



**Harvard Pilgrim Health Care is First Regional Health Plan to Execute
Pay-for-Performance Deal with Novartis for Entresto®**

Heart Failure Drug Reduces Risk of Hospitalizations and Death

(Wellesley, MA) Harvard Pilgrim Health Care announced that it is the first regional health plan to execute a pay for performance agreement with Novartis for its new heart failure drug, Entresto®. The deal will provide Harvard Pilgrim with a discount if Entresto does not provide a given level of reduction in hospitalizations for congestive heart failure.

Entresto is used in place of more traditional drugs, such as ACE inhibitors or ARBs, for patients who suffer from chronic heart failure with reduced ejection fraction, which represents abnormally low pumping function of the heart muscle. It helps to lower the risk of hospitalization and cardiovascular death for heart failure patients by lowering blood pressure, keeping blood vessels open and improving blood flow. In clinical trials, Entresto showed a 20% reduction in the relative risk of death from cardiovascular causes or hospitalization for worsening heart failure when compared to an ACE inhibitor.

“Our goal is to bring value to our members by finding creative and effective ways of negotiating contracts based on actual patient outcomes. Executing these types of agreements can make it easier for payors to provide access to newer therapies since they tie payment for the drugs to meaningful endpoints,” said Harvard Pilgrim Chief Medical Officer Michael Sherman. “We appreciate that Novartis was willing to come to the table and work with us on this agreement.”

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About Harvard Pilgrim Health Care

Harvard Pilgrim is a not-for-profit health services company that, along with its subsidiaries, is improving the well-being of its 2.7 million customers. Harvard Pilgrim’s flagship health plans in New England provide health coverage to 1.3 million members, while another 1.4 million individuals are served through Health Plans, Inc., a subsidiary that provides integrated care management, health coaching and plan administration solutions to self-funded employers nationwide. Founded in 1969, Harvard Pilgrim has built its reputation on innovation and collaboration with a goal of lowering health care costs, improving care and enhancing the overall member experience. It is known for its excellent clinical programs, customer service, health improvement strategies and innovative tools that offer consumers greater transparency and empower them to make better decisions about their health care. Harvard Pilgrim is home to the Harvard Pilgrim Health Care Institute, a unique collaboration with Harvard Medical School. As Harvard Medical School’s Department of Population Medicine, the Institute is the only appointing department of a U.S. medical school housed within a health plan. Funded primarily through

external government and private sources, it provides critical information to all levels of our health care system on issues affecting population health and health care delivery. Harvard Pilgrim is consistently among America's highest-rated health plans according to an annual ranking of the nation's best health plans by the National Committee for Quality Assurance (NCQA)*.

*Harvard Pilgrim Health Care is currently rated 5 out of 5 for its private HMO/POS and PPO plans and Harvard Pilgrim Health Care of New England is currently rated 4.5 out of 5 for its private HMO/POS plans in NCQA's Private Health Insurance Plan Ratings 2015-16. NCQA's Private Health Insurance Plan Rankings, 2011-15, HMO/POS/PPO.

Entresto[®] is a Trademark of Novartis AG.