

If you are a health plan that paid for generic prescription drugs purchased at CVS Pharmacy, a class action lawsuit could affect your rights.

A federal court authorized this Notice. It is not a solicitation from a lawyer.

- THE PURPOSE of this Notice is to alert you about a Class Action Lawsuit (the “Lawsuit”) brought by health plans (“Class Plaintiffs”) that paid for certain generic prescription drugs purchased from CVS Pharmacy, Inc. (“CVS”). The Lawsuit asserts that CVS violated federal and state laws by, among other things, failing to report its Health Savings Pass (“HSP”) membership prices for generic drugs as its “Usual and Customary” (“U&C”) prices to certain pharmacy benefit managers (“PBMs”), including Defendant CaremarkPCS Health, L.L.C. (“Caremark”), which allegedly conspired with CVS. Class Plaintiffs contend that they were overcharged for the generic drugs included in the HSP program as a result of Defendants’ actions. Defendants have denied any wrongdoing.
- The class action **only** applies to non-governmental health plans that, at any point between November 2008 and February 1, 2016 (the “Class Period”), used Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as their PBM and reimbursed that PBM for generic drug purchases from CVS based on a formula in their PBM contract that contained U&C prices. **You are not a Class member if you: (1) never used any of these five PBMs during the Class Period; (2) are a governmental payer; (3) served on Caremark’s Client Advisory Committee; (4) have a corporate/affiliate relationship with one of the five PBMs; or (5) used OptumRX after January 29, 2015 (and did not use any of the five PBMs earlier in the Class Period).**
- The Court has determined that the Lawsuit between Class Plaintiffs and Defendants can proceed as a class action because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. The classes (hereinafter, the “Classes”) include the following:
 - **Nationwide Class.** All health plans that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as their pharmacy benefit managers, (2) paid for generic prescription drugs purchased from CVS that were included in CVS’s Health Savings Pass program, and (3) paid for those drugs based on a formula containing Usual and Customary prices.

Unjust Enrichment Class. All health plans that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as their pharmacy benefit managers, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program in Arkansas, Colorado, Connecticut, District of Columbia, Hawaii, Illinois, Indiana, Iowa, Missouri, New Mexico, New York, Oklahoma, and West Virginia, and (3) paid for those drugs based on a formula containing Usual and Customary prices.

Unfair and Deceptive Conduct Consumer Protection Class. All health plans that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as their pharmacy benefit managers, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program in California, Florida, Illinois, Massachusetts, New York, and Washington, and (3) paid for those drugs based on a formula containing Usual and Customary prices.

Omissions Consumer Protection Class. All health plans that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as their pharmacy benefit managers, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program in Illinois, Michigan, and Nevada, and (3) paid for those drugs based on a formula containing Usual and Customary prices.

Excluded from the Class(es) are: (1) any governmental payors, including Medicare and Medicaid; (2) any health plans that served on Caremark's Client Advisory Committee since January 1, 2008; (3) any health plans that have had parent, subsidiary, or affiliate relationships with any pharmacy benefit manager at any time since January 1, 2008; and (4) health plans making payments processed by OptumRx after January 29, 2015. Also excluded from the Class(es) are CVS and its management, employees, subsidiaries, and affiliates.

- Your legal rights are affected whether you act or do not act, so please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS

DO NOTHING	By doing nothing, you remain in the Class(es) and may be entitled to share in any recovery that may come from a trial or settlement with Defendants. All of the Court's orders will apply to you and will legally bind you. You will not be able to start another lawsuit, continue another lawsuit, or be part of any other lawsuit against Defendants about the legal and factual issues in this case.
EXCLUDE YOURSELF	You may choose to exclude yourself (<i>i.e.</i> , "opt out") from the Class(es). If you decide to exclude yourself, you will not be bound by any decision in this Lawsuit relating to Defendants. This is the only option that allows you to bring your own separate lawsuit (if you choose to do so) against Defendants relating to the legal claims against Defendants in this case.
GET MORE INFORMATION	<p>If you would like to obtain more information about the Lawsuit, you can review the website: www.CVSHSPClassAction.com.</p> <p>You may also send questions to the lawyer identified in this Notice, including:</p> <p>Steve W. Berman HAGENS BERMAN SOBOL SHAPIRO LLP 1301 Second Avenue, Suite 2000 Seattle, WA 98101 Email: steve@hbsslw.com</p>

These rights and options—and the deadlines to exercise them—are explained in this Notice.

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BASIC INFORMATION

1. Why did I get this Notice?

You received this Notice because between November 2008 and February 1, 2016, you may have (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as your pharmacy benefit manager, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass ("HSP") program, and (3) paid for those drugs based on a formula in your PBM contract containing Usual and Customary prices ("U&C"), and therefore you may be a member of the Class(es) that the Court certified for purposes of a lawsuit against Defendants.

2. What is this Lawsuit about?

Class Plaintiffs allege that Defendants CVS and Caremark engaged in a nationwide scheme and conspiracy to overcharge health plans, in violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1961, *et seq.*, and various state laws. Specifically, Class Plaintiffs allege that CVS defrauded and overcharged the health plans in failing to treat its HSP membership prices as its U&C prices when reporting U&C prices to the PBMs. Moreover, Class Plaintiffs claim that CVS and the PBMs, including Defendant Caremark, conspired to conceal from health plans that the HSP prices were not included in CVS's reported U&C prices.

Defendants deny these allegations and deny that any Class member is entitled to damages or any other relief. Defendants also deny that any of their conduct violated any applicable law or regulation. Defendants deny that Class Plaintiffs have sustained any injury or damages as a result of Defendants' conduct.

No court has determined whether Class Plaintiffs' position or Defendants' position is correct, and no trial has been held.

A copy of the publicly-filed First Amended Complaint (the "Complaint") and select additional documents are available at www.CVSHSPClassAction.com.

The class action is known as *Sheet Metal Workers Local No. 20 Welfare and Benefit Fund, et al. v. CVS Pharmacy, Inc., et al.*, C.A. Nos. 16-046 WES and 16-447 WES (D.R.I.). Judge William E. Smith of the United States District Court for the District of Rhode Island is overseeing this class action.

The Court has not decided whether Defendants violated any laws. This Notice is not an expression of any opinion by the Court as to the merits of Class Plaintiffs' claims against Defendants or the defenses asserted by Defendants.

3. Why is this Lawsuit a class action?

In a class action, one or more entities called “Class Representatives” sue on behalf of other entities with similar claims. In this case, the Class Representatives are Sheet Metal Workers Local No. 20 Welfare and Benefit Fund, Indiana Carpenters Welfare Fund, and Plumbers Welfare Fund, Local 130, U.A.

The Class Representatives and the entities on whose behalf they have sued together constitute the “Class” or “Class members.” They are also called the “Class Plaintiffs” or “Plaintiffs.” Their attorneys are called “Plaintiffs’ Counsel,” “Lead Counsel for the Class,” or “Class Counsel.”

The companies that have been sued are called the “Defendants.” In this case, the Defendants are CVS Pharmacy, Inc. and CaremarkPCS Health, L.L.C.

In a class action lawsuit, one court resolves the issues for everyone in the Class, except for those Class members who exclude themselves (*i.e.*, “opt out”) from the Class(es). The District Court of Rhode Island, by memorandum and order filed on May 11, 2021, has determined that the Lawsuit filed by Class Plaintiffs against the Defendants can proceed as a class action. A copy of the District Court’s Class certification memorandum and order may be found on the website for this litigation: www.CVSHSPClassAction.com.

Specifically, the Court has found that:

- The number of Class members is so numerous that joining them all into one suit is impractical.
- Class members share common legal or factual issues relating to the claims in this case.
- The claims of the Class Representatives are typical of the claims of the rest of the Class members.
- The Class Representatives and the lawyers representing the Class will fairly and adequately protect the Class(es)’s interests.
- Class-wide issues predominate over any questions affecting only individual members of the Class(es), and this class action is a superior method to fairly and efficiently adjudicate this controversy.

4. Has the Court identified Class claims, issues, or defenses?

The Court has identified that a common question exists regarding whether Defendants engaged in a scheme to defraud health plans by failing to report HSP prices as U&C prices.

WHO IS IN THE CLASS(ES)

5. Am I part of the Class(es) in the Lawsuit?

You are in the Nationwide Class if you are a health plan that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as your pharmacy benefit manager, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program, and (3) paid for those drugs based on a formula containing Usual and Customary prices, and do not meet one of the exclusions.

You are in the Unjust Enrichment Class if you are a health plan that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as your pharmacy benefit manager, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program in Arkansas, Colorado, Connecticut, District of Columbia, Hawaii, Illinois, Indiana, Iowa, Missouri, New Mexico, New York, Oklahoma, and West Virginia, and (3) paid for those drugs based on a formula containing Usual and Customary price, and do not meet one of the exclusions.

You are in the Unfair and Deceptive Conduct Consumer Protection Class if you are a health plan that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as your pharmacy benefit manager, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program in California, Florida, Illinois, Massachusetts, New York, and Washington, and (3) paid for those drugs based on a formula containing Usual and Customary prices, and do not meet one of the exclusions.

You are in the Omissions Consumer Protection Class if you are a health plan that, at any time between November 2008 and February 1, 2016, (1) had Caremark, Express Scripts, Medco, OptumRx, or MedImpact (or any of their predecessors) as your pharmacy benefit manager, (2) paid for generic prescription drugs purchased from CVS that were included in CVS's Health Savings Pass program in Illinois, Michigan, and Nevada, and (3) paid for those drugs based on a formula containing Usual and Customary prices, and do not meet one of the exclusions.

If you did not use Caremark, Express Scripts, Medco, OptumRx, MedImpact, or any of their predecessors as your pharmacy benefit manager at any point between November 2008 and February 1, 2016, then you are not a member of the Class.

Excluded from the Class(es) are (1) any governmental payors, including Medicare and Medicaid; (2) any health plans that served on Caremark's Client Advisory Committee since January 1, 2008; (3) any health plans that have had parent, subsidiary, or affiliate relationships with any pharmacy benefit manager at any time since January 1, 2008; and (4) health plans making payments processed by OptumRx after January 29, 2015. Also excluded from the Class(es) are CVS, and its management, employees, subsidiaries, and affiliates.

If you are not sure whether you are included, you may call or write to the lawyer in this Lawsuit at the address listed in Question 7 below. If you wish to exclude yourself from the Class(es), please refer to Question 6.

EXCLUDING YOURSELF FROM THE CLASS(ES)

6. Can I get out of the Class(es)?

Yes, if you exclude yourself from the Class(es) (*i.e.*, "opt out" of the Class(es)) on or before January 9, 2024.

To be excluded from the Class(es), you must send a letter via First-Class U.S. Mail *or* by email (though we *recommend* you do both) saying that you want to exclude yourself from the class action in *Sheet Metal Workers Local No. 20 Welfare and Benefit Fund, et al. v. CVS Pharmacy, Inc., et al.*, C.A. Nos. 16-046 WES and 16-447 WES (D.R.I.). Be sure to include your name, address, telephone number, email address, and your signature. Mail or email the exclusion to the Notice Administrator. Your letter or email requesting exclusion must be postmarked or dated no later than January 9, 2024. The Notice Administrator's address is:

Metal Workers v. CVS
Notice Administrator
ATTN: Exclusions
P.O. Box 173001
Milwaukee, WI 53217

info@CVSHSPClassAction.com

If there is any dispute concerning your request to be excluded, it will be resolved by the Court.

If your right to recover stems from your own qualifying payments, no more is required of you.

If you exclude yourself from the Class(es), you will not be legally bound by anything that happens in the lawsuit between Class Plaintiffs and Defendants. If you exclude yourself from the Class(es) so that you can start, or continue, your own lawsuit against Defendants, you should talk to your own lawyer, because your claims will be subject to a statute of limitations, which means that your claims may be subject to expiration without timely action. ***You need to contact your own lawyer about this issue.***

If you do not exclude yourself from the Class(es), you will keep the right to a share of any recovery that may come from a trial or settlement of this Lawsuit against Defendants. You will not be able to start another lawsuit, continue another lawsuit, or be part of any other lawsuit against Defendants about the legal issues in this case. All the Court's orders in the case by the Class Plaintiffs against Defendants will apply to you and legally bind you. You will also be bound by any judgment in the Lawsuit.

THE LAWYERS REPRESENTING YOU

7. Do I have a lawyer in this case?

The law firm listed below has been appointed by the Court as Lead Counsel for the Class(es). Lead Counsel for the Class(es) is experienced in handling similar cases against other companies. Lead Counsel for the Class(es) is:

Steve W. Berman
HAGENS BERMAN SOBOL SHAPIRO LLP
1301 Second Avenue, Suite 2000
Seattle, WA 98101
steve@hbsslaw.com

8. Should I get my own lawyer?

You do not need to hire your own lawyer because Lead Counsel for the Class(es) is working on your behalf. However, if you wish to do so, you may retain your own lawyer at your own expense.

9. How will the lawyers be paid?

If Class Counsel achieves a recovery for the Class(es), for example by way of settlement or after winning at trial, Class Counsel will ask the Court to approve reasonable attorney's fees, as well as reimbursement of expenses Class Counsel has advanced on behalf of the Class(es). If the Court grants Class Counsel's requests, fees and expenses would either be deducted from any money obtained for the Class(es), or the Court may order the Defendants to pay attorney's fees and costs in addition to any damages award to the Class(es). Members of the Class(es) will not have to pay any attorney's fees or expenses except out of money obtained for the Class(es).

THE TRIAL

10. How and when will the Court decide who is right?

If the claims against Defendants are not resolved by a settlement or otherwise, Class Counsel will have to prove Class Plaintiffs' claims at trial. A jury trial has not yet been scheduled in this case. There is no guarantee that Class Plaintiffs will win, or that they will get any money for the Class(es). Any judgment will be binding on all members of the Class(es) who have not opted out, regardless of who wins.

11. Do I have to come to the trial?

You do not need to attend the trial. Class Counsel will present the case for Class Plaintiffs and the Class(es), and counsel for Defendants will present Defendants' defenses. You and/or your own lawyer are welcome to attend the trial at your own expense. If Class Plaintiffs obtain money or benefits as a result of the trial or a settlement, you will be notified about how to participate. We do not know how long this will take.

IF YOU DO NOTHING

12. What happens if I do nothing at all?

If you do nothing, you will keep the right to a share of any recovery that may come from a trial or settlement of this Lawsuit against Defendant. You will not be able to start another lawsuit, continue another lawsuit, or be part of any other lawsuit against Defendants about the legal and factual issues in this case. All the Court's orders in the case by the Class Plaintiffs against Defendants will apply to you and legally bind you. You will also be bound by any judgment in the Lawsuit.

GETTING MORE INFORMATION

13. How do I get more information?

For more detailed information about this litigation, please refer to the Class(es) website developed for this litigation: www.CVSHSPClassAction.com, or call or write to Lead Counsel for the Class(es) at the address listed on pages 3 or 9 of this Notice. You may also view selected filings from the litigation on the Court's PACER system. Last, you may inspect the papers on file in this litigation at the courthouse by visiting the Office of the Clerk of Court, United States District Court for the District of Rhode Island, One Exchange Terrace, Federal Building and Courthouse, Providence, RI 02903 during normal business hours.

**PLEASE DO NOT WRITE OR CALL THE COURT OR THE CLERK'S
OFFICE FOR INFORMATION.**

DATE: November 10, 2023

BY THE COURT

Honorable William Smith
United States District Judge
District of Rhode Island