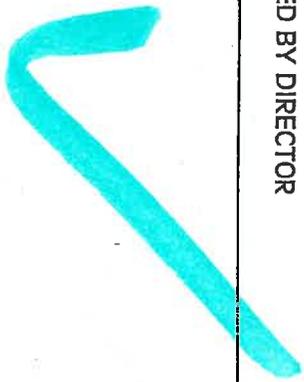


DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Giese</i>	DATE  <i>10-28-11</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER  <i>100186</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

<b>APPROVALS</b> <small>(Only when prepared for director's signature)</small>	<b>APPROVE</b>	<b>* DISAPPROVE</b> <small>(Note reason for disapproval and return to preparer.)</small>	<b>COMMENT</b>
1.			
2.			
3.			
4.			



**Medicaid**

October 24, 2011

Melanie "Bz" Giese, RN, Deputy Director  
Medical & Managed Care Services  
South Carolina Department of Health and Human Services  
PO Box 8206  
Columbia, SC 29202-8206

Dear Ms. Giese:

This letter is to provide you with a notification that Walgreen Co. ("Walgreens"), a pharmacy retailer, has announced its intent to exit the pharmacy provider network of Express Scripts, Inc. (BlueChoice HealthPlan Medicaid's pharmacy benefits manager) when its current contract expires on December 31, 2011. As of January 1, 2012, our BlueChoice HealthPlan Medicaid members utilizing Walgreens will have to use another participating pharmacy to obtain their prescriptions.

It is possible that Walgreens and Express Scripts could reach an agreement by December 31, 2011, which would enable our BlueChoice HealthPlan Medicaid members to continue receiving their prescription medications from Walgreens pharmacies. However, based on our meetings with leaders from both Walgreens and Express Scripts, we are not optimistic that an agreement will be reached.

After December 31, 2011, BlueChoice HealthPlan Medicaid members will continue to have broad access to other pharmacies within the Express Scripts network. Even without Walgreens, the Express Scripts pharmacy network in South Carolina contains more than 1,000 pharmacies. On average, there is another Express Scripts network pharmacy within one-half mile of each Walgreens pharmacy.

In early November, we will be sending letters to approximately 9,600 BlueChoice HealthPlan Medicaid members who have used a Walgreens in the past six months. This communication will provide these members with an overview of the Walgreens network status. The names and locations of other convenient, nearby pharmacies will be posted to our website and our Call Center will be available to help members find another pharmacy as well. A copy of the member letter will be sent to your agency for approval prior to mailing. Should you have any questions or concerns, please feel free to contact me at 803-382-5114.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Graves".

Scott Graves

Vice President, Medicaid Managed Care

CC: Elizabeth Platt, Program Manager, BlueChoice HealthPlan Medicaid

Jeff Bryson, Plan Manager, SC Department of Health and Human Services

BlueChoice HealthPlan is an independent licensee of the Blue Cross and Blue Shield Association.

Medicaid managed care administered by WellPoint Partnership Plan, LLC, an independent company.