

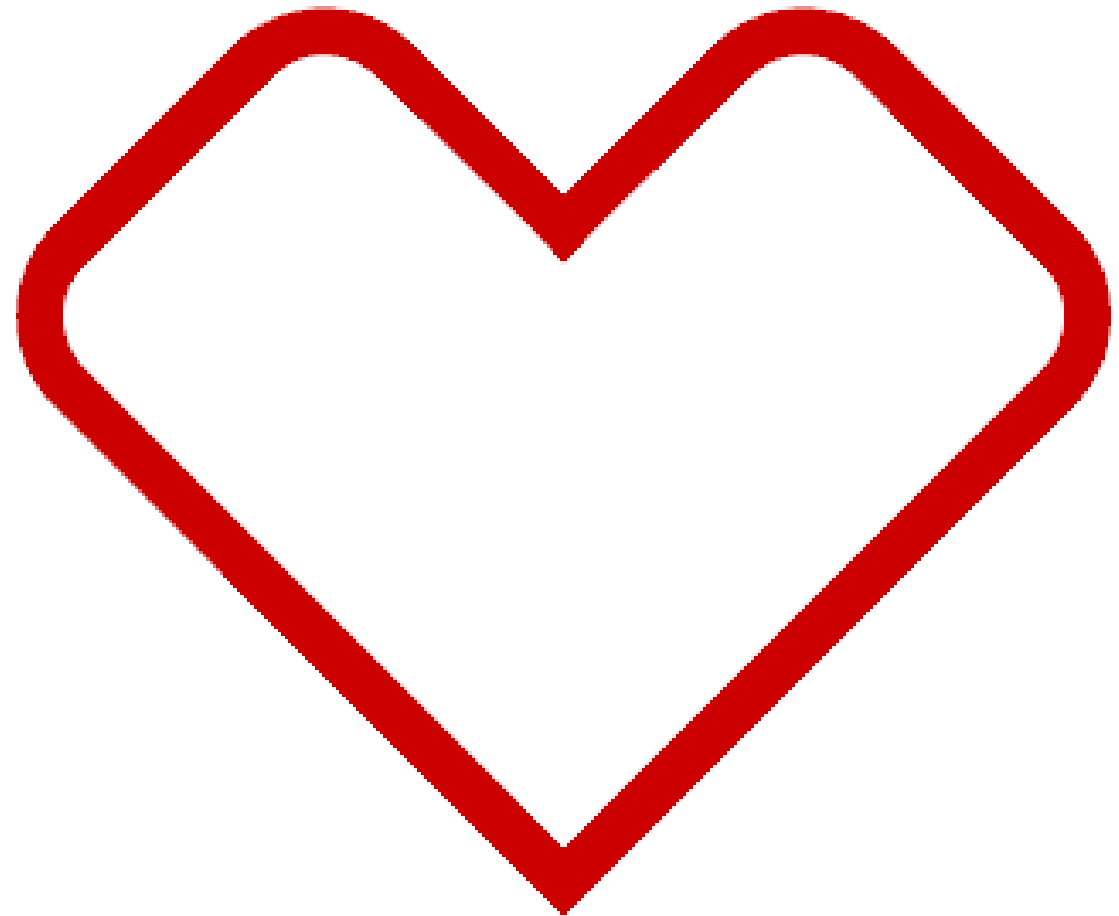
Health Care Landscape - Connecting Patients to Care

NLGA Annual Meeting

July 21, 2022

Leanne D Gassaway, MHA MSL
Vice President, State Government Affairs

 **CVS**Health®





AGENDA

- 1. CVS Health – Who We Are**
- 2. Health Care System Overview**
- 3. Value of Integration**
- 4. Q&A**

The CVS Health Family



~300K

CVS Health
Employees

~2.5B

Prescriptions dispensed in
2020

23M

**Total Aetna
Members**

Commercial
Medicare Advantage
Medicare Part D
Medigap
Medicaid

9,900

Retail Locations in 50
states, DC and PR,
serving **4.5M customers**
daily

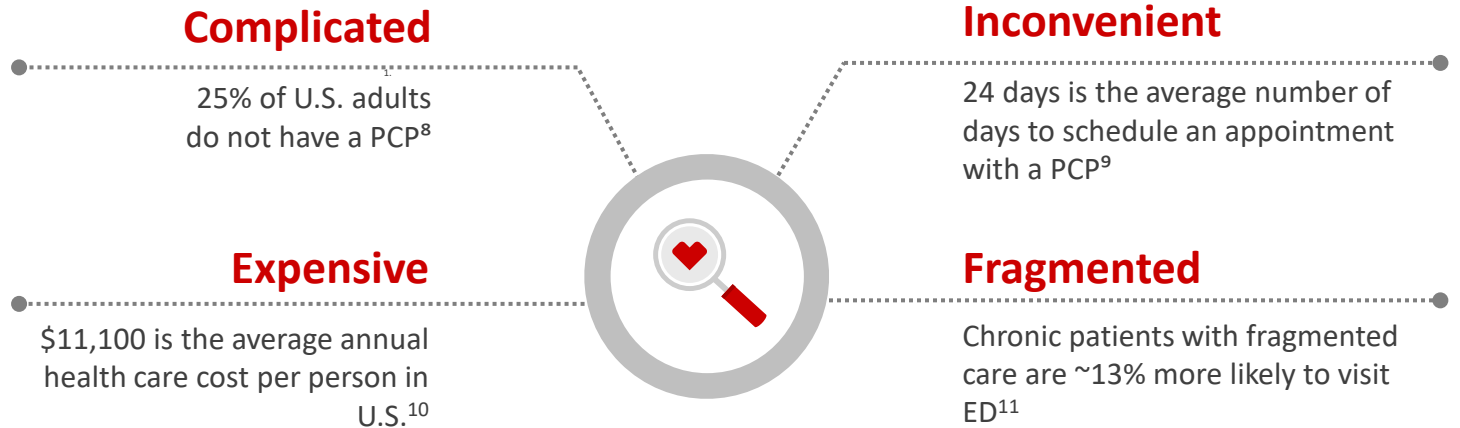
~102M

Pharmacy benefit
manager (PBM) plan
members



The System Remains...

Consumers still have significant needs not addressed in the current health system



Impacted by increasing prevalence of health conditions

Currently 1 in 10 U.S. adults reporting diabetes, with an additional 88 million who are prediabetic¹³

8 <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2757495>

9. <https://www.merrithawkins.com/news-and-insights/thought-leadership/survey/survey-of-physician-appointment-wait-times/>

10. <https://www.pgpf.org/blog/2020/07/how-does-the-us-healthcare-system-compare-to-other-countries>

11. <https://www.commonwealthfund.org/publications/journal-article/2018/oct/fragmented-care-chronic-conditions-overuse-hospital>

The Realities of Today's Primary Care System Show It Does Not Meet Consumers' Needs



Cost

U.S. health care spending grew 9.7% in 2020, reaching \$12,530 per person

Health spending accounts for 19.7% of the nation's Gross Domestic Product

Primary care accounts for less than 5% of total health care spending

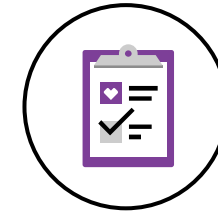


Outcomes

For the most common chronic conditions, Americans only receive recommended care ~60% of the time

Chronic care patients with fragmented care are ~13% more likely to visit ED

Currently more than 1 in 10 U.S. adults have diabetes, and an additional 96 million who have prediabetes



Experience

25% of U.S. adults do not have a PCP

24 is the average number of days to schedule an appointment with a PCP

40% - U.S physician burnout rate

-1.2 average Net Promoter Score for primary care physicians

Where does the Health Care Dollar Go?



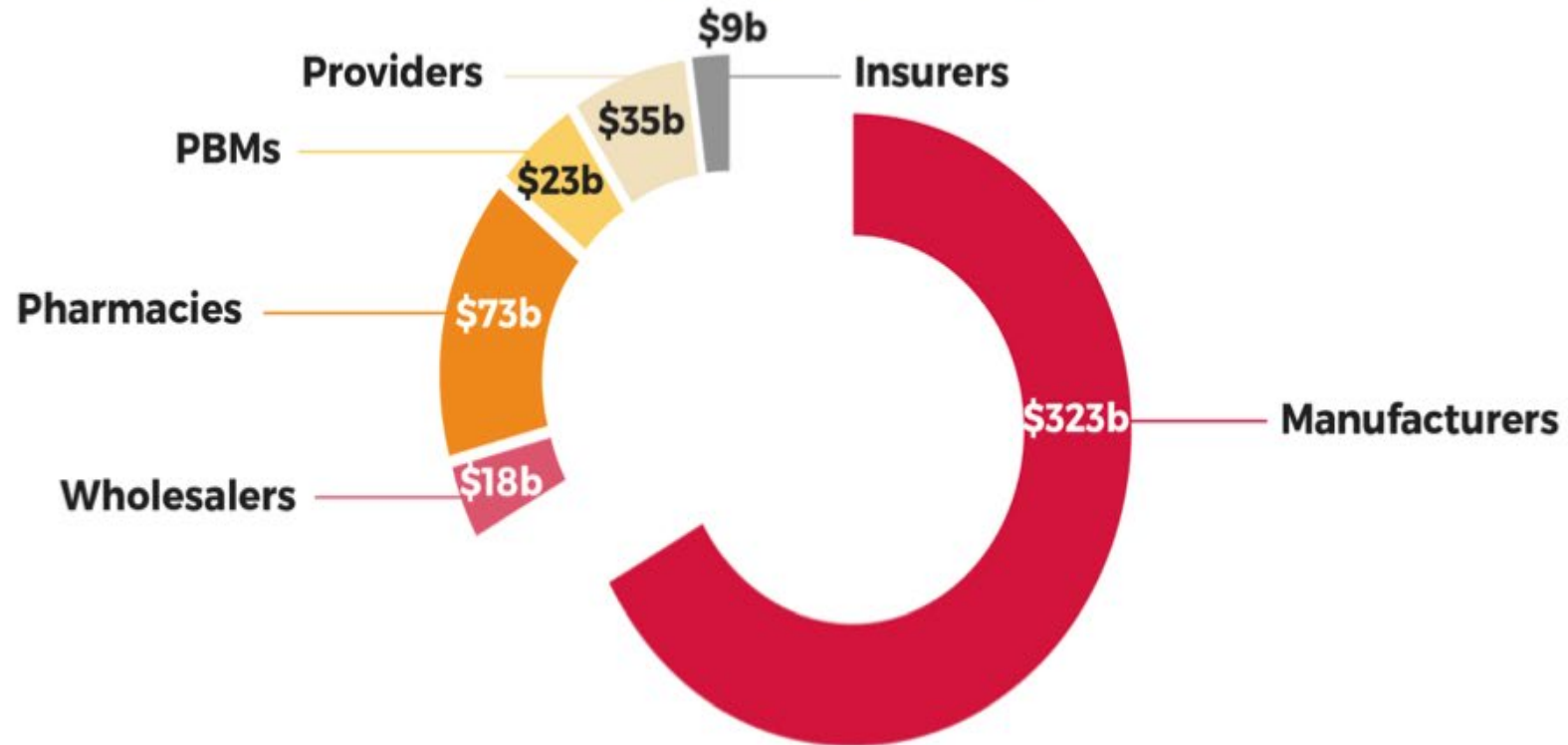
This data represents how commercial health plans spend your premiums. This data includes employer-provided coverage as well as coverage you purchase on your own. Data reflects averages for the 2016-18 benefit years. Percentages do not add up to 100% due to rounding.

Content and Design AHIP—All Rights Reserved: © AHIP 2021



Drug Supply Chain Revenues

Manufacturers account for the overwhelming majority of drug revenues



Source: Health Affairs: "Spending On Prescription Drugs In The US: Where Does All The Money Go?" Nancy L. Yu, Preston Atteberry, Peter B. Bach. July, 2018.

Source: US Retail Drug Expenditures, Coalition for Affordable Prescription Drugs (2020), <https://www.affordableprescriptiondrugs.org/app/uploads/2020/05/drug-supply-chain-expenditures.png>



Integration Enables Consumer-Focused Innovations to Increase Access to Care and Reduce Costs

Seamless connectivity

- Primary care clinics
- Next gen MinuteClinics
- 4K+ NP/PA currently employed⁴
- Working as one team with everyone at the top of their license

Home care

- Building on base of experience
- Coram: Nearly 1M visits since 2019⁵
- Kidney Care: 8K patients in care management and 1.3K patients in dialysis centers⁶
- Physician led in-home transitions of care program
- Evaluating new tech enabled capabilities

Virtual care

- 15M virtual visits across CVS & Aetna in 2021, including 8M Behavioral Health
- New CVS virtual solution - single digital front door to health
- Integrating in-person and virtual care teams
- Connecting primary care to specialty care

CVS 2021 Investor Day, Health Services Presentation <https://cvs2018ir.q4web.com/investors/CVS-Health-Investor-Day-2021/>, Alan Lotvin Health Services Presentation

⁴ Data as of October 2021. NP/PA stands for Nurse Practitioner and Physicians Assistant.

⁵ Data represents full year 2019, 2020 and October YTD 2021.

⁶ Data as of November 1, 2021.

Integration Facilitated Access and Effectiveness in Providing Care During COVID

When local and state governments began issuing shelter-at-home orders in response to the pandemic, we took proactive steps to ensure continued access to needed medications.

 **>32M tests** administered in 2021

 **>59M vaccines** administered in 2021

TRANSITION TO 90-DAY SUPPLY

We enabled members to transition to 90-day supplies to ensure they had needed supplies on-hand and could limit pharmacy visits.

WAIVED DELIVERY CHARGES

To support stay-at-home measures, CVS Pharmacy waived delivery charges.

EXTENDED PRIOR AUTHORIZATION

Extending previously-approved prior authorizations enabled members to refill most medications without having to renew the authorization

ENSURED ON-TIME REFILLS

We implemented both an early refill restriction override and measures to ensure on-time refills

Source: CVS Health Investor Day 2021, <https://bit.ly/3NB9ZsF>

CVS/Aetna Integration of Medical, Pharmacy, and Clinical Programs Has Generated Substantial Benefits

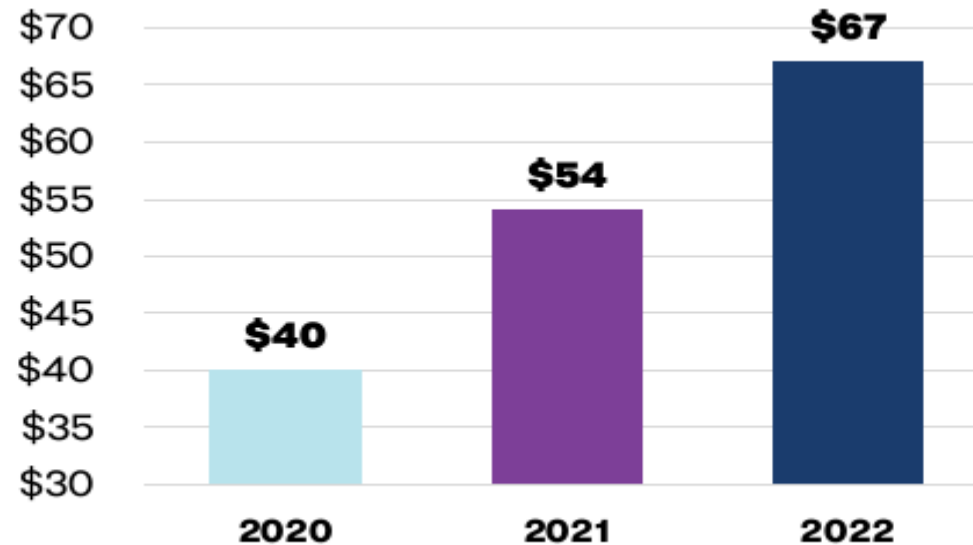
3-6% savings in overall medical spend Per Member Per Month (PMPM)

18% fewer hospitalizations

10% fewer ER visits

Accelerating and increasing potential:

Total integrated PMPM savings projected to increase further in 2022



Aetna members with integrated medical and pharmacy benefits achieved greater cost savings and improved care vs. members with non-integrated plans.

CVS/Aetna Integration of Medical, Pharmacy, and Clinical Programs Has Generated Substantial Benefits

Aetna members who filled a prescription at a CVS Pharmacy were associated with:



6% higher adherence across congestive heart failure, hypertension, and diabetes



40% higher engagement in care management programs

Results clearly indicate that CVS Health and Aetna continue to transform member health by identifying and creating positive change during the moments that matter most.



Creating unique connections with our members



Engaging members on a personal level



Empowering positive behavior changes that lead to better health outcomes



CVS Health Reduces Drug Costs By Mitigating Impact of Price Inflation and Managing Utilization

2.4%

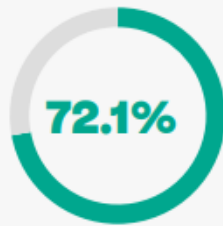
**Overall Drug Trend
Year-to-Date as of Q3**

40.7%

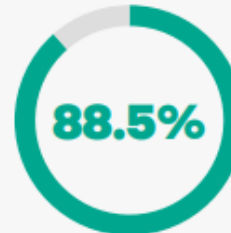
of Clients Had Negative Trend

\$9.71

**Average Member Out-of-Pocket (OOP)
Per 30 Days' Supply**



72.1% 72.1% of Members Spent
Less Than \$100 OOP



88.5% 88.5% of Members Spent
Less Than \$300 OOP



Thank You

