
Barrett A. Toan

Express Scripts

By M. Karen Hubbard

Express Scripts was created in 1986 in Saint Louis, Missouri. A health insurance company, Sanus Corporation Health Systems got together with a pharmacy company that had more than 100 stores and formed Express Scripts. Express Scripts was purchased by the New York Life Insurance Company in 1989 and became a publicly traded company in 1992. The company's headquarters is located on the University of Missouri – St. Louis campus, and is a pharmacy benefit management company. It serves managed health care organizations, insurance carriers, employers, and union-sponsored benefit plans. These organizations work to provide health care to people.

Express Scripts started with mail pharmacy services, meaning that customers who needed medication would order prescriptions from Express Scripts and the company would mail the medications to the customers. Soon the company grew to provide more services, such as designing medication coverage for various companies' employees.

It was Barrett A. Toan who helped the company make a profit and expand. He was the chairman and chief executive officer by 1992 when the company became publicly traded. Express Scripts revenues increased when Toan joined the company, and he was referred to as a "Pharmaceutical Genius" by St. Louis Commerce Magazine in 2001.

As a teenager in the 1960's in Briarcliff Manor, New York, Barrett Toan was fascinated by an article in the New Yorker magazine. The article presented information about Medicaid and Medicare. These are health care programs for low-income and elderly people that we support by paying taxes. The article encouraged his interest in health care policies and influenced his career choices. He earned a bachelor's degree at Kenyon College and a master's degree at The Wharton School of Finance and Commerce at the University of Pennsylvania. He then went to work for Illinois Governor Dan Walker's Bureau of the Budget for three years, gaining experience in government finance. Mr. Toan helped Bill Clinton prepare his first budget, Arkansas' state budget, during Mr. Clinton's campaign for governor. Mr. Toan stayed on as Arkansas' Commissioner of the Division of Social Service. At the end of Governor Clinton's first term, Missouri's Governor Christopher (Kit) Bond recruited Toan to become the director of the Missouri Department of Social Services. Toan lists the Children's Trust Fund and Parents As Teachers as two of his legislative accomplishments which he helped pass. At the end of Governor Bond's second term, Toan had served ten years in public service and felt it was time to try working in private business.

Toan served as executive director and chief operating officer from 1985-1991 for Sanus of Missouri, Inc., a health care insurance company. He was also working part time at Express Scripts, the company that provided medications by mail to Sanus members. He began working with Express Scripts full time in 1992 and became its Chairman and CEO.

When Toan arrived, Express Scripts was losing millions of dollars a year. He led a thorough analysis of how they could stay in business. He redefined the company as a pharmacy benefit manager (a company that would help others organize and manage their medication costs). Toan feels that this is how Express Scripts was able to get many new contracts and make money. The company also created a national program that had the same pricing for local pharmacies and mail order in all 50 states.

Toan says that what made a difference in the early days of mail pharmacy was the invention of medications for chronic illnesses. Chronic illnesses are those that aren't cured but whose bad effects are helped by medicines. He explains that people go to the local drug store for medications they expect to have to take for only a short time. However, for medications that people have to take for a long time, or maybe for the rest of their lives, it makes sense to order through the mail. Express Scripts was probably one of the first to do this.

Toan said that the company is always looking for new products and services that have a similar fit. Stuart Greenbaum, dean of the Olin School of Business at Washington University, states that, "Toan is able to strategize at a high level of sophistication."

Toan retired in May 2006. He came to the company when it was losing millions of dollars a year and left the company with a net income of \$474.4 million, employing over 11,000 people and ranked #132 on the Fortune 500 which is a list of the country's top 500 companies. Express Scripts received the Fortune 500 first ever "Streetie Award" for best overall performance by any company. Through Toan's guidance, great value was added to the company through mail pharmacy services and designing pharmacy benefit plans, among other innovations. Needless to say, Barrett A. Toan contributed much to getting Express Scripts to this point in its growth and development.