

CVS Looks to Generation Health to Head Caremark

By: Kerri McCutchin

On December 21, 2009, CVS Caremark Corporation announced the appointment of Per G.H. Lofberg as president of its pharmacy benefit management business (PBM), effective January 4, 2010. Lofberg has more than 30 years experience in the healthcare and PBM industry, “including the role of Chairmen for Merck Medco Managed Care LLC, which later became Medco Health Solutions.”(1) Lofberg is currently serving in the roles of President and CEO of Generation Health Inc., a company that focuses on genetic testing benefit management. By hiring Lofberg, Generation Health has become a strategic partner with CVS Caremark; this collaboration has resulted in the expansion of pharmacogenomic (which is the interaction between medications and a patient’s genes) clinical and testing services for customers [1].

One of the services that CVS will offer is counseling patients with certain diseases to undergo genetic tests. Among the first patients to receive counseling are those with diseases in which genes are known to play a role in what drugs are effective in treatment. “The company said those patients will be encouraged to use a drug that has been proven to work on people with a similar genetic profile as their own.” [1]

It seems many are optimistic about the experience and knowledge Lofberg can bring to CVS Caremark Corporation. Tom Ryan, Chairman, President and CEO of CVS Caremark notes:

“Per is widely respected in the PBM and health care industry. He brings a wealth of experience in working with key clients to understand the needs of the marketplace and produce meaningful results. His expertise, along with his demonstrated ability to execute growth strategies, makes him the perfect person to guide our PBM in the evolving health care environment.” [1]

One possible explanation for hiring Lofberg might be that it was an initiative taken by CVS Caremark Corporation in hopes of combining its drug benefit management services with patients’ genetic profiles. In November, Generation Health Inc. and CVS Caremark Corporation established a partnership to research pharmacogenomics. In particular, pharmacogenomics can determine whether or not a drug works for specific patients [2]. The utilization of pharmacogenomics could improve treatment and reduce costs for Caremark, allowing patients to avoid drugs that would not work for them. CVS will begin to offer some pharmacogenomic services starting in the second quarter of 2010 and will focus largely on diseases such as cancer, heart disease and HIV [3].

Lofberg comments that “he is looking forward to the opportunities and challenges of running one of the nation’s largest PBMs” and states, “CVS Caremark’s corporate resources and its leadership

position as the country's largest provider of pharmacy services offers a tremendous platform for innovation and growth in our complex and challenging health care system" [1].

Sources:

[1] <http://info.cvscaremark.com/newsroom/press-releases/cvs-caremark-appoints-lofberg-president-pbm-business>

[2] http://news.yahoo.com/s/ap/20091221/ap_on_bi_ge/us_cvs_caremark_generation_health_2

[3] http://www.google.com/hostednews/ap/article/ALeqM5gN_2fpJwvjczd8KMa40Q00HRLrDgD9CNVN7G0