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May 17, 2002

Mr. Andy Puleasi  
Medicaid Program Director  
LBJ Tropical Medical Center  
Pago Pago, AS 96799

Dear Mr. Puleasi:

GHS Data Management has worked successfully with the State of Maine's Bureau of Medical Services on Medicaid pharmacy issues for over 10 years. We are the contractor responsible for daily operations of the Maine Point of Purchase System (ME-POPS). Following a competitive Request for Proposal process earlier this year, we were recently awarded a new five-year contract to continue, and augment, the pharmacy claims system duties we perform for Maine State Government.

ME-POPS requires the following:

- ✓ Lowest possible operating costs;
- ✓ Effective online cost avoidance through the verification of client/provider eligibility and third party liability;
- ✓ Development and maintenance of a formulary of covered medications;
- ✓ Systems to prevent payment of fraudulent and duplicate claims;
- ✓ Successful development and implementation of the "Prior Authorization" program (with two hour turnaround time);
- ✓ Development and operation of the "Physician Directed Drug Initiative", one of our most innovative, successful partnerships with the medical community aimed at promoting voluntary cost-effective prescribing; and
- ✓ Many other savings techniques, including: aggressive MAC's, selective DAW1PA, smart Step-care Preferred Drug edits, dose consolidation and more.

We employ a team of medical doctors, pharmacists, developers, programmers and analysts that are driven to exceed the requirements of our ME-POPS contract. Some of the results of our collaborative approach with the Bureau of Medical Services are best demonstrated in the data below:

Intervention Program	Year	Unique Users	% Growth Users	Drug Benefit Amount Paid	Actual Annual % Growth	User PMPM\$ <sup>1</sup>	% Growth PMPM\$
	1998	139,318	—	\$122,230,960	—	\$73.11	—
	1999	145,700	4.6%	\$151,301,653	23.8%	\$86.54	18.4%
PDDI	2000	153,164	5.1%	\$181,469,133	19.9%	\$98.73	14.1%
PA;	2001	167,079	9.1%	\$195,692,465	7.8%	\$97.60	( 1.1%)

<sup>1</sup> Per Member Per Month

May 17, 2002

At a time when Maine was anticipating 20% annual growth in its Medicaid drug benefit we implemented strategies that achieved 7.8% growth!

We are available to consult with you about your organization's pharmacy claims processing, pharmacy benefit management and pharmacy cost reduction strategies. We have helped the State of Maine achieve true **lowered costs/unit** and **reduced growth rates** and can help you do the same.

Enclosed for your review are some materials that describe our company in general and a letter of support from Maine's Governor King. I encourage you to visit our website at [www.ghsinc.com](http://www.ghsinc.com) or speak with your colleagues from Maine Department of Human Services' Bureau of Medical Services should you have any questions about our responsibilities.

We would welcome the opportunity to visit with you or confer via telephone so that we can provide you with more details about our expertise.

Please contact me or our Chief Operating Officer, John Grotton, RPh should you have any questions or need additional information. Thank you for your time and interest in GHS Data Management.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Bruno".

Joe Bruno, RPh  
President & CEO  
GHS Data Management

Enclosures