

Exhibit 16(d) - Pharmacy Services Market Participants

There are various types of pharmacies, including traditional brick-and-mortar, mail-order, virtual pharmacies (which are growing in number), as well as White Label providers. The pharmacy services market is highly fragmented: in 2023 there were 71,000 pharmacies dispensing 6.6 billion prescriptions (“Rxs”) and generating revenues of \$600 billion.¹ Pharmacies in the market compete fiercely with each other. Patients with drug insurance plans can typically choose where to fulfill their prescription as can those paying directly.

The brick-and-mortar retail pharmacy channel accounts for 90% of total prescription fulfillment in the United States, while mail-order, virtual, and White Label pharmacies account for the remaining 10%. Of that 10%, online pharmacies (including White Label pharmacy service providers) are estimated to represent, at most, only about 1% of the total market.

1. Brick-and-Mortar Retail Pharmacies

Brick-and-mortar pharmacies, which include retail chains, regional pharmacies, and independent pharmacies, are the primary participants in the pharmacy services market. This category includes large national pharmacy networks that operate multiple locations under a single brand (e.g., CVS, Walgreens, Walmart, Kroger, Rite Aid). Patients can pick up a broad range of medications, OTC, or other care supplies, from the physical pharmacy location, or in some cases have the medication delivered from the retail location. As noted above, brick-and-mortar pharmacies account for 90% of all Rx fulfillment.

There is no shortage of brick-and-mortar retail pharmacies (literally, thousands of locations). A non-exhaustive list of retail pharmacy chains is as follows:

- CVS Pharmacy
- Kroger
- Walgreens
- Wegmans
- Target
- Albertsons
- SpartanNash
- Rite Aid
- Giant Eagle
- Costco
- Safeway
- ShawsOsco Pharmacy
- Stop & Stop
- Tops
- Southern Grocers
- Ahold Delhaize
- Cub Pharmacy

¹ See page 15 and 18 of FTC’s *Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies*, dated July 2024 (“FTC PBM Report”).

- Harris Tetter
- Kinney Drugs
- Thrifty White
- Discount Drug Mart
- Lewis Drug
- Auburn Pharmacies
- Fruth Pharmacy
- Hartig Drug
- Hi-School Pharmacy
- Health Mart
- Good Neighbor Pharmacy
- Medicine Shoppe / Medicap

2. Mail-order Pharmacies

Another key participant in the pharmacy services market is mail-order pharmacies. Historically, these were PBM-owned operations that dispensed brand-name, specialty, and generic medications to their members and other third parties. While PBMs can establish a network of pharmacies that allow consumers with prescription drug insurance to fill their prescriptions, some PBMs also operate their own pharmacies. These mail-order pharmacies are highly automated facilities that fill prescriptions from a central location (known as “central fill”), and are therefore often referred to as “central fill mail pharmacies.” Based on national prescription dispensing revenues, five of the largest pharmacies are PBM-owned mail pharmacies, and the three largest PBM-owned mail pharmacies (i.e., Express Scripts, CVS Caremark, and OptumRx) account for three-quarters of total mail-order pharmacy prescription revenues.

Patients primarily choose mail-order pharmacies for insurance-related reasons. Many health plans mandate that some or all maintenance medications² be dispensed through mail pharmacies, due to the claimed cost savings for the plans.

More recently, closed-network health maintenance organization (“HMO”) operators (e.g., Kaiser Permanente, Geisinger Health Plan, Intermountain Healthcare) have also become active in this segment. For example, in early 2023, an established HMO, Kaiser Permanente, entered this segment to ensure its members have access to their medications. It has moved its patients’ prescriptions from out-of-network pharmacies to its own locations and mail-order sites.³ Kaiser Permanente makes it clear that it cannot require members to use their mail-order pharmacy services, but it does offer such services for certain drugs.⁴ However, similar to the cost-saving aspects of PBM-owned mail-order pharmacies, while Kaiser Permanente’s members have the

² These are the drugs taken on a recurring basis to treat chronic illnesses.

³ See [New Kaiser policy requiring mail-order prescription refills stings rural pharmacies](#) (“Kaiser Permanente is committed to ensuring our members continue to have access to their medications. In the rare event a member’s prescription does not reach their home, a specially trained pharmacy staff member will work with the impacted member to assist with a time sensitive supply of medication at a network pharmacy”) and [Kaiser shifts patients’ prescriptions to its own pharmacies, mail-order sites - Becker’s Hospital Review | Healthcare News & Analysis](#) (“Kaiser Permanente moved people’s prescriptions out of network pharmacies and into its own locations and mail-order sites”).

⁴ See Kaiser Permanente’s Policy ([Pharmacy Services](#)).

option of filling prescriptions at non-Kaiser pharmacies, the cost of those fills is not covered by the patient's pharmacy benefit.⁵ Therefore, patients have a financial incentive to use Kaiser Permanente's mail-order pharmacy.

There are dozens of players within this segment and a non-exhaustive list of mail-order pharmacies is as follows.

- Express Scripts (owned by Cigna)
- CVS Caremark (owned by CVS)
- CenterWell Pharmacy (owned by Humana)
- Kaiser Permanente
- Envolve Health
- OptumRx (owned by United Health Care)
- BirdiRx (owned by MedImpact)
- Elixir Mail (owned by MedImpact)
- Avita Care Solutions
- Curant Health
- PantherRx Rare
- Senderra Rx
- SMP Pharmacy Solutions
- Soleo Health
- Geisinger Health Plan
- Intermountain Healthcare / SelectHealth
- Anovo Specialty

3. Virtual Pharmacies (“D2C”)

Virtual pharmacies are (“D2C”) branded pharmacies with direct interactions with patients through a digital experience and brand; under this model patients do not need to go to a physical brick-and-mortar location for their medications. Virtual pharmacies have developed technological capabilities and industry relationships in order to provide this digital/virtual experience to patients. Patients can complete the intake process, and even engage with pharmacists, online, and the medications are delivered to the patients. The delivery can occur through mail-order delivery or local couriers.

The virtual pharmacy segment is continuously growing as it transforms the traditional pharmacy experience by enhancing speed, convenience, and accuracy. In fact, many brick-and-mortar players such as Kroger and Walgreens also offer virtual pharmacy services. In addition, Amazon Pharmacy, one of the leading players in the market, has begun using AI to expand its same-day delivery services in Los Angeles and New York City.⁶ This segment is expected to continue its

⁵ See [The Safety and Effectiveness of Mail-order Pharmacy Use in Diabetes Patients - PMC](#) (“While KPNC members also have the option of filling prescriptions at non-KPNC pharmacies, the cost of these fills are not covered by the patient's pharmacy benefit.”).

⁶ See [Amazon Pharmacy now offers Same-Day Delivery in New York City and the L.A. area. Here's how AI is helping us deliver medication faster.](#)

growth, driven by ongoing innovation, increased consumer awareness, and the expanding use of digital health applications in the wellness space—all of which are creating lucrative opportunities.⁷

There are dozens of players within this segment and a non-exhaustive list of virtual pharmacies is as follows:

- Amazon Pharmacy
- Kroger
- Mark Cuban CostPlus Drug Company
- Walgreens
- Alto Pharmacy
- GiftHealth
- Foundation Health
- Health Warehouse
- CoverMyMeds
- Medvantx
- Honeybee
- Capsule
- Healthdyne
- GoGoMeds
- UpscriptHealth
- Blueberry Pharmacy
- DiRx
- Freedom Pharmacy
- HonestRx
- GenScripts Pharmacy
- ScriptCo
- Marley Drugs
- RedBoxRx
- divvyDose
- CareZone
- Cerebrel
- Lemonaid Health
- NowRx
- Sesame
- Thirty Madison
- Ro
- ZipDrug
- Done
- LifeMD

4. Pharmacy Platforms (“White Label”)

⁷ See [Online Pharmacy Market Size, Trends, Growth & Demand Report](#).

Companies that want to incorporate pharmacy services but do not have some or all of the capabilities to do so can partner with pharmacy platform providers. Under this White Label model, these pharmacy services providers offer technological capabilities, supply logistics, intake and/or dispensing support, and other expertise to their customers, who then connect to patients via a branded or a co-branded digital pharmacy experience, fulfilling prescriptions written by patients' healthcare providers.

For example, a drug manufacturer may desire to offer a particular medicine directly to patients, but does not have the capabilities to do so. It can then partner with one or more pharmacy platforms⁸ to obtain the capabilities it needs to dispense its product directly to patients – intake and prescription validation, benefit and insurance verification and eligibility, Rx processing and fulfillment, delivery of medication to patients, and post-administration patient support. This pharmacy experience is usually branded with the drug manufacturer's brand and not the pharmacy platform provider's brand.

These pharmacy platform services can serve as an alternative channel for drug manufacturers to offer their products. 95% of prescription drug volume is distributed through wholesalers. However, under the White Label pharmacy platform model, non-wholesaler companies like Truepill, Gift Health, and KnippeRx can enter into a direct distribution agreement with drug manufacturers, bypassing wholesalers. This direct distribution model reduces costs for both manufacturers and pharmacies, enabling lower prices for patients while increasing competition among drug manufacturers. Furthermore, this structure mitigates wholesalers' market power, potentially leading to lower distribution fees.

Additionally, PBMs are typically heavily involved in the drug supply chain by managing prescription drug benefits for health plans, insurers, and employers, acting as an intermediary between pharmacies, drug manufacturers, and insurance companies. The PBM constructs a drug formulary that specifies which medications will be covered by members under the drug benefit plans. In this capacity, PBMs negotiate rebates and discounts with the drug manufacturer. In some cases, the in-house mail-order pharmacy division of the PBM enters into an additional direct purchase agreement with the manufacturer, and receives rebates for the volume that it purchases and dispenses.

This segment is nascent, diverse, and rapidly evolving, with well-funded and established pharmacy services market players actively participating in and entering the space. The White Label model has grown in popularity in recent years, particularly for drugs that are high in demand, limited in supply, or require specialized handling and post-dispensing support. Customers in this segment include health plans, drug manufacturers, payers, and providers—typically large, sophisticated organizations with in-house resources and external networks, capable of supporting and sponsoring new third-party partnerships.

There are dozens of players within this segment and a non-exhaustive list of White Label pharmacy platform providers is as follows:

- Amazon Pharmacy

⁸ Pharmacy platform providers partner with sophisticated and large establishments, who commonly use more than one vendor.

- Kroger
- Walmart
- Evernorth
- Express Scripts
- PharmaCord
- Walgreens
- Eversana
- Alto Pharmacy
- Healthdyne
- Hims & Hers
- Foundation Health
- KnipperRx
- Truepill
- CenterWell Pharmacy
- Medvantx
- CaryRx
- GoGoMeds
- GiftHealth
- Capsule
- HealthWarehouse
- AssistRx
- PhilRx
- NimbleRx
- BlinkRx