



August 11, 2025

Sarah Bartelmann
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421 SW Oak Street
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RE: Incomplete Notice of Material Change Transaction – 056 LucyRx – CerpassRx

Dear Ms. Bartelmann,

We are in receipt of your letter dated August 7, 2025 (“Deficiency Letter”), referencing an incomplete submission of Notice of Material Change Transaction in connection with the proposed transaction involving LucyRx OpCo, Inc. (“LucyRx”) and CerpassRx Holding Company (“CerpassRx”). We have responded to each of your requests for additional information in turn below.

A. Information Required for Complete Submission

1. **Item 7b.** *Entities reference engaging multiple firms to conduct due diligence, including Kirkland & Ellis LLP; Mintz, Levin, Cohn, Ferris, Glovsky and Popeo; PwC; Pharmacy Healthcare Solutions, LLC; Brown & Brown; Aon; Polsinelli PC; and Houlihan Lokey. Please provide copies of summary reports and analyses produced by all firms, including the ones referenced in response to Item 7b. All reports and analyses that will be submitted with your HSR Notification filing must also be submitted to OHA.*

Response: Please see attached *HCMO_LUCYRX_0001451 - 1566* for the summary reports and analyses prepared by PWC; Pharmacy Healthcare Solutions, LLC (“PHSL”); Brown & Brown; and Aon.

The reports and analyses prepared by Kirkland & Ellis LLP and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo are protected by attorney-client privilege.

Any reports or summaries prepared by Polsinelli PC (“Polsinelli”), as counsel to Seller, are protected by attorney-client privilege; moreover, any reports or summaries prepared by Houlihan Lokey, as the banker, were prepared in conjunction and subject to Polsinelli’s legal review, and are also protected by attorney-client privilege.

The parties submitted the HSR Notification and all reports and analyses under separate cover on August 8, 2025.



2. **Item 11b.** *The confidential version of Exhibit 11b.8 contains redactions. Entities must submit a fully unredacted confidential version of this exhibit.*

Response: This documentation will be submitted by Polsinelli on behalf of CerpasRx (Party B) under separate cover.

3. **Item 15.** *Please provide applicable data, metrics, or documentation to support statements made in response to section a. through d.*

Response: Please see the following Exhibits:

Exhibit 15-1: Denise Myshko, “LucyRx Partners with Employers for a New Kind of PBM”, Managed Healthcare Executive, May 31, 2024.

Exhibit 15-2: David Rath, “LucyRx CEO David Blair on Disrupting the PBM Model”, Healthcare Innovation, May 6, 2025.

Exhibit 15-3: AmerisourceBergen, Accelerate Outcomes Study: Integrated Health System Specialty Pharmacies and Cost of Care (2023).

Exhibit 15-4: PSG, Pharmacy Benefit Manager Customer Satisfaction Report (2024).
Please see additional support in our response to Section D. Supplemental Questions, Item #2.

4. **Item 17.** *The Entities responded “not applicable” to this item. Please either describe how the proposed transaction will impact the financial stability of CerpasRx and LucyRx or explain why this is not applicable.*

Response: LucyRx does not anticipate impact to the financial stability of any entity involved in the transaction and accordingly does not believe this item is applicable.

Further, LucyRx conducted thorough diligence of CerpasRx’s finances, and both LucyRx and CerpasRx have strong financial positions. As noted on Bates HCMO_LUCYRX_000269 of Exhibit 10e, LucyRx’s balance sheet reflects its well-balanced and financially stable position. Given that CerpasRx is expected to continue day-to-day operations under its current model with no disruption to existing client relationships or contractual obligations, the parties do not anticipate any impacts to any entity’s financial stability.

5. **Supplemental Materials.**

- a. *Please provide full and complete copies of all agreements underlying the terms of the proposed transaction. For example, your submission fails to include all noted exhibits to the Stock Purchase Agreement.*

Response: Please see attached HCMO_LUCYRX_0001191 - 1450.

- b. *The submitted HCMO-1b Business Entity only lists Healthcare Highways Rx, LLC, despite other entities appearing to be registered with the Oregon Secretary of State.*



Please resubmit this form and include information for all business entities associated with Party A and Party B registered to do business in Oregon.

Response: This documentation will be submitted by Polsinelli on behalf of CerpasRx (Party B) under separate cover.

B. Submission Issues

1. *Please remove confidential watermarks from all public versions of documents. The following public documents are stamped confidential:*

- a. *CerpasRX_000001-000005*
- b. *CerpasRX_000037-000041*
- c. *CerpasRX_000066-000068*

Response: This documentation will be submitted by Polsinelli on behalf of CerpasRx (Party B) under separate cover.

2. *Please resubmit the exhibits included in the LucyRx Project Lotus HCMO Exhibits (HCMO_LUCYRX_0000001- HCMO_LUCYRX_0000263) as separate files.*

Response: We are attaching the LucyRx Project HCMO Exhibits attached as separate files.

C. Redaction Issues

OHA has reviewed the redaction log and requires that the Applicant address the redaction-related items listed in Attachment B to this letter.

Response: We have provided an updated Redaction Log along with this submission. CerpasRx has similarly updated and will submit its Redaction Log under separate cover, which reflects removing the confidentiality of its organizational chart.

D. Supplemental Request for Information

1. *Please provide a detailed narrative describing whether the entities anticipate expanding services throughout other states, including Oregon, post-closing.*

Response: LucyRx's acquisition of CerpasRx will position the combined organization to deliver transparent and high-quality pharmacy benefit management solutions, leverage improved pricing efficiencies, and expand its reach to a larger addressable customer base. While LucyRx will not be targeting any specific geography from a strategic perspective, the combined footprint will cover east, central, and western United States, which will allow it to opportunistically bid on clients nationwide. This could include any state, including the state of Oregon.

2. *Please provide copies of all post-closing projections or other analyses supporting the statements made that the proposed transaction will increase competition and drive innovation, which in turn will reduce costs, improve access, and create better health outcomes for customers and members.*



Response: Given the relatively small size of the deal, and the fact that LucyRx and CerpasRx currently manage less than 0.5% of the nationwide prescriptions (see response to Supplemental Question #3) on a combined basis, the parties did not commission studies examining the impacts of this transaction on competition in Oregon. With that said, this response will: (1) discuss the analyses performed by LucyRx’s consultant PHSL regarding post-closing opportunities, synergies, and savings; and (2) discuss the macrolevel data, documentation, and analyses relied upon.

(1) Post-Closing Analysis

LucyRx engaged PHSL to analyze potential synergies of this transaction. As set forth in Exhibit 7b, PHSL found that a combined LucyRx and CerpasRx entity could have generated significant savings in drug costs over five (5) months of sample claims. Further, PHSL’s analysis found that the combined organization could realize millions in additional rebates on an annual basis. LucyRx’s customers (employers) will directly benefit from these savings, which generally results in lower premiums and out-of-pocket costs for their members. The savings will also allow LucyRx to bid better prices in RFPs to compete with larger PBMs.

(2) Macrolevel Analysis

This section will (a) provide an overview of LucyRx and CerpasRx; and (b) discuss the analyses, data and research that, at a macrolevel, show that independent and transparent PBMs (“Transparent PBMs”), such as LucyRx and CerpasRx, reduce cost and provide better health outcomes compared to more traditional and larger PBMs, such as CVS Caremark, Express Scripts, and OptumRx (“Traditional PBMs”) which currently dominate the market as described below.

(a) Overview of LucyRx and CerpasRx

LucyRx is an independent, technology-driven PBM that strives to provide full transparency to clients and take on more of a fiduciary-like responsibility towards its clients.¹ Unlike Traditional PBMs, which are vertically integrated and affiliated with retail pharmacies and/or have entered the drug manufacturing and/or distribution arena, LucyRx’s independence allows it to remain agnostic to where a drug is dispensed, which, as discussed in more detail below provides cost savings to its clients.² Furthermore, LucyRx has invested in industry-leading cloud technology for claims processing and tools that provide detailed, claim-level reporting, real-time formulary analytics, and decision support tools aimed at improving costs and health outcomes.³ CerpasRx specializes in tailored solutions addressing diverse client needs. Its distinctive approach encompasses prescription optimization programs, flexible formulary designs, personalized member services, and efficient mail

¹ See Exhibit 15-1.

² See Exhibit 15-1.

³ See Exhibit 15-1 and Exhibit 15-2.



delivery and specialty pharmacy programs. Its principal values of collaboration, accountability, passion, and empowerment allow it, as an independent company, to deliver to its customers excellent cost and service.

(b) Benefits of LucyRx and Transparent PBMs

Overview of current PBM Market. The PBM industry is largely dominated by three Traditional PBMs, CVS Caremark (owned by CVS Health), Express Scripts (owned by Cigna) and OptumRx (owned by UnitedHealth Group). Together, these three companies processed nearly 80% of all prescription claims in 2024. Each of CVS Caremark, Express Scripts, and OptumRx are owned by or vertically integrated with large health insurers and/or retail pharmacy chains. This vertical integration raises competitive concerns and concerns over drug pricing.

Benefits of LucyRx. As a Transparent PBM, LucyRx is positioned to offer its clients innovative pricing strategies and a transparent, pass-through manufacturer rebate model, which has numerous advantages, as discussed below:

- High Client Satisfaction. As outlined in Exhibit 15-4, PSG found that Transparent PBMs, including LucyRx, have greater client satisfaction. In fact, 72% of plan sponsors who worked with Transparent PBMs were satisfied with their PBM's transparency, versus 56% of plan sponsors that worked with the Traditional PBMs. 66% of plan sponsors who worked with Transparent PBMs are satisfied with transparency to rebates, compared to only 38% of plan sponsors who worked with the Traditional PBMs. Further, 32% more plan sponsors who work with Transparent PBMs report being satisfied with their PBM's transparency to its sources of revenue as compared to Traditional PBMs.⁴
- Reducing Cost for Clients and their Members. LucyRx's model is built on clinically sound, data-driven strategies. Below are data-driven cost containment strategies used by LucyRx that save its clients and in turn their members money. The transaction will increase access to these strategies, both in Oregon and on a national scale:
 - Biosimilars and Anti-Inflammatory Optimization. Traditional PBMs have been slow to adopt biosimilars, often due to rebate arrangements that favor high-cost originator drugs. LucyRx takes a proactive approach, by, for example steering members from name-brand anti-inflammatory drug Humira to biosimilars, saving members tens of thousands of dollars annually. For one client, biosimilar adoption and utilization surveillance cut per member per month ("PMPM") costs by nearly 60% and delivered a 4:1 return on investment in the first year of the contract.
 - Pharmacy Channel Flexibility. Traditional PBMs often require exclusive use of their own mail order pharmacies, limiting access to market-based

⁴ See Exhibit 15-4.



pricing. LucyRx works with transparent, next-day mail-order pharmacy partners. One employer saved 30% on annual pharmacy spend by switching to these lower-cost channels.

- Transparent Formulary and Rebate Strategy. LucyRx offers a conflict-free, pass-through rebate model that prioritizes lowest drug wholesale acquisition cost options. This increases formulary performance by 10–20%, gives clients full transparency, and aligns incentives around value and affordability.
- Broader Access to Specialty Drugs: Better Outcomes and Lowering Costs. While many Traditional PBMs drive utilization of specialty drugs to an affiliated specialty pharmacy, LucyRx supports “integrated specialty pharmacy models,” whereby LucyRx contracts with health system specialty pharmacies. This model has been shown to improve patient outcomes and reduce healthcare costs.⁵ For example, with LucyRx, cancer patients can receive their outpatient oral chemotherapy from the cancer center pharmacy where they see their oncologist instead of being forced to use a specialty pharmacy owned by their PBM. A multi-site study found patients in integrated systems had 32% lower medical charges, 14% lower oral oncology drugs costs, and 38% lower costs over the full duration of therapy. Additional benefits included 31% lower outpatient charges and shorter hospital stays - demonstrating the impact of coordinated care.⁶
- Increasing Access. LucyRx has designed programs and strategies to remove the systemic and logistical barriers that limit pharmacy access for rural, low-income, and non-English-speaking communities, thus increasing access to drugs and services for its clients and their members.
 - Same-Day/Next-Day Home Delivery. LucyRx partners with mail-order pharmacies to provide low-cost, next-day delivery of maintenance medications. This improves adherence, reduces missed doses, and ensures continuity of care in areas with limited pharmacy infrastructure.
 - 24/7 Multilingual Member Support. LucyRx staffs its contact center entirely with certified pharmacy technicians and provides support in over 200 languages through live interpretation. This ensures that members from diverse backgrounds receive timely, accurate assistance in navigating their pharmacy benefits and treatment options.
 - LucyRx's Sustaining Pharmacy Access and Rural Care Program (SPARC). The SPARC program is designed to extend pharmacy services to underserved communities, especially in rural and remote areas.

⁵ See Exhibit 15-3.

⁶ Id.



LucyRx reimburses independent pharmacies in pharmacy deserts an additional \$5.00 per prescription to help them remain viable. By leveraging innovative partnerships for same-day and next-day medication delivery, integrating access to deeply discounted generics, and providing 24/7 multilingual support, SPARC addresses the systemic barriers that often prevent low-income, uninsured, and non-English-speaking individuals from obtaining necessary treatments in pharmacy deserts. This initiative ensures continuity of care and improved health outcomes for rural populations, reinforcing LucyRx's mission to close gaps in healthcare access across Oregon.

- LucyRx-CerpassRx Combination Will Enhance These Benefits. As previously noted, the proposed combination will bring together two independent, non-vertically integrated, transparent entities that will be able to enhance the aforementioned benefits to Oregonians, all of which align with the access, equity, and cost transparency goals of the state.

3. *What percentage of all the prescriptions in the United States does LucyRx and CerpassRx collectively manage?*

Response: Together, LucyRx and CerpassRx manage nearly 6 million claims, which likely represents less than 0.5% of all prescriptions in the United States. By contrast, the Traditional PBMs likely manage 2.8 billion claims, given their 80% share of all prescription claims processed in the United States.