

Medco Rx Discount Program Terms and Conditions

NOTE: The **Medco Rx Discount Program** is NOT insurance.

Your confidentiality is important to all of us at Medco, and we want you to know how we will use the information we collect in the course of providing prescription services to you. This information is a critical part of operating the program.

From time to time, it may be necessary for us, in connection with your care, to disclose information to your healthcare professionals. Medco may also use the information to administer or to improve the **Medco Rx Discount Program** or other services that we provide. Also, without identifying you by name or in any other way, we may provide information to other healthcare organizations for purposes of reporting, research, and analysis. Medco will not disclose any individually identifiable information about you for any purpose not connected with the administration of the **Medco Rx Discount Program**.

A family member may include anyone you claim as a dependent on your federal tax return (including your spouse, your children, and any adult dependents). Your dependents may be enrolled in the **Medco Rx Discount Program** as your additional family members. If you are not legally married, you can enroll your domestic partner as an additional family member. For this program, a domestic partner is (1) an unrelated individual, (2) 18 years of age or older, (3) someone who lives at the same address with you, and who is (4) emotionally and financially interdependent with you.

Savings are based on analysis of program transactions between January 1, 2007, and December 31, 2007, for the 75 prescription drugs most commonly used by program participants.

Based on this analysis, **Medco Rx Discount Program** members can save up to 30 percent by using **Medco By Mail** when purchasing a brand-name drug included among the 75 most commonly used drugs. Actual savings for brand-name drugs ranged from 0 to 30 percent. Our analysis also revealed that members can save up to 22 percent by filling their prescriptions for these brand-name drugs at a participating retail pharmacy. Actual savings ranged from 0 to 22 percent. Our prices for drugs purchased at participating retail pharmacies averaged 13 percent lower than the retail prices for these brand-name drugs.

Medco Rx Discount Program members can save up to 83 percent by using Medco By Mail when purchasing these generic drugs. Actual savings ranged from 0 to 83 percent. Our analysis also revealed that members can save up to 82 percent by filling their prescription at a participating retail pharmacy for these generic drugs. Actual savings ranged from 0 to 82 percent. Our prices averaged 45 percent lower than the retail prices for these generic drugs through Medco By Mail. Our prices for drugs purchased at participating retail pharmacies averaged 40 percent lower than the retail prices for these generic drugs.

ADDITIONAL TERMS AND CONDITIONS

Duration and renewal of membership

The term of membership is 1 year. Membership may be renewed at the same cost as the initial 1-year membership, unless notice is provided to you in writing before membership expiration.

Services and discounts

The services and discounts that Medco shall provide to you during the term of your membership shall include the services and discounts explained in your membership materials. Medco reserves the right to change or modify these Terms and Conditions at any time without notice. Medco may cancel your membership upon written notice and refund your annual membership fee. In certain states, the **Medco Rx Discount Program** may be offered through a subsidiary or affiliate of Medco.

Use

Use of the **Medco Rx Discount Program** is limited to those persons who are eligible as described in your enrollment and membership materials. You will be responsible for all use of your membership card and membership number, and you must notify Medco immediately of any unauthorized use of your membership number or the loss or theft of your membership card. *Note: Certain controlled substances and several other prescribed medications may be subject to other dispensing limitations and the professional judgment of the pharmacist. This program does not apply to medications prescribed for animals, including household pets.*

Liability

Medco and its parent, subsidiaries, and affiliates shall have no liability to you (a) as a seller of any prescription drugs or other products including, without limitation, any liability for any defective product or product that has been tampered with in any way, (b) relating in any way to the use, misuse, or consumption of any prescription drugs or other products including, without limitation, physical injury (including death) that may occur as a result of any contraindications, any adverse effect that may occur as a result of your use of any drug, and your exceeding any recommended or prescribed dosage, or (c) as a result of any failure by Medco to deliver medications to you on a timely basis. MEDCO MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS OR SERVICES SOLD OR INFORMATION DELIVERED OR PROVIDED TO YOU, INCLUDING WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND MEDCO SHALL, UNDER NO CIRCUMSTANCES, BE LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES. THE LIABILITY OF MEDCO TO YOU SHALL IN NO EVENT EXCEED THE AMOUNT OF YOUR MEMBERSHIP FEE. Medco shall have no liability for any delay in delivery for any cause beyond its control, including, without limitation, delay due to acts of God, action or request of governmental authority that renders performance illegal, union disputes, or factory production schedules.

Governing law and arbitration

These Terms and Conditions and the respective rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of New Jersey. (Any dispute arising between you and Medco will be submitted to arbitration in the State of New Jersey in accordance with the rules of the American Arbitration Association then in effect.) Nothing herein shall deprive you of the benefits of your state's consumer protection laws.

Seller's address

You may write to us at **Medco Rx Discount Program**, c/o Medco Health Solutions, Inc., P.O. Box 3920, Spokane WA 99220-9903.

Phone enrollment

Phone enrollment is not available in the following states: California, Florida, Georgia, Iowa, Kentucky, Minnesota, Missouri, Nevada, New Hampshire, North Carolina, Tennessee, and Utah.

Availability of services

All services will be available to you within 7 days of the activation of your membership in the **Medco Rx Discount Program**.

Bonds on file

A bond relating to discount buying services described below has been obtained and is on file with the secretaries of state for California, Georgia, Kansas, Kentucky, Minnesota, North Carolina, Nevada, New Hampshire, South Dakota, Texas, and Wisconsin, as those states require.

Goods not delivered on time

If any goods ordered are not delivered within 6 weeks, you are entitled to a full refund, upon request, for goods not received.

Payment for goods ordered before cancellation

You are responsible for the payment of all fees or other charges in connection with your use of the **Medco Rx Discount Program**, including, without limitation, those incurred by you as a member (other than your membership fee) but not yet paid by you upon the cancellation of your membership.

Fees and discounts may vary

If you enroll in the **Medco Rx Discount Program** through an entity and/or agent other than Medco, certain components such as associated fees and discounts may vary.

Pricing

Prices for medications purchased under the **Medco Rx Discount Program** are based on percentage discounts off of the Average Wholesale Price, which is a published price set by the manufacturer. The discount percentages for mail-order dispensing are generally higher than the discounts available for retail dispensing. The price paid by the member at a participating retail pharmacy includes an administrative fee paid to the retail pharmacy. The price paid for Medco By Mail dispensing includes normal shipping, handling, and other administrative charges. Members can call toll-free 1 866 544-6779 to get a price quote on a particular medication. In some cases, members using participating retail pharmacies may be able to obtain prices that are lower than the quoted mail-service and/or retail prices, based on those pharmacies' usual and customary charges for particular drugs on the date of dispensing.

NOTICE OF MEMBER'S RIGHT TO CANCEL

You may cancel your membership at any time. However, in order to receive full reimbursement of your membership fee, you must do so by mailing or delivering your written notice of cancellation within 90 days of enrollment. The notice must be delivered (or postmarked) before midnight on the 90th day after you enroll to **Medco Rx Discount Program**, c/o Medco Health Solutions, Inc., P.O. Box 3290, Spokane, WA 99220-9903. Medco will return to you, within 10 days of the date on which you give notice of cancellation, a total refund of the entire consideration you paid for the contract.

How to file a complaint

If you're dissatisfied with the discount program, you may send a letter detailing your complaint to Medco, Attention: Service Grievance Resolution Team, P.O. Box 639405, Irving, TX 75063. Otherwise, call Member Services toll-free at 1 866 544-6779. Within 5 business days, Medco will send you either (a) written notice of how the complaint was resolved or (b) written acknowledgement of having received your complaint. In any event, Medco will provide a written resolution of your complaint within 20 days of receiving it.

Note to Texas consumers

The **Medco Rx Discount Program** is regulated by the Texas Department of Licensing and Regulation, which can be reached by mail at P.O. Box 12157, Austin, Texas 78711; by telephone at 1 800 803-9202 or 1 512 463-6599; or online at www.license.state.tx.us/complaints.

