

2021
INVESTOR
DAY

Achieving sustained
growth

by connecting unmatched
capabilities to deliver
consumer value

DAN FINKE

Executive Vice President and
President, Health Care Benefits

 **CVS**Health.



Cautionary statement concerning forward-looking statements

These presentations include forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of CVS Health Corporation. The statements made in the presentations today and the information that is included in the presentation slides and other documents related to Investor Day 2021 are forward-looking, including information related to full year 2021 and 2022 financial guidance. By their nature, all forward-looking statements are not guarantees of future performance or results and are subject to risks and uncertainties that are difficult to predict and/or quantify. Actual results may differ materially from those contemplated by the forward-looking statements due to continuing uncertainties related to the COVID-19 pandemic, including the impact of new and existing variants on consumer behavior, health care utilization patterns and federal, state and local response to the pandemic, as well as the risks and uncertainties described in the Company's Securities and Exchange Commission ("SEC") filings, including those set forth in the Risk Factors section and under the heading "Cautionary Statement Concerning Forward-Looking Statements" in the Company's most recently filed Annual Report on Form 10-K and in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021, and our recent Current Reports on Form 8-K dated November 18, 2021 and December 9, 2021.

You are cautioned not to place undue reliance on the Company's forward-looking statements. The Company's forward-looking statements are and will be based upon management's then-current views and assumptions regarding future events and operating performance, and are applicable only as of the dates of such statements. The Company does not assume any duty to update or revise forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise.

These presentations include non-GAAP financial measures that we use to describe our company's performance. In accordance with SEC regulations, you can find the definitions of these non-GAAP measures, as well as reconciliations to the most directly comparable GAAP measures, on the Investor Relations portion of our website.

[Link to our non-GAAP Reconciliations](#)



Our HCB leadership with consumers, plan sponsors, and government entities

>23M

Medical benefit members

.....

16

Medicaid state partners³

15M

Integrated medical and pharmacy members¹

.....

93%

Member retention rate in commercial business

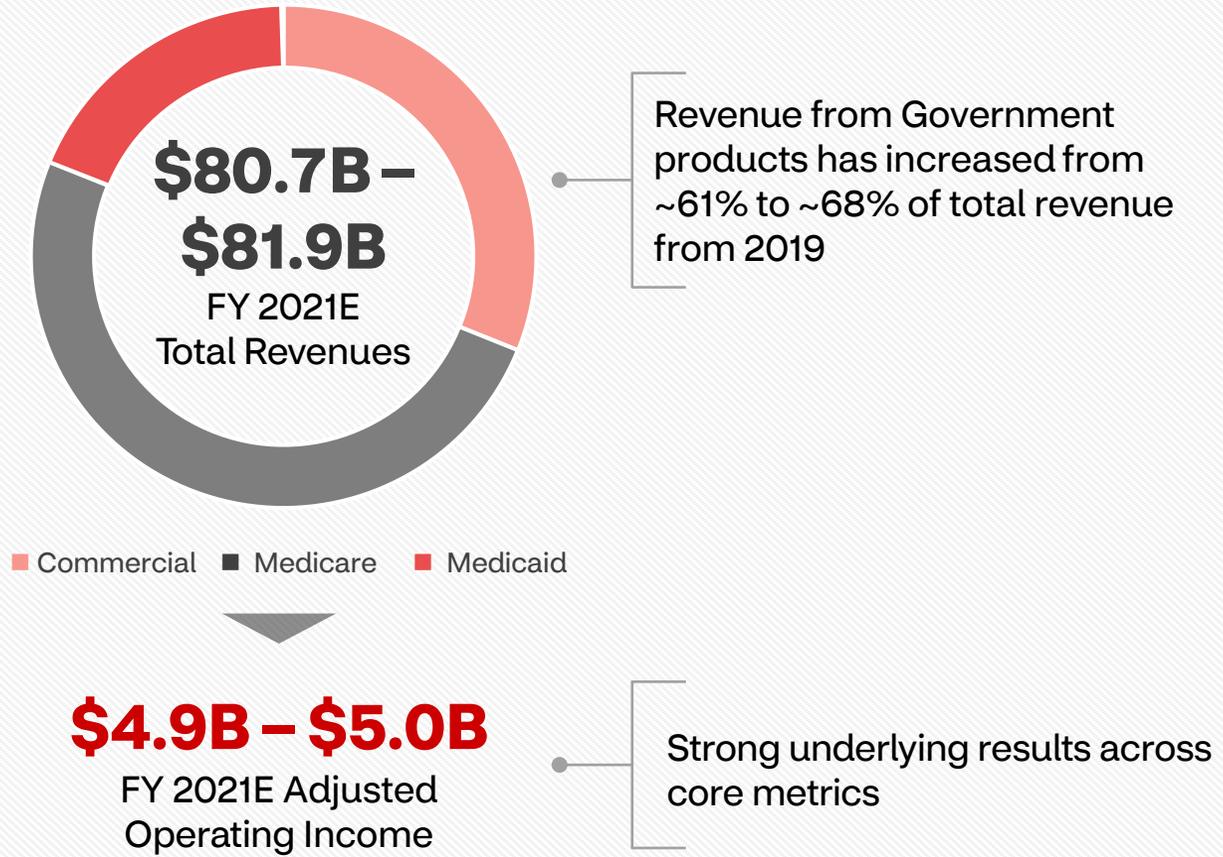
87%

of Medicare Advantage members in plans with 4+ star ratings for 2022 plan year²

77M

Targeted clinical member touchpoints YTD

Our business today, positioned for growth...



The nation's...

3rd largest

Individual Medicare Advantage plan⁴

The nation's...

2nd largest

Group Medicare Advantage plan⁴

Opportunity for...

2.8M and growing

Addressable IVL exchange market lives in 2022⁵



Market dynamics and opportunities

Sustainable growth in the Health Care Benefits segment is enabled by harnessing the opportunities offered by market dynamics and meeting diverse customer needs

- **Demographic shifts** driving greater spend on chronic conditions and complex care
- **Favorable market environment** continues to grow and strengthen Government programs
- **Focus on affordable, local solutions** is driving purchasing decisions across all customer segments and stakeholders
- **Digital-first care shows promise for sustained** utilization now and in the future



Achieving industry-competitive growth by...

1

**Being the definitive choice
for consumers**

in Medicare, Dual-Eligible,
and ACA Exchange populations

2

**Winning in the employer-
sponsored market**

with differentiated benefits

3

**Partnering with state
government entities**

to serve Medicaid members

♥CVSHealth. strategy will further fuel HCB growth



1

Winning in consumer choice solutions

by leveraging enterprise assets that meet the needs of Individual Medicare Advantage, Dual-Eligible, and ACA Exchange members

Greater affordability

Design benefits that use enterprise assets and drive cost efficient care

Enhanced access

Access to care in home and community

Curated and comprehensive solutions

Deploy care models focused on effective interventions and optimizing resources

How that translates to

— **growth** —

Driving above industry growth
in Medicare business

.....

Earning a **competitive position** as we
re-enter **Individual ACA Exchange business**

.....

Leading in quality (i.e., HEDIS, Stars) by
harnessing enterprise assets



2

Driving growth in the employer segment

by developing integrated assets and capabilities that drive market differentiation and meet plan sponsor's needs

Integrated plan sponsor approach

Serving clients with a single point of contact with medical and pharmacy expertise

Innovative products and solutions

Differentiate through reimagined, connected product innovations

Competitive cost of care

Through value-based solutions and new sources of care support

How that translates to

— **growth** —

Accelerating growth where we have a sustainable competitive advantage

.....

Deploying innovative products and solutions that build in CVS Health care assets into the core benefit design

.....

Retaining and strengthening competitive position in Commercial and Medicare Group businesses



3

Earning more Medicaid business

by partnering with community and government stakeholders and providing access to high-quality, low-cost health care for all the people we serve

Personalized interactions

Align to the behaviors of the mobile-centric population

Comprehensive population health

Address social determinants of health

Chronic and complex care management

Deploy high-touch clinical programs

How that translates to

— **growth** —

Expanding Medicaid state footprint
and current market share

.....

Improving cost of care and creating
high-touch comprehensive clinical
programs



How will new company growth avenues **accelerate** growth in HCB?

Develop closer connections with our members, enabling us to **guide them to the right care, through...**





How will new company growth avenues **accelerate** growth in HCB?

We know that combining our current assets works, so this new **opportunity unlocks greater potential**⁶

40%

Higher engagement

.....

3-6%

Lower medical PMPM

.....

18%

Fewer hospitalizations

10%

Less ER visits



Key takeaways

- **Be the definitive choice for consumers** across all market segments by being simple, local, connected, and personal
- **Win in the employer sponsored space** with differentiated benefits that deliver better outcomes
- **Partner with state government entities** to serve Medicaid members through comprehensive population health programs
- **Achieve sustainable, market-leading growth**, fueled by business unit execution and enabled by CVS Health assets to deliver \$100B+ revenue goal in 2024



Endnotes

All data is provided by CVS Health Enterprise Analytics or other internal CVS Health Sources, unless otherwise noted. All data is as of September 30, 2021, unless otherwise noted.

1. Medical and Pharmacy members as of October 2021.
2. CVS Health Enterprise Analytics; Centers for Medicare & Medicaid Services (CMS) 2022 Star Ratings Data.
3. As of October 2021.
4. CVS Health Enterprise Analytics; CMS October 2021 enrollment data files.
5. CVS Health Enterprise Analytics; CMS July 2021 enrollment data files.
6. CVS Health Enterprise Analytics' Commercial self-funded business 3-year observational study analyzing spend, utilization, engagement, and trend across integrated Medical & Rx coverage versus those with Medical coverage (Rx carve out) – and the impact of using CVS Health assets including CVS pharmacy. Data from 2018-2020 time period.