



DAVE YOST

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February 11, 2019

Via Email (ellen.nelson@optum.com) and
Facsimile 312.261.7841

OptumRx Administrative Services, LLC
Attn: Ellen Nelson
1600 McConnor Parkway
Schaumburg, IL 60173

RE: *State of Ohio BWC Pharmacy Benefit Management Services –
Demand for Mediation of Claims*

Dear Ms. Nelson:

As Ohio Attorney General, I represent the Ohio Bureau of Workers' Compensation ("BWC"). As you are aware, our client believes that (1) OptumRx failed to manage BWC's MAC List Effective Rate to achieve the discounts against AWP promised by OptumRx, and (2) OptumRx wrongfully increased prices charged to BWC. Formal notice of these issues was provided to OptumRx, though the issues remain unresolved. The State of Ohio and the BWC consider these matters of considerable public significance and have calculated the following overcharges attributable to OptumRx's failure to adhere to agreed discounts on generic drugs for the following indicated periods of time, inclusive of any setoffs permitted by the contract:

11/01/16 to 10/27/18	\$ 7,194,091
07/01/16 to 10/31/16	\$ 985,167
01/01/16 to 06/31/16	\$ 1,684,291
01/01/15 to 12/31/15	\$ 5,979,563
Total:	\$15,843,112

The above amount, of course, does not include other damages (including any that may be attributable to increased prices paid by BWC due to impermissible business practices designed to favor OptumRx's other clients or for any other breach).

Pursuant to the terms of the contract between the parties, specifically page 80 of the 2009 Request for Proposals, the parties are obligated to attempt to resolve any dispute by way of non-binding mediation conducted pursuant to the rules stipulated by the American Arbitration Association (the "AAA"). The purpose of this correspondence is to inform OptumRx that BWC and the State of Ohio intend to file with the AAA a demand for mediation of the disputes, absent an agreement between the parties to mutually select a mediator without the AAA's involvement. Please let us know whether OptumRx would prefer to work towards a joint selection or rely on the AAA process.

Further, in the interest of efficiency and in recognition of the past and continued relationships that exist between OptumRx and various agencies and departments of the State of Ohio, we are prepared to meet with representatives of your company at a mutually convenient time and location prior to a formal mediation to discuss these issues.

Please let our outside counsel know if you feel that such a meeting would be productive and, if so, potential dates on which it might be scheduled. Our outside counsel on this matter are Attorney Jack T. Diamond of Brennan, Manna & Diamond, LLC, 330.253.5060 and Attorney W. Lawrence Deas of Liston & Deas, PLLC, 601.981.1636.

We look forward to your response and to working with you as this matter proceeds.

Please be advised that our client is not waiving any rights and/or remedies at law and/or in equity.

Sincerely,



Dave Yost
Ohio Attorney General

cc: Kevin Cogan, Esq. (via email Kevin.c.14@bwc.state.oh.us)
Chief Legal Counsel and Ethics Officer
Bureau of Workers' Compensation
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