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Express Scripts

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Introduction

The story of Express Scripts is, in many ways, a microcosm of American ingenuity and resilience, intertwined with the complex evolution of the nation's healthcare system. Founded in 1986 in St. Louis, Missouri, Express Scripts began as an innovative venture aimed at transforming how Americans accessed and paid for prescription medications. What started as a local partnership seeking to streamline prescription fulfillment rapidly grew into a powerhouse shaping the way millions of people receive their medicines—often quietly, behind the scenes, and almost always with significant impact.

As a pharmacy benefit manager (PBM), Express Scripts sits at a critical intersection between patients, pharmacies, drug manufacturers, health plans, and employers. By negotiating prices, managing formularies, harnessing data science, and providing access to both everyday and specialty medications, Express Scripts has become a key player behind one of the most expensive and important components of modern healthcare: prescription drugs. This pivotal role has drawn both praise and criticism, with the company seen as both a champion for affordability and efficiency, and a lightning rod for controversies over pricing, transparency, and industry consolidation.

Throughout its history, Express Scripts has been defined by bold acquisitions and ambitious strategies. Moves such as the purchase of Medco Health Solutions and the later integration into Cigna's Evernorth brand reshaped the competitive landscape, creating a vertically integrated entity with unmatched influence. Yet, rapid growth and an expanding role brought formidable challenges. From the explosive growth of specialty pharmaceuticals to evolving regulations, public scrutiny, and high-profile legal battles, Express Scripts has faced—and often shaped—critical questions about cost, access, and equity in American healthcare.

This book aims to provide both a detailed history and a clear-eyed assessment of Express Scripts' business, culture, and broader significance. It traces the company's journey from its modest beginnings through its major turning points—each influenced by shifting market conditions, policy changes, and technological innovations. The narrative will delve into the complex systems Express Scripts helped build, the controversies it sparked, and the solutions it continues to pursue in response to unprecedented challenges in healthcare delivery and drug pricing.

Today, as part of Cigna's Evernorth division, Express Scripts is the largest PBM in the United States, playing a determinative role in the lives of tens of millions of consumers. Its future will be shaped by relentless innovation, growing demands for accountability and transparency, changing political landscapes, and an ever-greater

focus on addressing the needs and expectations of patients, clients, and society as a whole.

By exploring the company's origins, its evolutions, its controversies, and its immense impact, this book seeks to illuminate the forces that have shaped not just Express Scripts, but the very system of medication access and affordability in America. The chapters ahead will guide readers through the milestones, challenges, and prospects that define both the company and the ongoing story of American healthcare.

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CHAPTER ONE: Beginnings in St. Louis: The Founding of Express Scripts

The year 1986 might not immediately spring to mind as a landmark in healthcare innovation, but it was in this unassuming period that Express Scripts first took root in St. Louis County, Missouri. The seeds of what would become a colossal force in American pharmacy benefit management were sown through a joint venture, a collaboration born out of a desire to streamline the often-cumbersome process of prescription fulfillment.

At its genesis, Express Scripts was the brainchild of two distinct entities: Medicare Glaser Inc., a retail pharmacy chain with a local footprint, and Sanus Corp. Health Systems, a health management organization (HMO). Sanus, itself an offshoot of Bradford Systems and Administrative Services, brought to the table an understanding of broader health management, while Medicare Glaser contributed direct pharmacy experience. This union was, in essence, an early attempt at vertical integration, albeit on a much smaller scale than the behemoth it would later become.

The initial vision was straightforward yet, for its time, quite forward-thinking. The goal was to create a system that made it easier for people to get their medications. For local clients, the solution was simple: they could pick up their prescriptions directly from Medicare-Glaser pharmacies, leveraging the existing retail infrastructure. However, the true innovation lay in addressing the needs of clients situated outside the immediate vicinity of these local pharmacies.

For those in other cities, Express Scripts pioneered a then-novel approach: mail order. In an era before widespread internet use and next-day delivery became commonplace, receiving prescriptions through the mail was a significant convenience. It bypassed the need for a physical visit to a pharmacy, saving time and, potentially, travel costs for patients. This early commitment to mail order delivery underscored a foundational principle that would guide Express Scripts for decades: leveraging logistical efficiency to improve access and reduce friction in the prescription process.

The joint venture, while strategically sound, faced the typical challenges of any nascent enterprise. Building trust, establishing reliable delivery networks, and navigating the nascent regulatory landscape of pharmacy benefits were all part of the daily grind. Yet, the foundational premise – that a centralized system could manage prescription benefits more efficiently than a fragmented one – proved compelling enough to attract early clients.

From these humble beginnings in St. Louis, a framework began to emerge. It was a framework built on the idea of intermediation – standing between the patient and the pharmacy to manage the flow of prescriptions and payments. This intermediary role, which would later be formalized as pharmacy benefit management, was still in its formative stages in the mid-1980s. Express Scripts was not just participating in a new industry; it was actively helping to define it.

The initial operations were focused on building relationships with both clients and pharmacies, ensuring a smooth flow of information and medication. The concept of a "pharmacy network" began to take shape, allowing Express Scripts to connect patients to a wider array of dispensing locations than just Medicare-Glaser's own stores. This early expansion beyond its immediate parent company's reach hinted at the vast networks Express Scripts would eventually command.

In essence, Express Scripts' birth in 1986 was a practical response to a growing need for more organized and cost-effective prescription drug access. It wasn't born out of a grand theoretical design, but rather a pragmatic partnership between a pharmacy chain and a health management organization. This grounded approach, focusing on tangible benefits like convenience and efficiency, would prove to be a powerful catalyst for its future growth and eventual dominance in the PBM landscape. The foundation was laid, brick by brick, in the quiet suburbs of St. Louis.

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