you with a written response to your request within 30 days. If we do agree to restrict use or disclosure of your PHI, we will not apply these restrictions in the event of an emergency. We also have the right to terminate the restriction if: (i) you agree orally or in writing, or (ii) we inform you of the termination, which becomes effective only with respect to your PHI created or received after we inform you of the termination.

Contact the CVS Caremark Customer Care Department at P.O. Box 659629, San Antonio, TX 78265-9529. All requests must include patient's full name, date of birth, address and plan identification number.

Complaints: If you believe your privacy rights have been violated, you can file a complaint with the CVS Caremark Chief Privacy Officer at CVS Caremark, P.O. Box 52072, Phoenix, AZ 85072-2072, or with the Secretary of the United States Department of Health and Human Services.

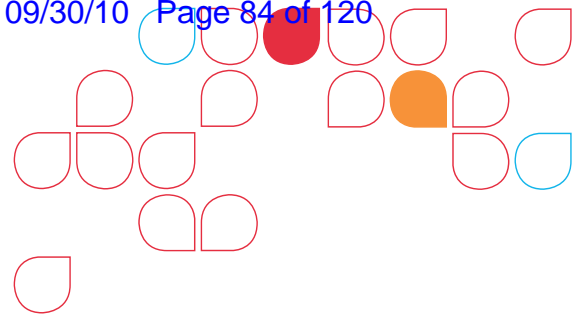
All complaints must be submitted in writing. You will not be penalized in any way for filing a complaint. Changes to this Notice: We reserve the right to change our privacy practices. We reserve the right to make the revised Notice effective for PHI we already have about you as well as any information we receive in the future, as of the effective date of the revised Notice. Upon request to the Privacy Office, CVS will provide a revised Notice to you. We will also post the revised Notice on our Web site at www.caremark.com . Effective Date: This Notice is effective as of July 21, 2009.

EXHIBIT 4

The logo features the word "CVS" in a bold, red, sans-serif font above the word "CAREMARK" in a red, serif font. A vertical line separates this from the words "code of conduct" in a grey, sans-serif font.

CVS
CAREMARK | code of
conduct

caring about the decisions you make



Vision. Mission. Values.

Our Vision

We strive to improve the quality of human life.

Our Mission

Above all else ... our mission is to improve the lives of those we serve by making innovative and high-quality health and pharmacy services safe, affordable and easy to access.

Our Values

Our Customers

We are passionate and relentless in our goal to continuously innovate and improve service to our customers ... every day, every way and every customer.

Our Colleagues

We work as a team. We are committed and act with integrity. We all deserve respect as well as a supportive work environment that recognizes and rewards our contributions ... we accept nothing less.

Our Contributions

In the end, it's all about results – achieving our financial goals as well as giving back to the communities we serve. We hold each other accountable for all aspects of our performance...without exception.



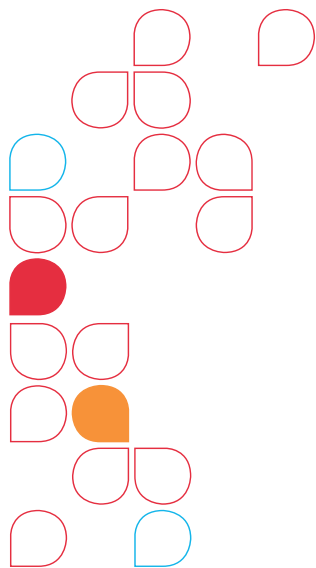


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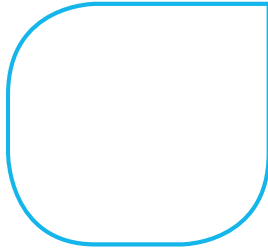
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Understanding Our Code of Conduct



Introduction

We at CVS Caremark (“the Company”) are in the business of helping to improve people’s lives. It sounds simple, but sometimes it isn’t. Tough issues can get in our way. This Code is intended to help resolve ethics and compliance issues by providing the information, tools and resources necessary to make good decisions. However, no code can give answers for every situation that may arise. In the end, CVS Caremark relies on each employee to use sound judgment to make the right decision and when necessary, the tough choice. It is important to read this Code and understand the roles and responsibilities of a CVS Caremark employee.

Scope

This Code applies to everyone in the Company including the Board of Directors and all employees when doing work for CVS Caremark. The same high ethical standards apply to all, regardless of job or level in the organization. In certain circumstances, this Code also applies to contractors and temporary employees.

Compliance with the Law and the Highest Ethical Standards

CVS Caremark is committed to upholding the highest ethical standards and complying with applicable laws and regulations, this Code of Conduct and any other Company policies or requirements.

Getting More Information

Policies and procedures provide more information about many of the topics in this Code. Guidance can be found on the CVS Caremark intranet site.



Seeking Guidance and Reporting Issues

When you have an issue, the first step is to decide if you can handle the situation yourself. You should begin by consulting applicable policies, procedures and the Code of Conduct.

If you still need help, your supervisor is usually the best place to start. When that choice does not seem reasonable, consider approaching another manager, your department head or anyone else in your management chain. You may also take your issue directly to Human Resources or another resource, as described at the end of this Code, if that seems more appropriate to the situation.

“This Code is intended to help resolve ethics and compliance issues by providing the information, tools and resources necessary to make good decisions.”

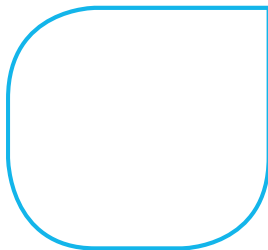
However, at any time, you may use the CVS Caremark Ethics Line to report problems or issues or ask questions. You may call the CVS Caremark Ethics Line anonymously and toll-free at 1-877-CVS-2040.

Waivers

In the unlikely event a waiver of, or amendment to, the Code seems to be necessary, contact the Chief Compliance Officer



Our Relationship with Those we Serve



Professional Practices

Many CVS Caremark employees, including pharmacists, pharmacy technicians, nurses, nurse practitioners, physician assistants and physicians, are required to maintain current professional licensure, certification or registration and follow the code of ethics of their professional organizations. Additionally, the Company always maintains federal and state licenses as required by its business activities.

You should:

- Provide professional services only if you have the required license, certification or registration.
- Keep required, professional credentials up-to-date if you perform duties that require credentials.

Privacy and Security of Personal Information

Our role in the healthcare industry requires us to collect and maintain the personal health information of those we serve. This data, also called “Protected Health Information” or PHI, is protected under federal and state privacy and security laws. These laws require that PHI, such as names, addresses, dates of birth, phone numbers, social security numbers, medical diagnoses, prescription histories and physician notations, be handled in a confidential manner.

“Personally Identifiable Information” (PII) must also be protected. PII is any piece of information which can potentially be used to uniquely identify, contact, or locate a single person. It includes the demographic information associated with PHI, as well as other unique identifiers such as credit card data, email addresses, driver’s licenses, finger prints or handwriting.

It is critical that those we serve - including colleagues who also may be utilizing our retail or pharmacy services -



are able to count on us to protect their personal and health information. Remember, the people we serve trust CVS Caremark to use their PHI and PII only for purposes of providing our services to them.

Protecting PHI, PII and the confidentiality of those we serve are conditions of employment with CVS Caremark.

You should:

- In all cases, use and disclose the minimum necessary PHI or PII to perform the job.
- Disclose PHI or PII to any third party only with appropriate written authorization from the individual, unless the law authorizes or requires the disclosure.
- Use health information with all identifiers removed whenever possible.
- Dispose of unneeded copies of documents containing PHI or PII in the available shred bins and bags.
- In your work space, never leave PHI or PII lying on desks, active on computers, in fax machines or in any other generally accessible area.
- Take special care to secure PHI or PII when transmitting or transporting it outside CVS Caremark.

- Make sure to encrypt any PHI on portable devices (such as cartridges, USB devices, disks, laptops, PDAs) or transmitted through the Internet.

Q: **What should I do if I see an email string containing PHI going out to people who are unauthorized to receive it?**

A: Remove the PHI and send the message back, telling the offending sender(s) about the error. Also, if PHI was inappropriately shared with an outside party, you should report it immediately.

Compromised PHI or PII



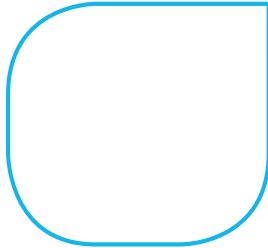
If you see any of the following, contact the Privacy Office immediately:

- PHI or PII openly discussed or left unprotected.
- Requests for more information than what is minimally necessary to perform a job.
- Unencrypted PHI transmitted electronically.





Our Relationship with Shareholders & the Company



Financial Integrity

The federal Sarbanes Oxley Act of 2002 (SOX) requires the Company's senior managers to certify to the truth and accuracy of Company financial statements. SOX also mandates that we maintain appropriate financial controls, report fraud, and keep detailed and accurate records of all of our business operations. We will maintain books, records, and accounts that accurately reflect the business transactions and assets of CVS Caremark. If you have a role in public financial communications, make sure disclosures are full, fair, accurate, timely and understandable.

Confidential and Proprietary Information

Confidential and proprietary information such as trade secrets, technological advances, customer lists, knowledge of acquisitions or divestitures and financial data are some of the Company's most valuable business assets. This includes information that might be of use to competitors or harmful to the Company or those we serve if disclosed to others. To determine whether or not information is proprietary, consider whether information that is handled or shared in the job might give our competitors an advantage if disclosed to them.

You should:

- Use proprietary information only for job-related purposes, never for personal gain or to the detriment of CVS Caremark.
- Share proprietary information with co-workers only on a "need to know" basis, and do not disclose it to persons outside the Company, including business associates or those we serve, except under the terms of a confidentiality agreement approved by the Legal Department.
- Return all proprietary information in your possession upon leaving CVS Caremark.





- If you worked for a competitor before joining CVS Caremark, do not share proprietary and confidential business information of the former employer.

Conflicts of Interest

A “conflict of interest” occurs when the private interest of an employee or entity interferes, or even appears to interfere, with the interest of the Company. Conflicts of interest may also arise when an employee or immediate family member receives improper personal benefits as a result of his or her position in the Company.

“All employees should avoid situations that present a potential or actual conflict between personal interest and the interest of CVS Caremark.”

Situations involving a conflict of interest may not always be obvious or easy to resolve. All employees should avoid situations that present a potential or actual conflict between personal interest and the interest of CVS Caremark. If any transaction or relationship could lead to a conflict of interest for a corporate officer or a member of the Board of Directors, disclose it to the Chief Compliance Officer, who will notify the Board of Directors. Conflicts of interests involving the Chief Compliance Officer also must be disclosed to the Board of Directors.

You should:

- Avoid situations that may lead to a real or perceived conflict of interest.
- Ask your supervisor about any situations in which a relative has a financial interest in a competitor, supplier, or Company transaction, except for permitted investments in publicly-traded companies.
- Speak to your supervisor if you have a question or concern regarding employment outside of CVS Caremark, corporate opportunities, loans, investments, board participation, meeting attendance or other potential conflicts of interest.

Asset Protection

The Company’s physical assets include items such as inventory, office and store equipment, vehicles, supplies, reports and records, telephones, computers and any other tangible property that CVS Caremark owns, rents or leases. Assets may also be non-physical, for example, the Company name, logo, trade secrets, strategies and customer information. Protecting CVS Caremark assets against loss, theft or other misuse is the responsibility of every employee because it directly impacts our profitability and our reputation.

When circumstances warrant, CVS Caremark reserves the right to require any employee, while on duty or on CVS Caremark property, to submit to a non-invasive inspection of their person, vehicle, uniform, locker, package, handbag, briefcase, or personal property.

You should:

- Only use the CVS Caremark name for authorized Company business and never in connection with personal activities.
- Use computer information, including email, primarily for business purposes because it is the property of the Company and not of the employee.
- Not share user access credentials (i.e. IDs and passwords) with anyone.

audit, pending investigation or pending litigation until the audit, investigation or litigation is completed, even if they have reached the end of the required retention period. We must always manage records according to our Corporate Records Management Program.

Insider Trading Laws

It is generally against federal law to trade stocks or other securities of a public company if we have material, non-public information about that company. Information is considered material if it would likely affect the stock price or an investor's decision to buy or sell the stock. Nor may we "tip", or pass information on to others to trade, if the "tip" is based on information that is not available to the public. We will always review and abide by the stock trading policy prior to making any trade of CVS Caremark stock, including stock option exercises and purchases or sales of CVS Caremark stock.

Members of the Board of Directors and corporate officers (Vice Presidents and above) or other "Key Persons" of CVS Caremark and certain subsidiary companies have additional restrictions. They are considered designated insiders. A designated insider may only trade CVS Caremark stock during a permitted trading window and must clear any trade with the Corporate Secretary's office before the transaction occurs. These restrictions are explained in the Company's Statement of Company Policy on Securities Trades by Company Personnel.

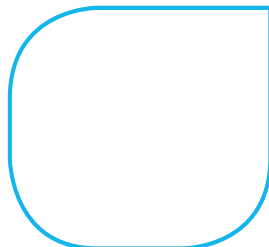
Records Retention and Management

CVS Caremark works to ensure that we handle and maintain all Company records in accordance with our Corporate Records Management Program, where applicable, and provides employees, contingent workers and suppliers with direction and support in properly managing our records throughout their life cycle. Records used by professionals, such as pharmacists and nurses, must follow all regulatory and/or accreditation standards and requirements. We never destroy records subject to





Our Relationship with Each Other



Respecting One Another

Our workforce is our greatest strength. We come from different places and cultures, and have a variety of experiences, skills and talents. We embrace these differences to work as a team treating each other with integrity and respect. A good show of respect is treating others the way you would like to be treated.

Non-Discrimination, Non-Harassment and Non-Violence

CVS Caremark is committed to maintaining a workplace environment free from discrimination, harassment and violence. We believe that our continued success depends on the full participation of all our employees — regardless of age, religion, gender, race, color, sexual orientation, national origin, disability, veteran status, or any other characteristic protected by applicable laws and regulations. We recruit, hire, train, develop, and promote based solely on job-related qualifications.

“We believe that our continued success depends on the full participation of all our employees—regardless of age, religion, gender, race, color, sexual orientation, national origin, disability, veteran status, or any other characteristic protected by applicable laws and regulations.”

You should:

- Never disrupt the work environment through behavior that is disrespectful, intimidating, threatening or harassing.
- Call the local police if you become the target of an immediate threat of violence.

Examples of harassment

- Inappropriate physical contact.
- Unwelcome sexual advances, requests or sexual favors, suggestive comments, inappropriate physical contact and any other unwelcome verbal or physical conduct of a sexual nature.
- Displaying derogatory, vulgar, suggestive or obscene pictures, cartoons, calendars, posters or drawings.
- Comments, jokes, insults, slurs, offensive language, and other unwelcome actions which are offensive or stereotypical based upon age, religion, gender, race, color, sexual orientation, national origin, disability, veteran status and any other protected category or personal characteristic.
- Threats or acts of violence and intimidation. Threats, stalking, even suggestions of violence in the workplace, are all considered violent behavior.
- Retaliation for reporting or threatening to report acts of misconduct.

Company or other serious outcomes. We are committed to the well-being and safety of ourselves, our colleagues and anyone doing business with us.

You should:

- Always follow facility safety rules, regulations, procedures and warnings, particularly those that cover dangerous equipment and materials.
- When work activities involve medications or other substances that may be toxic if not handled properly, work with and dispose of them safely.
- If you ever witness or suffer an accident, or see unsafe conditions, report the situation immediately.

Drugs and Alcohol

We are committed to providing an alcohol-free and drug-free work environment. The unauthorized use, possession, sale, exchange or purchase of alcohol, drugs, or illegal substances on Company premises, or at anytime when representing the company, is strictly prohibited. Prescription drugs ordered by a physician, which do not interfere with job performance, are permitted. We should never come to work under the influence of alcohol, drugs or any other substance that could impair our ability to perform our job or jeopardize the safety of others.

Employee Privacy

At CVS Caremark, our work sometimes requires access to employee healthcare and/or other sensitive information. We must protect the confidentiality of this information and hold it to the same level of protection we provide for similar information of the people we serve.

Health and Safety

We all have a right to work in a safe and healthy environment. Unsafe practices can lead to serious consequences, such as personal injury, injury to colleagues and the





Our Relationship with the Government

Conduct with Public Officials

We are committed to dealing with public officials according to the highest ethical standards. Our conduct with public officials, including any political contributions or business transactions, must comply with applicable laws and regulations and Company policy, including disclosure requirements.

CVS Caremark policy prohibits giving or offering anything of value, directly or indirectly, to a public official in order to influence official action or obtain an improper advantage. "Anything of value" means not only cash, but also gifts, meals, entertainment, political contributions, offers of employment or other benefits.

Corporate Political Contributions

Only corporate officers (Vice Presidents and above) are authorized to make corporate contributions to a political candidate, and such contributions must be made consistent with Company policy. "Contributions" means not only funds, but also loans, donations of products or supplies, use of facilities, Company personnel or anything else of value.

All corporate political contributions by the Company require prior written approval, utilizing specific processes and forms, from the Chief Legal Officer or Chief Compliance Officer.

CVS Caremark's Integrity Policy for Conduct with Public Officials has more information on interacting with public officials, including strict limits on business transactions with public officials and guidance on gifts and entertainment

Individual Political Activities

CVS Caremark encourages employees to support political candidates or causes of their choice, as long as it is clear they are not speaking or acting on the Company's behalf. Individuals must not use Company time or resources when acting as a volunteer for a political candidate or cause.

CVS Caremark Corporate Employees Political Action Committee

Our employees have a Political Action Committee (PAC). The PAC works to support, protect, and favorably position the Company in the legislative arena by being active in the political process. The PAC's objective is to provide financial support for candidates for political office who hold similar positions or beliefs on issues or who meet other criteria. Participation in the PAC by eligible employees is entirely a personal choice, and pressuring any employee to contribute is strictly prohibited.



Anti-Kickback Laws

We comply with applicable federal and state anti-kickback laws and regulations. These laws prohibit the payment or receipt of something of value that is intended to encourage the purchasing, leasing or ordering of an item or service that may be reimbursed under a government health care program, such as Medicare or Medicaid. The "something of value" can take many forms, such as cash payments, entertainment, credits, gifts, free goods or services, the forgiveness of debt, or the sale or purchase of items at a price that is not consistent with fair market value. It also may include the routine waiver of co-payments and/or co-insurance.

You should:

- Not routinely waive co-insurance or co-payments.
- Not compensate retail pharmacists or physicians to switch a prescription.

The anti-kickback laws are complex. You should consult the Legal Department about whether it is appropriate to provide something of value to those we serve.

Bribery and Foreign Business Dealings

We may not personally or through CVS Caremark give, or promise to give, anything of value to a U.S. or foreign government officials, political candidates or agents, to obtain business or special treatment for the Company.

Medicare Part D Participation

The Medicare Part D Program is a comprehensive prescription drug benefit program for certain Medicare eligible individuals. CVS Caremark participates in this program through the prescription drug plan offered by its affiliate SilverScript Insurance Company and by providing pharmacy benefit management services to prescription drug plans offered by other health plans.

SilverScript Insurance Company has a comprehensive Fraud, Waste and Abuse Program designed to comply with Medicare Part D laws and regulations, including compliance operational oversight, risk assessment, data analysis, investigations and training. A separate Part D Compliance Officer, Compliance Committee and Fraud, Waste and Abuse Committee are in place to effectively monitor and oversee compliance for our Medicare Part D participation.

Government Reimbursement and the False Claims Act

Federal and state false claims acts and similar laws prohibit submitting a false claim or making a false record or statement in order to gain reimbursement from, and/or avoid an obligation to, a government-sponsored program, such as Medicare or Medicaid. We adhere to all applicable laws, regulations and program requirements when billing federal or state health care programs.





“..the Company prohibits retaliation against anyone for raising a legal or ethical concern or cooperating with an investigation.”

A provision of the Deficit Reduction Act of 2005 requires CVS Caremark to provide its employees, and certain contractors and agents, with information regarding the federal and state false claims acts, whistleblower protections and CVS Caremark’s process for detecting and preventing fraud, waste and abuse. As more fully discussed later in this Code, the Company prohibits retaliation against anyone for raising a legal or ethical concern or cooperating with an investigation.

Ineligible Healthcare Providers

The government has the authority to exclude individuals and/or entities, that have engaged in abuse or fraud, from participation in Medicare, Medicaid and other federal and state healthcare programs. It is CVS Caremark’s policy not to employ, or contract with, any individual or entity that has been excluded from any government funded program.

Anti-Money Laundering

Money laundering involves hiding the origin of unlawfully gained money, for example through drug transactions, bribery, terrorism or fraud. CVS Caremark is committed to complying fully with all anti-money laundering laws and regulations. We will conduct business

only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources. CVS Caremark takes reasonable steps and has established policies and procedures to prevent and detect unacceptable and suspicious forms of payment, including money orders.

Government Requests and Subpoenas

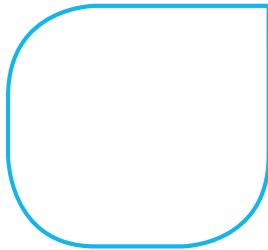
It is our policy to cooperate with reasonable requests for information from government agencies and regulators.

You should:

- Notify the Legal Department before responding to a subpoena, search warrant, request for an interview or other non-routine request for access to information related to Company matters.
- Always cooperate fully and be truthful in any information you provide to the government.
- Not alter, withhold or destroy records related to an investigation.



Our Relationships with Suppliers, Competitors & the Community



Gifts and Entertainment

Giving and receiving reasonable gifts and entertainment is a customary way to strengthen business relationships. This is an acceptable practice at CVS Caremark under certain conditions.

Always exercise good judgment when engaging in entertainment that is part of your work responsibilities. If you receive a gift of greater than nominal value, it must be reported to your manager. Managers will be responsible for monitoring gift and entertainment receipts and determining their appropriateness.

“Always exercise good judgment when engaging in entertainment that is part of your work responsibilities.”

Typically permitted:

- Giving items of nominal value marked with CVS Caremark promotional labeling.
- Participation in unsolicited, reasonable entertainment (i.e. lunches, dinners, tickets to a sporting event) provided the supplier attends with the CVS Caremark employee. An employee may attend without the supplier if the supplier is reimbursed for the full value of the event.
- Giving or accepting occasional gifts that are legal, not lavish and/or do not impair our objective professional judgment.
- CVS Caremark sponsored business-related events where lodging, meals, and in some cases transportation and entertainment are provided, if the event is for a legitimate business purpose.



Gift and Entertainment Don'ts

- Don't give gifts to potential clients or accept them from suppliers during the bidding or contracting process, unless they are of strictly nominal value.
- Don't give gifts or entertainment that we should not accept ourselves.
- Don't give or accept gifts or entertainment if even the appearance of a conflict of interest exists.
- Don't give or accept cash gifts, including gift cards.
- Don't give gifts or provide entertainment of any type to government employees, because they are generally prohibited by government guidelines from accepting.

Purchasing and Supplier Relations

CVS Caremark values integrity in all of our business dealings, including our relationships with suppliers. We strive to secure the best deal available whenever we purchase products or services for CVS Caremark. Our purchasing decisions are founded on considerations such as product, service suitability, price, delivery and quality.

We will purchase from suppliers who meet our standards and are law abiding, responsible corporate citizens. Remember that their actions and their reputations reflect on us. Build business relationships that enhance our ability to provide services and products that improve the lives of those we serve.

In order to maintain integrity in our business relationships, we must act in a fair and professional manner with our suppliers. CVS Caremark policies safeguard a procurement system of quality and integrity with clearly defined rules

for ethical behavior on the part of all individuals involved in the procurement process.

You should:

- Follow all procurement policies.
- Remain objective when purchasing from a supplier.
- Make sure you deal with reputable companies.
- Treat suppliers fairly and professionally.

Antitrust Laws

Antitrust laws are designed to protect competition by prohibiting monopolies, price fixing, predatory pricing and other practices that restrain trade. We never discuss pricing, suppliers or territories with competitors, nor make agreements with them on these or other competitive issues. Under certain circumstances, even informal discussions with competitors regarding business plans, marketing, pricing, cost or other similar matters may be illegal.

We gain information about competitors only in legal and ethical ways. Just as we expect competitors to respect our confidential information, we respect theirs. Improperly obtained competitor proprietary information cannot be used to the advantage of CVS Caremark. Be careful during any conversations with competitors. Discussions regarding pricing, costs, suppliers or territories may be out of bounds.

Business Firewalls

As a good business practice, CVS Caremark maintains firewalls between select businesses within the Company to separate and protect certain competitively sensitive information that each business possesses. Such information includes contract terms, pricing and other financial arrangements. These firewalls become important in contract negotiations, where the businesses must compete on the same terms as their competitors. More detailed information is available in the policy titled CVS Caremark Firewall Policy located on the Company intranet site.

News Media

At CVS Caremark, only the Corporate Communications staff is authorized to speak with the news media on the Company's behalf (i.e., statements to the press, requests for in-store photographs/TV coverage, and inquiries from radio, television, newspaper, magazine, or trade journal personnel). We never speak with or otherwise have contact with a member of the press on behalf of CVS Caremark without authorization from the Corporate Communications Department.

Environmental Protection

CVS Caremark respects the preservation of natural resources and the improvement of the environment. The Company cooperates with government bodies and communities in environmental protection efforts and complies with environmental laws and regulations. The Company ensures that all environmentally sensitive and hazardous materials are identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.





Compliance & Integrity Program

Chief Compliance Officer

The Chief Compliance Officer is responsible for oversight and implementation of both the CVS Caremark and the Medicare Part D Compliance and Integrity programs. The key components of the program include this Code, policies, training, communications, auditing, monitoring and remediation of wrongdoing. The Chief Compliance Officer provides regular reports to the Audit Committee of the Board of Directors regarding the status of the program.

Employee Responsibilities

As an employee, you have certain responsibilities related to compliance and integrity.

You should:

- Understand and follow the Code of Conduct and Company policies.
- Conduct your work and professional activities ethically and in accordance with all applicable laws and regulations.
- Speak up and report any business activity that you believe may violate the law or the Code, using the resource that is most comfortable.
- Cooperate with investigations when requested and protect the integrity of the investigation by maintaining its confidentiality.
- Use resources to ask a question or get help when something is unclear or doesn't feel right.
- Use good judgment in cases where there is no clear rule, law or policy.

Leadership Responsibilities

Leadership entails special responsibilities. While setting the tone at the top, CVS Caremark leadership must “walk the talk” and demonstrate the Company’s values in all

of their dealings on its behalf. CVS Caremark leaders are responsible for making strategic business decisions that align with our ethical standards and with this Code.

In addition, while setting the “tone at the top”, they must be knowledgeable about the content and operation of the compliance and integrity program. The leadership team plays an important role in building integrity, respect, credibility and long-term sustainability for the Company.

Because leadership sets an example for all employees, they must:

- Maintain a positive, ethical work environment.
- Make certain that employees understand what is expected of them both professionally and ethically.
- Maintain an open door policy on a routine basis for employees to ask questions and raise concerns.
- Address issues raised by employees by listening and taking action, when appropriate.
- Be fair and objective.
- Be a positive role model.

Financial Leaders

Financial leaders have special responsibilities related to Sarbanes-Oxley requirements. They must establish, maintain and periodically certify the adequacy of internal controls for financial reporting. These leaders are also responsible for reporting material deficiencies or weaknesses in the Company’s internal controls.

Resources

The resources listed in this document should be used when you need some help or want to report an issue. It is the responsibility of each employee to use these resources for guidance, advice, information and/or reporting and to keep reports and other interaction with the Chief Compliance Officer confidential.

These resources can help you with:

- Code of Conduct issues.
- Ethical situations not specifically covered in this Code.
- Interpretation of Company policies and procedures.
- Internal control and/or accounting issues.
- Fraud, waste and abuse questions or concerns, including concerns related to our Medicare Part D participation.

Documents

These are the written resources to guide your decisions:

- Code of Conduct.
- CVS Caremark Employee Handbook.
- Company policies and procedures, which are available on the Company intranet site.

People

Many people are available in the Company to help you with advice or information and for reporting concerns:

- Chief Compliance Officer – 1-847-559-4714
- Medicare Part D Compliance Officer – 1-847-559-3683
- Chief Legal Officer – 1-401-770-5415
- Office of General Counsel for CVS/Corporate Secretary – 1-401-770-3550
- Office of General Counsel for Caremark – 1-615-743-6616
- Privacy Office – 1-480-661-2386, privacyofficer@caremark.com
- Your manager or someone else in your management chain
- If you have a concern about financial or accounting practices, internal controls or other financial matters, you may report it directly to the Audit Committee of the Board of Directors. To do so, you should either contact the Ethics Line or forward the concern to:

Chief Compliance Officer
CVS Caremark
2211 Sanders Road
Northbrook, IL 60062

Ethics Line

The Ethics Line is a phone resource established to help us do the right thing. The Company urges you to use this resource whenever you have a question or concern that cannot be readily addressed within your work group or through your supervisor. However, you may call the CVS Caremark Ethics Line any time toll free at 1-877-CVS-2040.

The Ethics Line is available 24 hours per day, 7 days per week, 365 days per year. When you contact the Ethics Line, you will be treated with dignity and respect. All calls will be treated in a highly confidential manner to the extent the Company deems possible. You do not have to identify yourself. Caller ID is not used and an outside company answers the line.





If you call the Ethics Line anonymously, you will be given a unique identification number so that you can call back for a status report on your call. The Company is committed to listen to all reports and, when necessary, intercede in perceived ethical or business conduct issues. In the event you identify yourself, but do not want your name revealed further, CVS Caremark will protect your identity to the extent reasonably possible.

As an alternative to calling, you may contact the Ethics Line in other ways:

- Confidential email address:
Ethics.BusinessConduct@cvs.com
- Confidential fax: 1-847-559-3835
- Confidential mailing address:

Chief Compliance Officer
CVS Caremark
2211 N. Sanders Road
Northbrook, IL 60062

For further details and more specific direction, consult the CVS Caremark intranet site.

Investigations

The Company investigates all good faith reports of wrongdoing. If you are asked to participate in an internal investigation of misconduct or unethical behavior, you are required to cooperate.

To adequately review an allegation, investigations can sometimes be lengthy. Be patient if you do not get an

immediate response from the Compliance and Integrity Group.

Non-Retaliation

CVS Caremark prohibits retaliating against anyone for raising a legal or ethical concern or cooperating with an investigation. Retaliation can also be against the law, leading to potential civil liability and criminal penalties. No one may seek revenge against, or try to “get even” with, any employee who makes a good faith report, regardless of who is implicated. Retaliation is taken very seriously at the Company, and if it occurs, it will result in discipline, up to and including termination of employment.

Consequences of Wrongdoing

On and off the job, CVS Caremark expects all employees to comply with the law and treat other people with respect, honesty, and courtesy. Disruptive, unproductive, immoral, unethical, or illegal actions are NOT acceptable at CVS Caremark. A failure by any employee to comply with laws or regulations governing CVS Caremark’s business, this Code or any other CVS Caremark policy or requirement, may subject CVS Caremark and the employee(s) involved to civil and/or criminal penalties or prosecution. Non-compliance includes failure to properly supervise subordinates to prevent and detect misconduct. It also includes knowing about violations, but failing to report them. Additionally, such failure may result in disciplinary action against the employee(s), up to and including termination of employment and, if warranted, legal proceedings.

Nothing in this Code of Conduct constitutes a contract of employment with any individual. Additionally, nothing in this document changes the at-will nature of your employment at CVS Caremark, its affiliates or subsidiaries, where applicable.

Adherence to this Code of Conduct is a condition of employment or continued employment with CVS Caremark. Code of Conduct certification is a part of this requirement, and failure to do so within the required time could result in termination of employment.

Publication date: 3/10/2008



Ethics Line 1-877-CVS-2040 • Ethics.BusinessConduct@cvs.com

EXHIBIT 5

RxC&P®

CVS
CAREMARK



Clinical Consulting

RxC&P

RxReview

OTC Connect

PerformanceScript

Better results begin with better compliance.

RxC&P works to help increase patient medication compliance and persistency through timely communications with both the patient and the prescribing physician.

This proactive prescription compliance program is based on our understanding of a patient's complete retail and mail service prescription history.

Relevant, timely communications educate patients, reinforce a medication's benefits and encourage patients to remain committed to their treatment.

Simply call toll-free **1-800-604-5581** or fill out the form below and a Pharmaceutical Services Representative will get back to you within 24 hours.

name

product/company

email

phone

RUN MY REPORT

FORMULARY PERFORMANCE SERVICES

The availability and targeting for programs and services described here-in will be available only to the extent permitted by and in compliance with applicable laws, including federal and state privacy laws. Reports do not include individually identifiable information about patients.

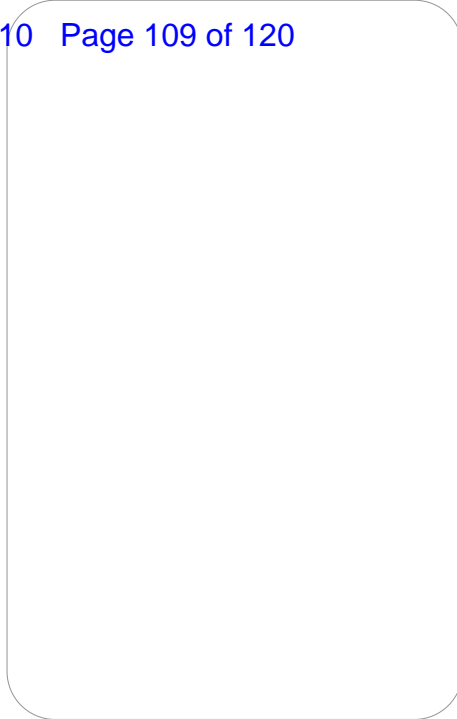
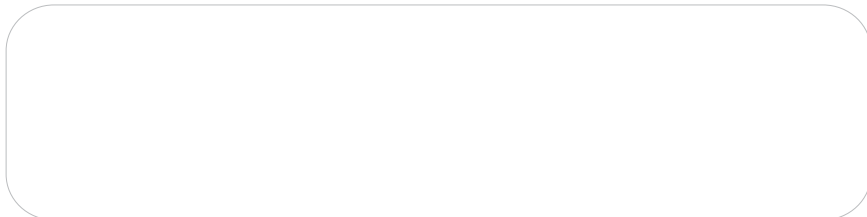
1-800-604-5581 | connect@caremark.com

Contact us today and a representative will provide you with a detailed **Persistency Trends Report** for your product, helpful in determining where to focus your compliance and persistency efforts.

EXHIBIT 6



PO Box 820277
Fort Worth, TX
76182-02077



Dear Plan Participant:

CVS Caremark is pleased to offer you an important new benefit- the **CVS Caremark ExtraCare® Health Card**. It is an exclusive health benefit to you, as a valued plan participant, to provide value and help you stay healthy.

Use your card at any CVS/pharmacy® store or online at www.cvs.com to receive a 20% discount:

- 20% discount applies to regularly priced CVS/pharmacy Brand or CVS/pharmacy Exclusive Brand health-related, FSA-eligible items* of \$1 or more.
- FSA-eligible items include more than 1500 CVS/pharmacy Brand products: for example, pain relief, allergy relief, and cough and cold remedies as well as products like glucose meters and blood pressure monitors.
- You can use your new ExtraCare® Health Card on FSA-eligible items even if you are not enrolled in a Flexible Spending Account.

The above benefits are in addition to all of the standard ExtraCare program benefits:

- Earn \$1 Extra Buck™ for every 2 prescriptions filled at CVS/pharmacy**
- Get 2% back in Extra Bucks® on all your purchases†
- Receive instant savings on items featured in our weekly circular

If you already have a CVS/pharmacy ExtraCare card, you can easily transfer your reward balance to your new ExtraCare Health Card by calling 1-888-543-5938.

If you choose to use this ExtraCare Health Card as part of your plan's benefit program, you acknowledge your understanding that the discount is restricted to the purchase of CVS/pharmacy Brand or CVS/pharmacy Exclusive Brand health-related items for your own medical care or the medical care of your spouse or dependents. By accepting these cards, you agree to abide by the foregoing restriction. Each time you use your ExtraCare Health Card to obtain discounts, you reaffirm this agreement.

With more than 6,900 locations, it's easy to find a CVS/pharmacy near you, so shop either in-store or online at CVS.com® and **start saving with your exclusive ExtraCare Health Card today!**

* The FSA summary of your receipt includes the items (and tax) that may be eligible for reimbursement from your FSA/HRA/HSA plan. Plan restrictions may apply. Check with your plan administrator for more details. A flexible spending account (FSA) is a program offered by some employers that allows their employees to pay for eligible out-of-pocket health care expenses with pre-tax dollars.

** As mandated by law, excludes pharmacy items paid for in whole or in part by state and/or federal health care programs. This includes programs such as Medicare and Medicaid. Not valid on prescriptions purchased in NJ or NY. In Louisiana, not valid on any prescription for a controlled dangerous substance.

† Excludes alcohol, gift cards, lottery, money orders, prescriptions, postage stamps, pre-paid cards and tobacco products.

EXHIBIT 7



Press Release

CVS Drops Three Plans That Force Mandatory Mail

CVS Will Also No Longer Participate in Other Pharmacy Benefit Plans that Force Participants to Obtain Prescriptions Exclusively Through Mail Order

WOONSOCKET, R.I.--(BUSINESS WIRE)--Jan. 9, 2004-- CVS Corporation (NYSE:CVS) announced today that it has declined to participate in three pharmacy benefit plans administered by National Medical Health Card due to the fact that such plans require patients to fill maintenance medications exclusively through a mail order service.

In addition, CVS announced that it would no longer participate in other pharmacy benefit plans that force patients to obtain maintenance medication exclusively through mail order services. The announcement does not apply to prescription benefit plans in which CVS currently participates.

"The issue is one of patient choice," said Tom Ryan, Chairman, President and Chief Executive Officer of CVS Corporation. "Increasingly, certain pharmacy benefit managers are implementing plan designs that not only force patients to order maintenance medication through the mail, but also require patients to use captive mail order services that are owned by such PBMs."

"I want to be clear," stated Mr. Ryan. "We are not opposed to dispensing medication through mail order services. However, we are opposed to forcing patients to use a mail order service and then dictating which mail order pharmacy to use. At best, this practice eliminates patient choice and deprives them of the opportunity to obtain personal counseling from a community pharmacist. At worst, it is unfair and anti-competitive."

As a leading community pharmacy, CVS fills over 10% of all prescriptions dispensed in the United States and serves over 3.5 million customers a day. In a recently released survey of pharmacy customers conducted by Wirthlin Worldwide, an overwhelming majority indicated that they oppose mandatory mail plans.

CVS and its affiliated pharmacy benefit manager, PharmaCare Management Services, have been working with employer groups to design pharmacy benefit plans that reduce cost for the employer and employee while maintaining high quality health care services. In the course of these discussions, many employers have expressed an interest in exploring plan designs that provide employees with a choice of filling 90-day supply orders for maintenance medications at retail stores.

One example of an employer who recently implemented a 90-day retail feature in a plan administered by another PBM is NDCHealth Corporation. Walter M. Hoff, Chairman and Chief Executive Officer of NDCHealth, commented as follows: "We revised our plan design to provide our associates with a choice of filling their 90-day prescriptions in retail stores and the response has been overwhelmingly

positive. Our colleagues greatly value the opportunity to obtain personal counseling from a community pharmacist. In addition to the morale boost for our employees, there has been no increase in overall pharmacy costs."

Mr. Ryan concluded, "We remain committed to exploring alternative plan designs that preserve patient choice and to delivering high quality cost effective pharmacy services. We look forward to engaging employers, managed care organizations and other payers in a productive dialogue regarding all aspects of pharmaceutical plan design."

About CVS Corporation #####

With over 40 years of dynamic growth in the retail pharmacy industry, CVS is committed to being the easiest pharmacy retailer for customers to use. With more than 4,000 stores in 32 states and the District of Columbia, CVS has created innovative approaches to serve the healthcare needs of all customers through its CVS/pharmacy(R) stores, its online pharmacy; CVS.com(R) and its pharmacy benefit management and specialty pharmacy subsidiary, PharmaCare Management Services.

Contact:

Investor Contact:

Nancy Christal, 914-722-4704

Vice President, Investor

Relations

or

CVS Corporation

Media Contact:

Mike DeAngelis,

401-770-2645

Manager, Corporate Communications

[Back to listing](#)

EXHIBIT 8



CVS CAREMARK MAINTENANCE DRUG LIST

Provided below is a reference of the CVS Caremark proprietary list of standard maintenance drugs. Our Maintenance Drug List (MDL) includes medicines commonly used to treat chronic disease states with no therapeutic endpoint. In other words, therapy with these drugs is not considered curative. Maintenance drug categories include but are not limited to Proton Pump Inhibitors, Contraceptives, Antidepressants and Diabetic Supplies.

The MDL includes Maintenance Drugs as indicated by Medi-Span[®] and accommodate CVS Caremark business rules and federal laws. This list is used as a reference for all applicable CVS Caremark clinical programs. To make sure the list is up to date, it is reviewed and updated daily (by an external source) as well as quarterly (by CVS Caremark clinical staff). Below is an example of drugs which may appear on the list. Where a generic is available, it is listed by the generic name. If no generic is available, then the brand name appears.

Due to the vast number of available medicines, this list is not inclusive, does not guarantee coverage and is subject to change. This drug list represents a summary of prescription coverage. Specific prescription benefit plan design may not cover certain categories, regardless of their appearance on this list. If you have questions, please visit us on the Web at www.caremark.com or call the number on the back of your card.

Alcohol Dependence

Antabuse
Campral

Alzheimer's Disease

Aricept
Cognex
Galantamine
Namenda

Anti-infectives

-Antiviral
Baraclude
Ganciclovir
Hepsera
Tyzeka
Valcyte

-Anti-HIV

Abacavir
Aptivus
Crixivan
Didanosine
Emtriva
Epivir
Fuzeon
Intelence
Isentress
Invirase
Kaletra

Lexiva
Norvir
Prezista
Reyataz
Rescriptor
Selzentry
Stavudine
Sustiva
Viracept
Viramune
Viread

Antidepressants

Bupropion
Citalopram
Cymbalta
Fluoxetine
Fluvoxamine
Lexapro
Marplan
Maprotiline
Mirtazapine
Nardil
Paroxetine
Pristiq
Sertraline
Trazodone
Venlafaxine

Antineoplastic Agents

Arimidex
Aromasin

Fareston
Femara
Tamoxifen

Asthma

Advair
Aerobid
Albuterol
Alvesco
Asmanex
Azmacort
Cromolyn
Flovent
Foradil
Ipratropium
Levalbuterol
Metaproterenol
Pulmicort
QVAR
Serevent
Singulair
Symbicort
Terbutaline
Theophylline

Benign Prostatic Hyperplasia

Avodart
Doxazosin
Finasteride
Flomax
Terazosin



Uroxatral

Cardiovascular

-ACE Inhibitors

Benazepril
Captopril
Enalapril
Fosinopril
Lisinopril
Moexipril
Quinapril
Ramipril
Trandolapril

-Angiotensin II Receptor

Antagonists

Atacand
Avapro
Benicar
Cozaar
Diovan
Micardis
Teveten

-Anti-arrhythmics

Amiodarone
Disopyramide
Flecainide
Mexiletine
Propafenone
Sotalol

-Beta Blockers

Atenolol
Betaxolol
Bisoprolol
Bystolic
Carvedilol
Labetalol
Metoprolol
Nadolol
Propranolol
Pindolol
Timolol

-Calcium Channel

Blockers

Amlodipine
Diltiazem
Felodipine
Isradipine
Nicardipine
Nifedipine
Nisoldipine
Verapamil

-Combinations

Avalide
Azor
Benicar HCT
Caduet
Diovan HCT
Exforge
Hyzaar
Tarka
Amlodipine/benazepril
Bisoprolol/hydrochloro-
thiazide
Enalapril/hydrochloro-
thiazide
Lisinopril/hydrochloro-
thiazide
Quinapril/hydrochloro-
thiazide

-Miscellaneous

Cardiovascular Drugs

BiDil
Clonidine
Digoxin
Hydralazine
Ranexa
Tekturna

Contraceptives

Apri
Aranelle
Aviane
Brevicon
Cesia
Cryselle
Cyclessa
Desogen
Estrostep
Junel
Kariva
Levora
Loestrin
Low-Ogestrel
Microgestin
Mircette
Modicon
Necon
Norinyl
Nordette
Nortrel
Ocella
Ogestrel
Ovcon
Quasense
Reclipsen
Seasonique

Solia
Sprintec
Tri-Norinyl
Trinessa
Trivora
Velivet
Yasmin
Yaz
Zovia

Diabetes

Acarbose
Actos
Avandia
Byetta
Glimepiride
Glipizide
Glyburide
Glyset
Insulin
Januvia
Metformin
Prandin
Starlix
Symlin

-Combinations

ACTOplus Met
AvandaMet
Avandaryl
Duetact
Janumet
Glipizide/metformin
Glyburide/metformin

-Test

Strips/Lancets/Meters

Accu-Chek
Chemstrips
Clinistix
Combistix
Diastix
Glucometer
Glucosource
Glucostix
Ketostix
OneTouch
Nitratet

Diuretics

Amiloride
Bumetanide
Chlorothiazide
Chlorthalidone
Dyrenium
Edecrin



Furosemide
Hydrochlorothiazide
Indapamide
Metolazone
Spironolactone
Spironolactone/hydrochlorothiazide
Torsemide
Triamterene/hydrochlorothiazide

Endocrine and Metabolic

Activella
Alora
Angeliq
Androderm
Androgel
Cenestin
Combipatch
Enjuvia
Estradiol
Estradiol Transdermal
Estropipate
Femhrt
Fludrocortisone
Kuvan
Levothyroxine
Liothyronine
Medroxyprogesterone
Menest
Methimazole
Premarin
Prempro
Striant
Testim
Thyroid
Thyrolar
Vivelle-Dot

Glaucoma

Acetazolamide
Azopt
Dorzolamide
Dorzolamide/timolol
Levobunolol
Lumigan
Methazolamide
Metipranolol
Timolol
Travatan
Xalatan

Hematologic

Aggrenox
Anagrelide
Cilostazol

Dipyridamole
Pentoxifylline
Plavix
Ticlopidine

High Cholesterol

Advicor
Cholestyramine
Colestipol
Crestor
Fenofibrate
Fluvastatin
Gemfibrozil
Lovastatin
Lovaza
Lipitor
Niacin
Pravastatin
Simcor
Simvastatin
Vytorin
Welchol
Zetia

Immunologic Agents

Mycophenolate mofetil
Myfortic
Rapamune
Tacrolimus

Irritable Bowel Syndrome

Amitiza
Lotronex

Muscle Spasms

Baclofen
Tizanidine

Osteoporosis

Actonel
Alendronate
Boniva
Evista
Forteo
Fortical
Miacalcin

Overactive Bladder

Enablex
Detrol
Flavoxate
Oxybutynin
Oxytrol
Sanctura

Vesicare

Pancreatic Enzymes

Pancrelipase
Viokase

Parkinson's Disease

Azilect
Benztropine
Bromocriptine
Carbidopa/Levodopa
Comtan
Mirapex
Ropinirole
Selegiline
Stalevo

Renal Disease

Calcitriol
Calcium Acetate
Ergocalciferol
Fosrenol
Hectorol
Phoslo
Renagel
Sensipar

Rheumatoid Arthritis

Enbrel
Humira
Leflunomide
Orencia
Remicade
Ridaura

Seizure Disorders

Carbamazepine
Clonazepam
Divalproex
Ethosuximide
Felbatol
Gabapentin
Gabitril
Keppra XR
Lamotrigine
Levetiracetam
Lyrica
Oxcarbazepine
Phenytoin
Phenobarbital
Primidone
Topiramate
Valproic Acid
Zonisamide

Ulcer/GERD



Aciphex
Cimetidine
Famotidine
Misoprostol
Nexium
Nizatidine
Omeprazole
Pantoprazole
Prevacid
Ranitidine
Sucralfate

Miscellaneous

Calomist
Dapsone
Desmopressin
Dipentum
Evoxac
Fluoride
Guanfacine
Homatropine
Isoxsuprine
Lactulose
Lithium
Magnebind
Metoclopramide
Moban
Pilocarpine
Provigil
Pulmozyme
Rilutek
Strattera
Sulfasalazine
Thalomid
Ursodiol

Alphabetical Listing

A



Abacavir	Bisoprolol	Diovan
Acarbose	Bisoprolol/hydrochloro- thiazide	Diovan HCT
Accu-Chek	Boniva	Dipentum
Acetazolamide	Brevicon	Dipyridamole
Aciphex	Bromocriptine	Disopyramide
Activella	Bumetanide	Divalproex
Actonel	Bupropion	Dorzolamide
ACTOplus Met	Byetta	Dorzolamide/timolol
Actos	Bystolic	Doxazosin
Advair		Duetact
Advicor	C	Dyrenium
Aerobid		E
Aggrenox	Caduet	
Albuterol	Calcitriol	Edecrin
Alendronate	Calcium Acetate	Emtriva
Alora	Calomist	Enablex
Alvesco	Campral	Enalapril
Amiloride	Captopril	Enalapril/hydrochloro- thiazide
Amiodarone	Carbamazepine	Enbrel
Amitiza	Carbidopa/Levodopa	Enjuvia
Amlodipine	Cenestin	Epivir
Amlodipine/benazepril	Cesia	Ergocalciferol
Anagrelide	Chemstrips	Estradiol
Androderm	Chlorothiazide	Estradiol Transdermal
Androgel	Chlorthalidone	Estropipate
Angeliq	Cholestyramine	Estrostep
Antabuse	Cilostazol	Ethosuximide
Apri	Cimetidine	Evista
Aptivus	Citalopram	Evoxac
Aranella	Clinistix	Exforge
Aricept	Clonazepam	
Arimidex	Clonidine	F
Aromasin	Cognex	
Asmanex	Colestipol	Famotidine
Atacand	Combipatch	Fareston
Atenolol	Combistix	Felbatol
Avalide	Comtan	Felodipine
AvandaMet	Cozaar	Femara
Avandaryl	Crestor	Femhrt
Avandia	Crixivan	Fenofibrate
Avapro	Cromolyn	Finasteride
Aviane	Cryselle	Flavoxate
Azilect	Cyclessa	Flecainide
Azmacort	Cymbalta	Flomax
Azopt		Flovent
Azor	D	Fludrocortisone
		Fluoride
B	Dapsone	Fluoxetine
	Desmopressin	Fluvastatin
Baclofen	Desogen	Fluvoxamine
Baraclude	Detrol	Foradil
Benicar HCT	Diastix	Forteo
Benzotropine	Didanosine	Fortical
Betaxolol	Digoxin	Fosinopril
BiDil	Diltiazem	



Fosrenol		
Furosemide	L	Nadolol
Fuzeon		Namenda
	Labetalol	Nardil
G	Lactulose	Necon
	Lamotrigine	Nexium
Gabapentin	Leflunomide	Niacin
Gabitril	Levalbuterol	Nicardipine
Galantamine	Levetiracetam	Nisoldipine
Ganciclovir	Levobunolol	Nitratest
Gemfibrozil	Levora	Nizatidine
Glimepiride	Levothyroxine	Nordette
Glipizide	Lexapro	Norinyl
Glipizide/metformin	Lexiva	Nortrel
Glucometer	Liothyronine	Norvir
Glucosource	Lipitor	
Glucostix	Lisinopril	O
Glyburide	Lisinopril/hydrochloro-thiazide	
Glyburide/metformin	Lithium	Ocella
Glyset	Loestrin	Ogestrel
Guanfacine	Lotronex	Omeprazole
	Lovastatin	OneTouch
H	Lovaza	Orencia
	Low-Ogestrel	Ovcon
Hectorol	Lumigan	Oxcarbazepine
Hepsera	Lyrica	Oxybutynin
Homatropine		Oxytrol
Humira	M	
Hydralazine		P
Hydrochlorothiazide	Magnebind	
	Maprotiline	Pancrelipase
I	Marplan	Pantoprazole
	Medroxyprogesterone	Paroxetine
Indapamide	Menest	Pentoxifylline
Insulin	Metaproterenol	Phenobarbital
Intelence	Metformin	Phenytoin
Invirase	Methazolamide	Phoslo
Ipratropium	Methimazole	Pilocarpine
Isentress	Metipranolol	Pindolol
Isoxsuprine	Metoclopramide	Plavix
Isradipine	Metolazone	Prandin
	Metoprolol	Pravastatin
J	Miacalcin	Premarin
	Micardis	Prempro
Janumet	Microgestin	Prevacid
Januvia	Mirapex	Prezista
Junel	Mircette	Primidone
	Mirtazapine	Pristiq
	Misoprostol	Propafenone
K	Moban	Propranolol
	Modicon	Provigil
Kaletra	Moexipril	Pulmicort
Kariva	Mycophenolate mofetil	Pulmozyme
Keppra XR	Myfortic	
Ketostix		Q
Kuvan	N	



Quasense	Terbutaline	Yaz
Quinapril	Testim	
Quinapril/hydrochloro- thiazide	Teveten	Z
QVAR	Thalomid	
	Theophylline	Zetia
R	Thyroid	Zonisamide
	Thyrolar	Zovia
	Ticlopidine	
Ramipril	Timolol	
Ranexa	Timolol	
Ranitidine	Tizanidine	
Rapamune	Topiramate	
Reclipsen	Torsemide	
Remicade	Trandolapril	
Renagel	Travatan	
Rescriptor	Trazodone	
Reyataz	Triamterene/hydro- chlorothiazide	
Ridaura	Trinessa	
Rilutek	Tri-Norinyl	
Ropinirole	Trivora	
	Tyzeka	
S		
	U	
Sanctura		
Seasonique		
Selegiline	Uroxatral	
Selzentry	Ursodiol	
Sensipar		
Serevent	V	
Sertraline		
Simcor	Valcyte	
Simvastatin	Valproic Acid	
Singulair	Velivet	
Solia	Venlafaxine	
Sotalol	Verapamil	
Spiroinolactone	Vesicare	
Spiroinolactone/hydro- chlorothiazide	Viokase	
Sprintec	Viracept	
Stalevo	Viramune	
Starlix	Viread	
Stavudine	Vivelle-Dot	
Strattera	Vytorin	
Striant		
Sucralfate	W	
Sulfasalazine		
Sustiva	Welchol	
Symbicort		
Symlin		
T	X	
Tacrolimus	Xalatan	
Tamoxifen		
Tarka	Y	
Tekturna		
Terazosin	Yasmin	