

Managing drug trend and delivering exceptional value

As the leading pharmacy benefits manager, our purpose at CVS Caremark is optimizing drug spend, increasing affordability, and improving health outcomes. Our comprehensive approach combines multiple strategies to keep costs down and help clients meet their business goals.



Member affordability is key to improving health outcomes



7th

consecutive year average member out-of-pocket (OOP) cost declined



29.3%

reduction in average OOP since 2016



\$7.26

average member OOP cost for 30-day supply

Delivering results across categories in 2023



Overall drug trend

- Offer multiple approaches to maximize savings over time
- Utilize plan design to help clients meet their business goals



Specialty

- Customized coverage through smart utilization management strategies
- Addressing the population with the greatest percentage of spend



GLP-1s

- Holistic approach to therapeutic class combining coverage, cost and care
- Utilization management that adapts to pipeline of expanding indications



Biosimilars

- Encourage price improvement through marketplace competition
- Utilize formulary placement to drive adoption
- Robust member and provider engagement to realize savings

Optimizing traditional drug spend

Driving down costs through competition and negotiation



Single-digit drug trend
for 7th year in a row



Smart utilization management
for GLP-1s, which comprise 93% of non-specialty spend



68%
savings in the GLP-1 weight management class²

Whole-person approaches to improve metabolic health



Care management programs designed specifically for members with diabetes and/or obesity



Expert clinical oversight from board-certified clinicians



Digital tools including Health Optimizer, Intelligent Medication Monitoring, connected glucose meters, and more



Personalized nutrition and lifestyle change support for long-term health improvement

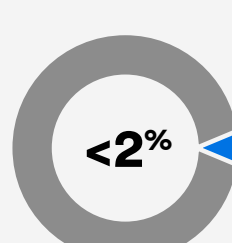


Multiple touchpoints to close gaps in care

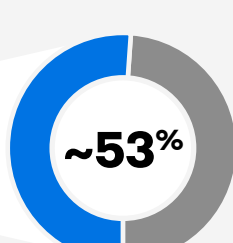


Screening for behavioral health and social determinants of health often correlated with obesity

An integrated approach to optimizing specialty spend



<2%
of patient population



~53%
of drug spend

Consistent performance in specialty

Year	Quarter	Value
2022	Q4	6.5%
	Q3	4.3%
2023	Q4	3.7%



Effective pricing to offset rising utilization in oncology, atopic dermatitis, HIV, and psoriasis, which collectively contributed ~90% to trend



Strong biosimilar adoption through strategic formulary placement and member engagement

Focus on eliminating waste



96%

of CVS Specialty patients opt into electronic communications⁴

Digitally delivered clinical interventions that:

- Optimize treatment and drug management for members on specialty medications
- Eliminate unnecessary spending
- Reduce the chance of adverse events or ineffective medication

>\$31M in total client savings in 2023 through Intervention Medication Monitoring⁵

\$28M total estimated client savings through Supply Management Optimization in 2023⁶



Integrated cost management to meet clients' unique needs

We deliver a comprehensive suite of solutions and services to help plan sponsors address the biggest challenges in today's health care landscape. Our whole health approach to care brings clinical expertise and innovation together, optimizing the impact of clients' pharmacy spend.

1. Member Experience Survey - CVS Caremark, 2023.
 2. CVS Health Analytics, July 2023. PBM claims data for CVS Health Book of Business, Commercial Clients (health plan + employer) adopting low net cost and utilization management strategies. Claims data for restricted clients excluded. UM savings sourced from PA episode summary data. Rebates through actual spend computed using claim level rebates.
 3. CVS Health Analytics, 2022. Data from 2021. Actual results may vary. 1.) Two approaches were employed to derive a rate card that can tie closure of care gaps to Medical Cost Savings (MCS): (A) Estimated the value of closing a care gap statistically based on its observed impact on improving A1C and used values from medical literature to estimate how improvement in A1C translates to dollars of MCS; and (B) Used literature to estimate the value of closing care gaps that aren't expected to directly drive improvements in A1C outcomes. Relative rates were then scaled such that the rate card times incremental gaps closed is equal to a conservative estimate of MCS for enrolled members. As part of its ongoing quality improvement activities, CVS Caremark conducted a retrospective assessment of program quality using established standards. Health outcome results, savings projections, and performance ratings are based on CVS Caremark data. Actual results may vary depending on benefit plan design, member demographics, programs implemented by the plan, and other factors. Client-specific modeling available upon request.
 4. CVS Caremark Analytics, 2022. Data from October and November 2022.
 5. CVS Health Analytics, 2024. Estimated savings based on CVS Specialty data 01/01/2023 to 12/31/2023 representing successful intelligent medication monitoring (IMM) intervention with 60 day matured savings.
 6. As of June 12, 2021, SMO is available across most specialty therapies. Actual results may vary. SMO is a specialty pharmacy service performed by CVS Specialty for contracted commercial and managed Medicaid payors.
 The source for data in this document is CVS Health Enterprise Analytics, unless otherwise noted. Adherence results may vary based upon a variety of factors such as plan design, demographics and programs adopted by the plan. Client-specific modeling available upon request. Savings will vary based upon a variety of factors including things such as plan design, demographics and programs implemented by the plan. CVS Health uses and shares data as allowed by applicable law, and by our agreements and our information firewall. CVS Health Analytics, 2023.
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