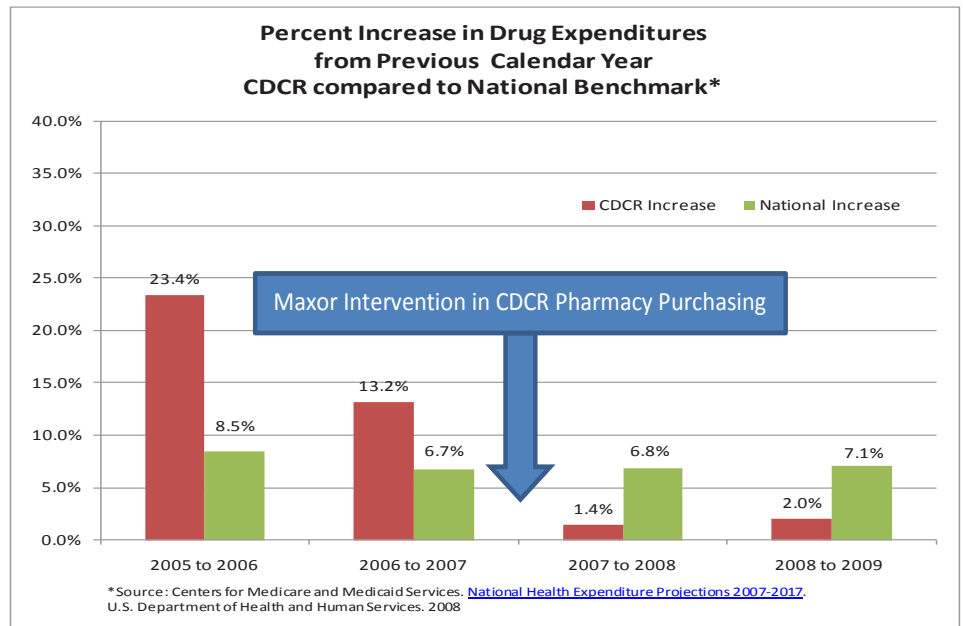
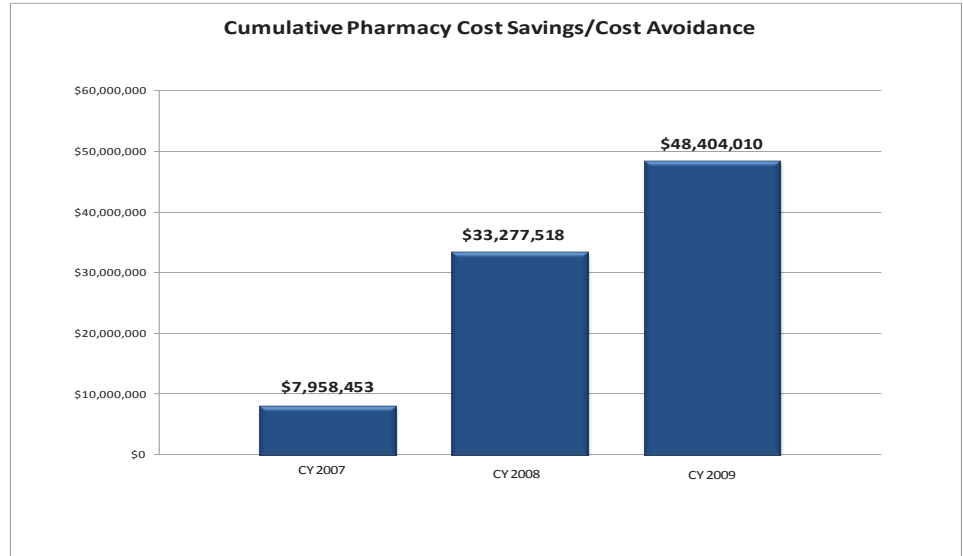


Case Study #1 – Saving California \$80 million

- Under its contract with the California Prison Receivership, Maxor began managing CDCR pharmacy purchases in April/May of 2007.
- By enforcing formulary controls, developing targeted purchase contracts, monitoring purchasing and related activities significant savings were realized compared to prior practices.
- The cumulative cost avoidance for the first three years of this effort totaled \$89.6 million.
- Collectively, our efforts to control the costs of pharmacy care resulted in a significant lowering of the annual rates of increases seen in prior years.
- In addition, in comparing benchmark projections, the increase experienced after Maxor’s interventions was about a third of that expected nationally.
- This cost avoidance is even more significant when one considers that many of the related medical care improvement initiatives that were implemented concurrently



Reference: http://www.cphcs.ca.gov/docs/court/T14_20100515_Appendix10.pdf