

Driving Profitable Growth as a Consumer Health Company

Karen S. Lynch
Executive Vice President &
President, Aetna

CVS Health®

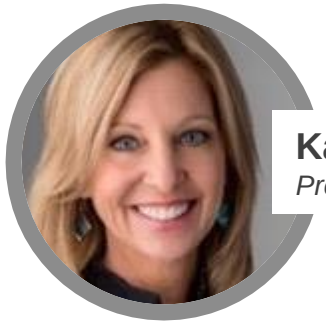
Cautionary statement regarding forward-looking statements

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. By their nature, all forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons as described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the section entitled “Cautionary Statement Concerning Forward-Looking Statements” in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

The presentations at our 2019 Investor Day 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 most comparable GAAP measures, on the Investor Relations portion of our website.

Link to our non-GAAP reconciliations.

Health Care Benefits (HCB) executive team



Karen S. Lynch
President



Scott Walker
Chief Financial Officer



Jonathan Mayhew
Markets and Distribution Strategy & Enablement



Fran Soistman
Government Services



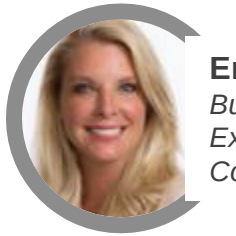
Chris Ciano
Medicare



Randy Hyun
Medicaid



Sheryl Burke
Commercial Business



Erin Hoeflinger
Business Strategy & Excellence and Consumer Experience



Angie Meoli
Network Strategy and Provider Experience



Doug Porter
Service Operations



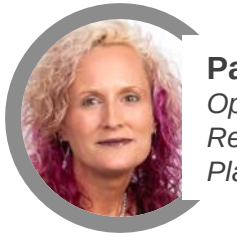
Dave Edelman
Marketing



Tanya Taupier
Human Resources



Louis Ursini
Information Technology



Paula Branco
Operational Planning & Reporting, Financial Planning & Analysis



Sandra Waite
Communications and Strategic Advisor to the President

CVSHealth

Agenda

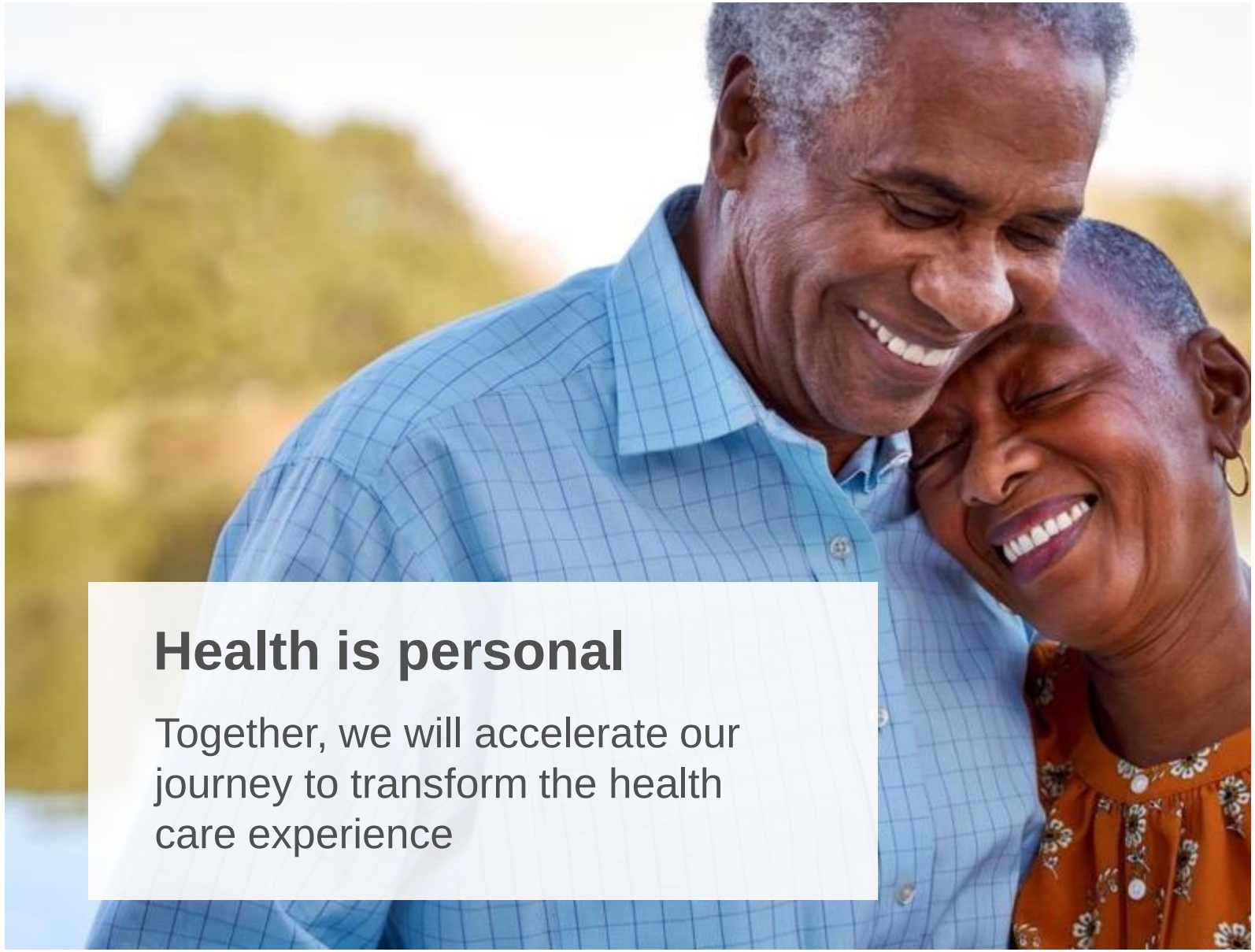
Strategy

Business Update

- Medicare
- Medicaid
- Commercial & Supplemental



CVSHealth



Health is personal

Together, we will accelerate our journey to transform the health care experience



From

Traditional
insurance company

To

Consumer Health
company

CVSHealth

Transformational change

Complementing our core with the development of new products and services

Grow the core

Multi-pronged approach to deliver growth across HCB businesses

- Expand geographic footprint
- Optimize growth within existing businesses
- Enhance local, omni-channel distribution strategy



Build the new

Innovative solutions and services to be delivered in the community

- Create integrated experience offerings
- Establish holistic care coordination and delivery
- Develop engaging consumer tools and resources

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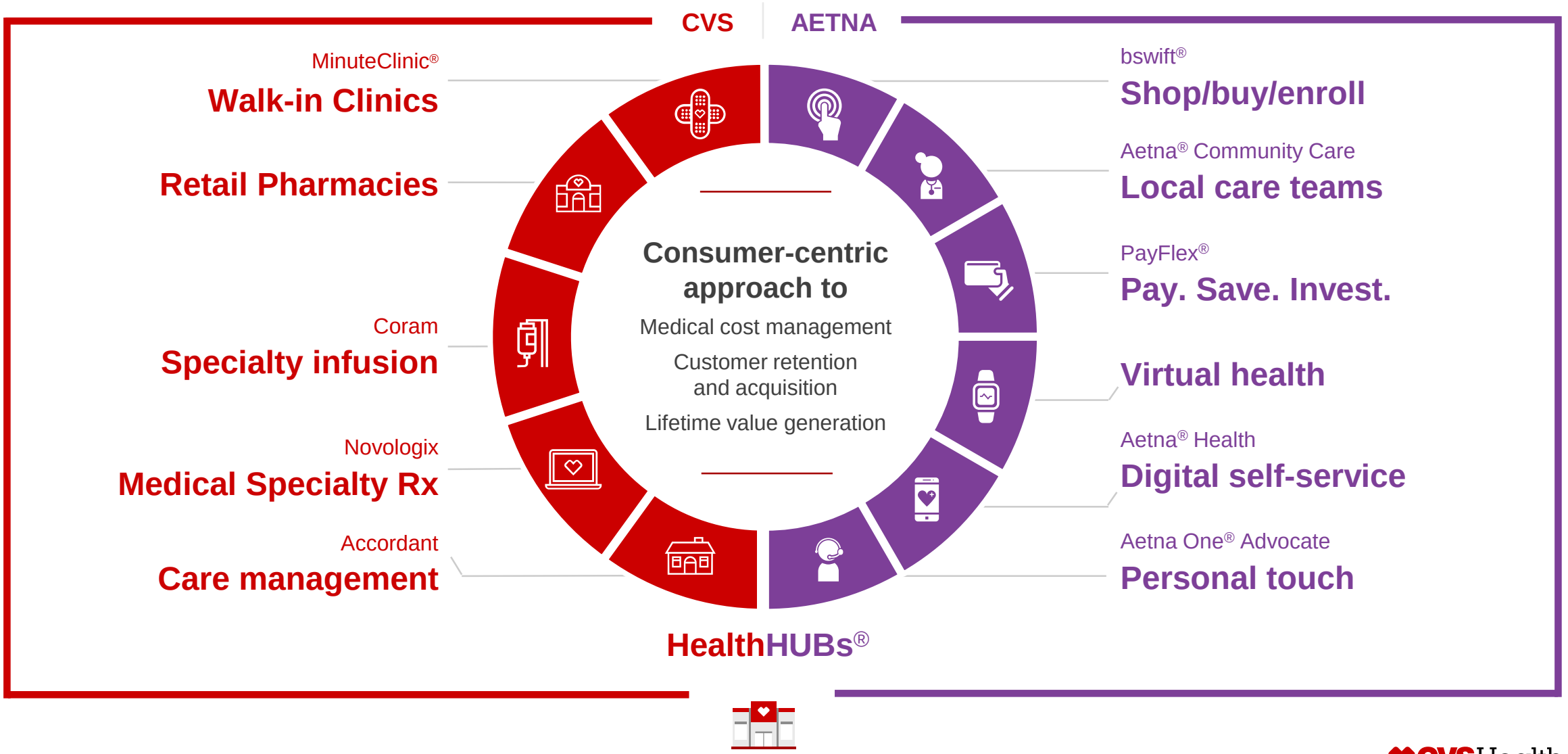
Integrating capabilities to differentiate the health care experience



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The combined advantage

Be local	MinuteClinic optimization	In-store Medicare knowledge centers
Make it simple	Holistic product integration	“Hospital to Home”*
Improve health	Pharmacy panels	Digital triage*



*Future program launch

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The future

1. Evolving from health insurer to consumer health company
2. Delivering holistic care to our members
3. Transforming the industry with combined CVS Health / Aetna assets



Agenda

Strategy

Business Update

- **Medicare**
- Medicaid
- Commercial & Supplemental



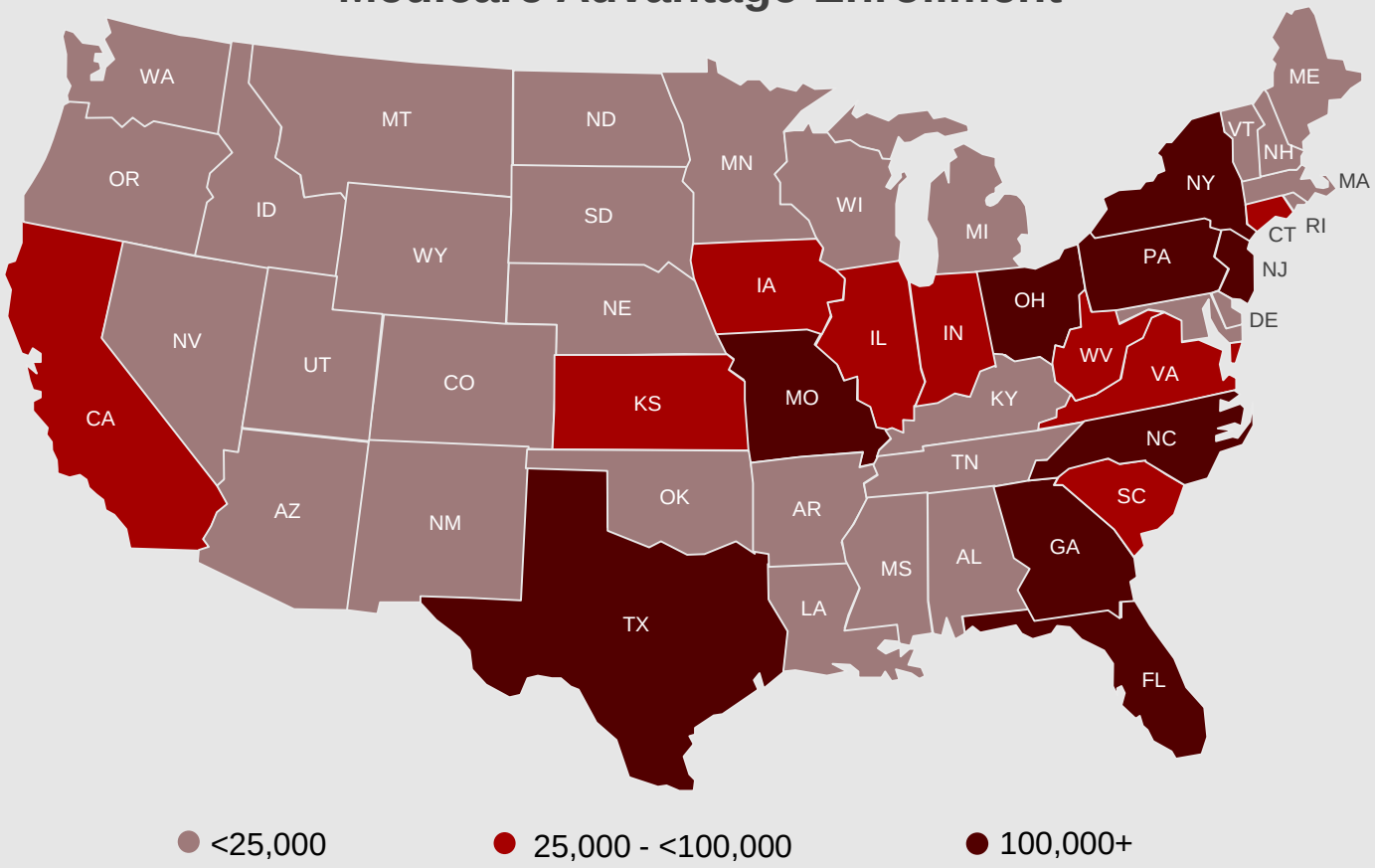
Our business today - Medicare

1.3M+ Individual members
21% CAGR (2015 – 1Q 2019)

900K+ Group members
15% CAGR (2015 – 1Q 2019)

6.0M+ PDP members*
Largest PDP membership in the nation (1Q 2019)

Medicare Advantage Enrollment



*Excludes members divested to WellCare Health Plans, Inc. effective December 31, 2018.

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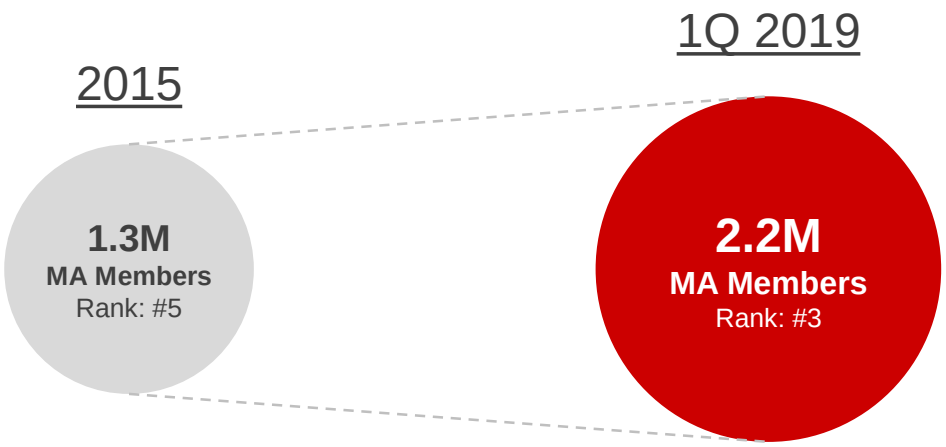
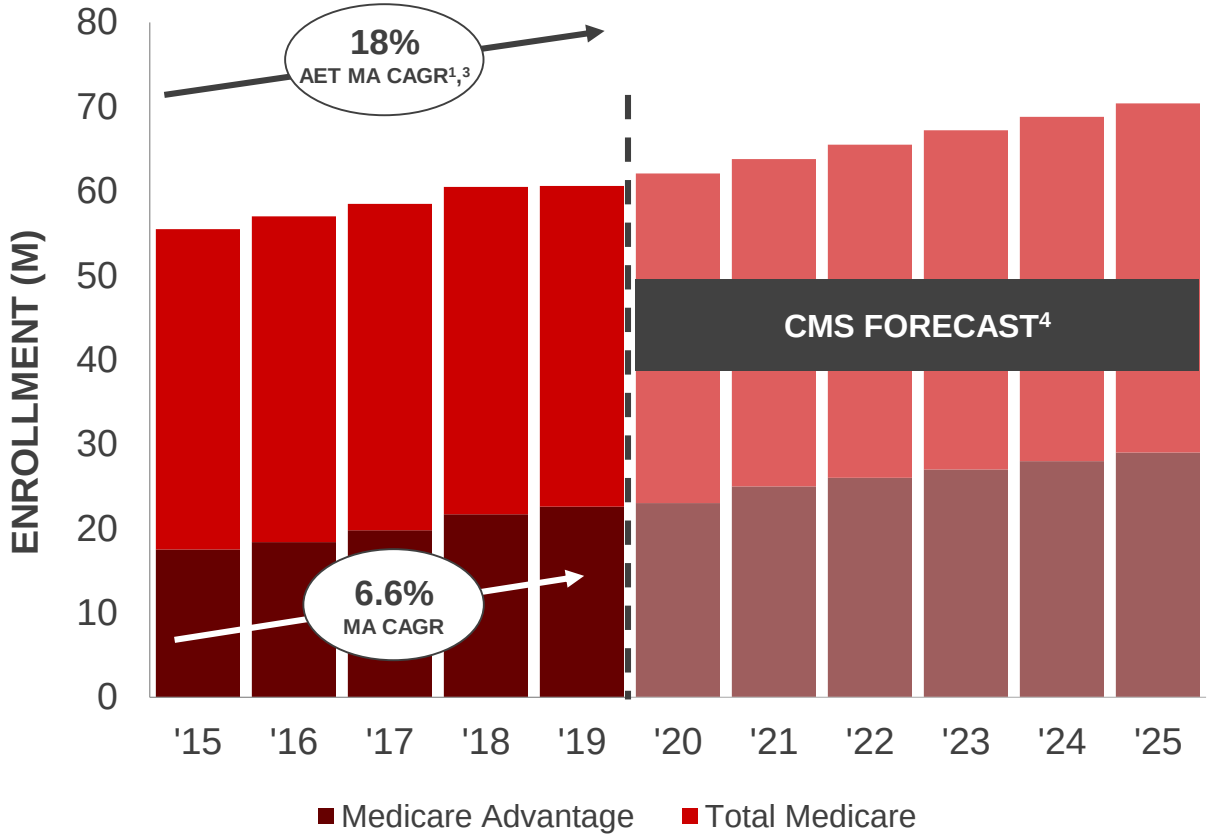
A compelling landscape

We have grown membership faster than competitors and captured share



Aetna has achieved **approximately 2.5 times** the Medicare Advantage industry's growth rate during this time period (industry 6.6%)[2]

CMS expects a continuation of the positive trends in Medicare Advantage enrollment



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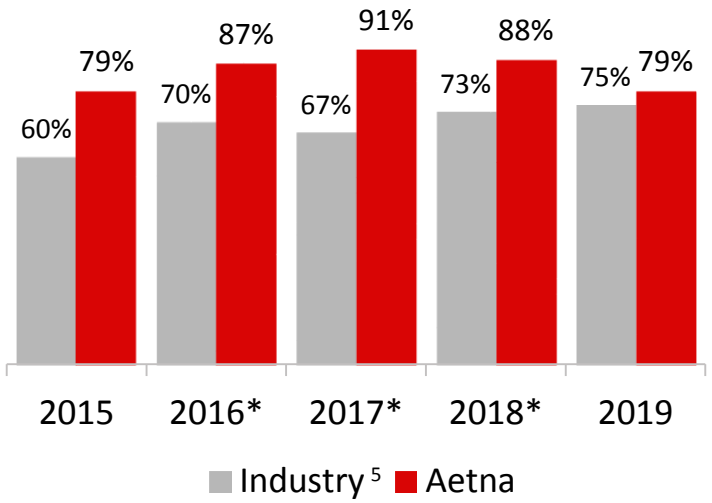
Capturing the opportunity

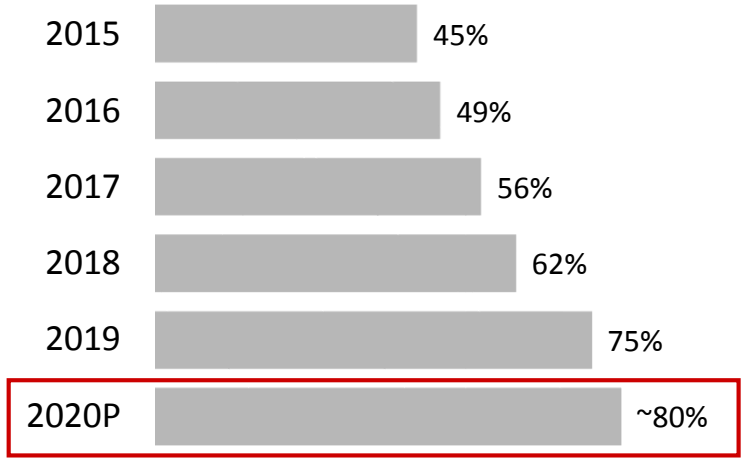
Medicare Advantage Star Ratings

% of members in 4+ star-rated plans



***Ranked #1**
among publicly traded companies
3 of the past 5 years

Percentage of Medicare Advantage beneficiaries with access to Aetna plans[1]



More than **82,000** PDP to Medicare Advantage conversions **2015 - 2019**



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Critical capabilities



Local Market Presence & Depth

Deep understanding of market dynamics and **local presence** to drive mind share and contracting



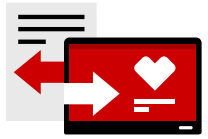
Consumer Experience

Focus on **simplification**, **minimizing consumer hassles**, and differentiation through **local collaborations**



Care Delivery Ecosystem

Value-based contracting with aligned incentives; **clinical risk stratification** and **predictive modeling**



Analytics & Technology

360° view of consumers and providers; **operational efficiency** enabled by robotics, machine learning, and artificial intelligence

The combined advantage

"Hospital to Home"

Making it simpler for our customers to improve their quality of life

Expect to launch pilot in 4Q 2019



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The future

1. Continued above industry growth
2. Commitment to STARS excellence
3. Personalized care in the community and in the home



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Agenda

Strategy

Business Update

- Medicare
- **Medicaid**
- Commercial & Supplemental



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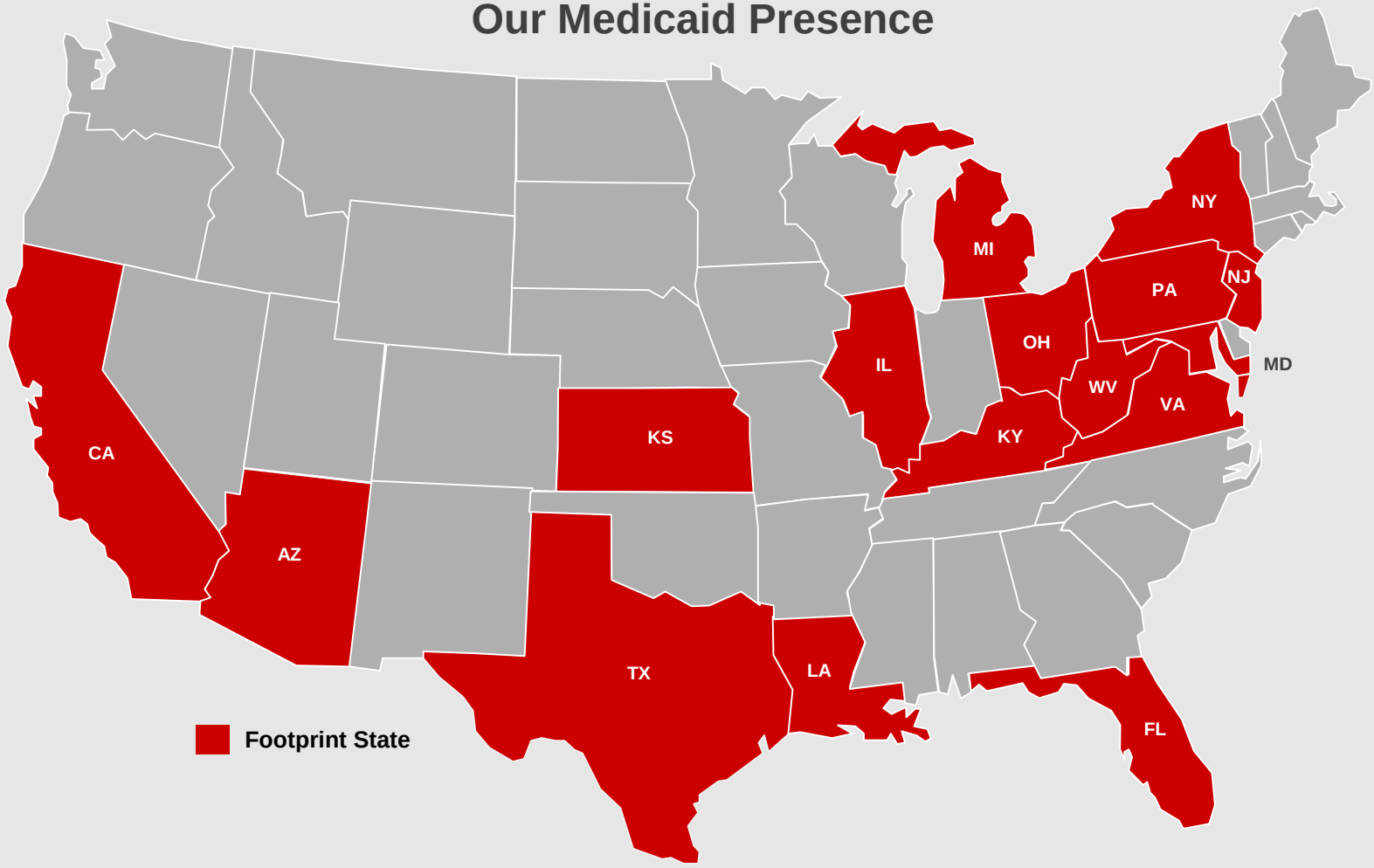
Our business today - Medicaid

2M members
in risk and non-risk agreements

Serving 16 state partners
across the nation

Our Medicaid Presence



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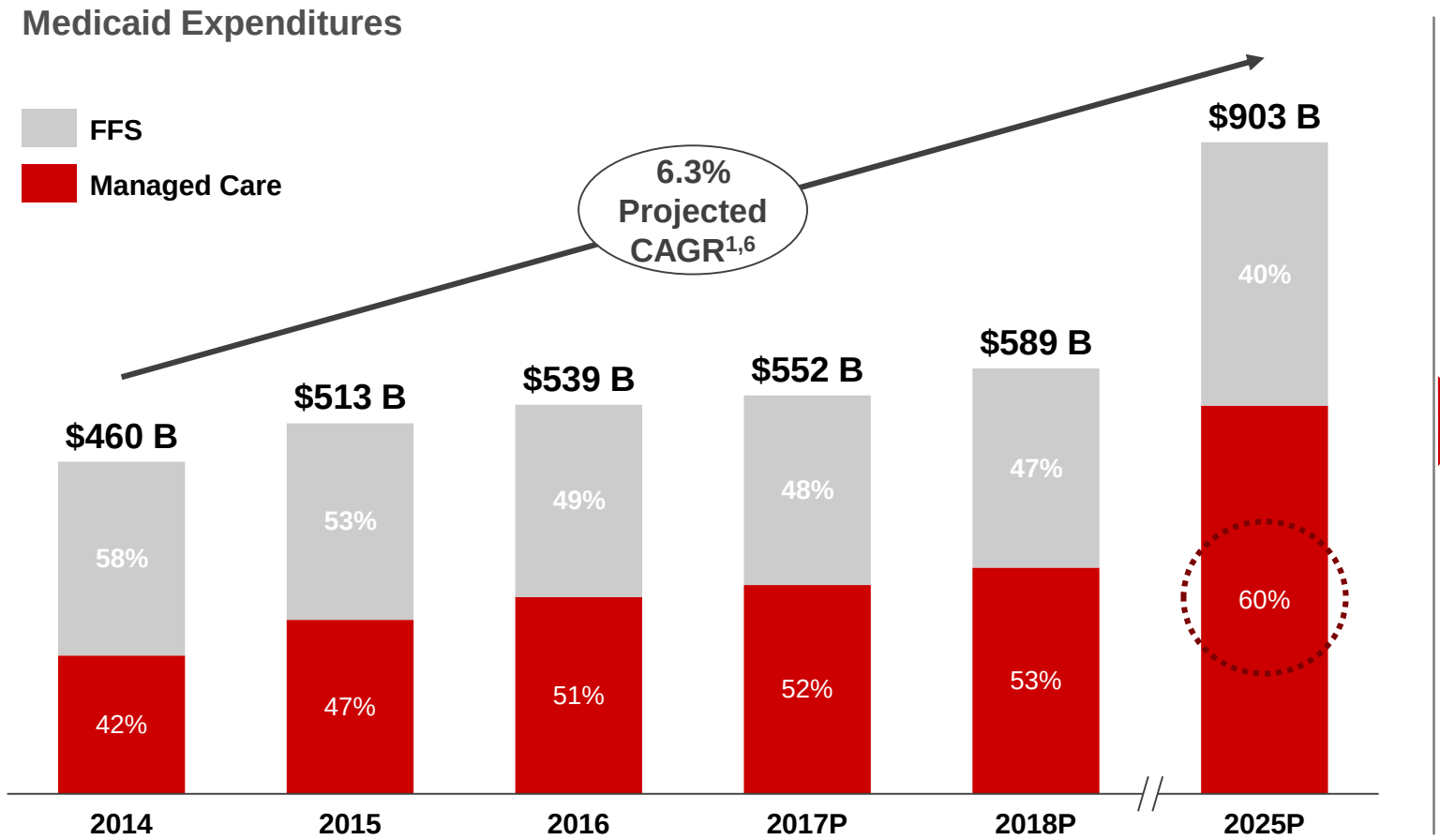
Medicaid growth opportunity



60%

of Medicaid expenditure is expected to be serviced by managed care by 2025[6]

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We are delivering

holistic health solutions for the Medicaid population that effectively respond to the **social determinants of health** and solve for **health inequalities**

The opportunity to care for the more complex and higher acuity populations



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Our approach to the marketplace



Be local

Grow Medicaid through **program expansions**, winning **new state contracts**, and **strong plan retention**



Make it simple

Improve **member and provider experience** to better serve our members and support our vital provider partners



Improve health

Drive higher quality and plan performance by improving **quality metrics** and **health outcomes**



Lead the change

Deliver **innovative solutions** to evolve programs, optimize providers/vendors, and solve gaps impacting care

The combined advantage

Expanded primary care services at MinuteClinic

Improved access to care in the community

Launching in 4Q 2019



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The future

1. Continuation of marketplace expansion
2. Capturing growth opportunities
3. Delivering improved access to care



Agenda

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Business Update

- Medicare
- Medicaid
- **Commercial & Supplemental**



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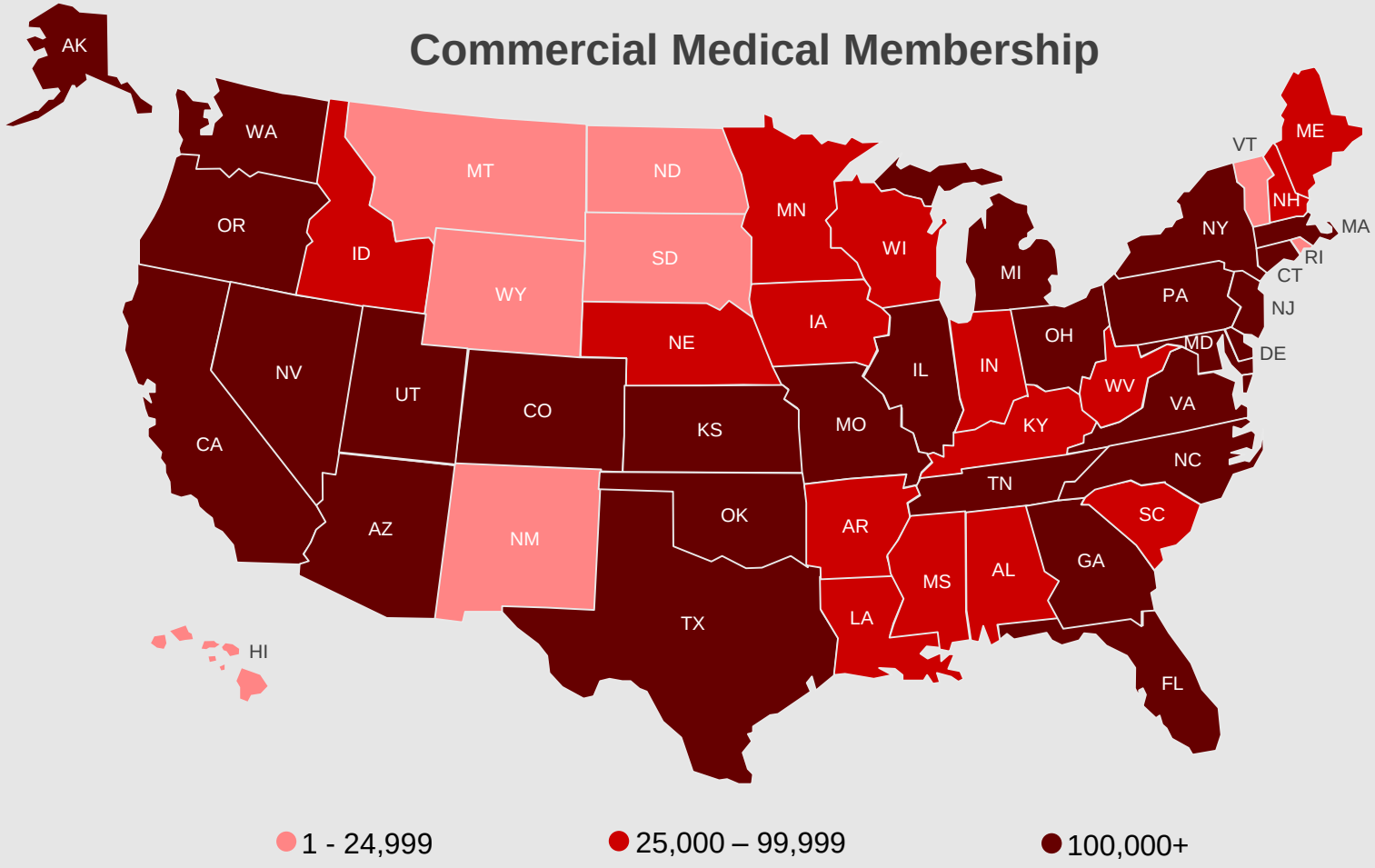
Our business today - Commercial & Supplemental[7]

~18M Commercial medical members
projected for 2019[1]

Among the
largest providers of Dental and Behavioral benefits in the U.S.[8]



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A mature landscape



Number of people **enrolled in employer-sponsored health care**[9]

156M



Percent of the U.S. population **enrolled in commercial health care**[10]

49%



Expected commercial industry **revenue growth through 2022**[11]

Low single digit %

Near-term Commercial medical membership and revenue expected to grow low single digit %[1]

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Critical capabilities



Optimized value-based care model

VBC related spend

>50%



Service and clinical models

A1A membership

+600K



Growing supplemental opportunities

Projected 2019 revenue[1]

~$2.7B

Digital enhancements

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The combined advantage

Pharmacy panels

Highly personalized pharmacist consultations

Launched in 1Q 2019



CVSHealth

The future

1. Driving profitable growth
2. Delivering fully integrated offerings
3. Evolving with industry change



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KEY TAKEAWAYS

A redefined health care experience is within reach

Ongoing progress on the journey to transform health care

Uniquely positioned to drive growth in all lines of business

Continued commitment to strategy, accelerated through the CVS Health combination

CVSHealth

Endnotes

1. Currently enacted laws and regulations were used in all the Company's projections.
2. February 2019 CMS Enrollment File; Kaiser Family Foundation
3. CVS Finance
4. CMS NHE Data, available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html
5. Fact Sheet: Part C and D Star Ratings, available at https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/PerformanceData.html
6. Health & Human Services, 2017 Actuarial Report: Financial Outlook for Medicaid (issued Sept. 2018), Table 15 excluding Disproportionate Share Hospital Payments
7. Supplemental benefits refers to Aetna's Dental, Vision, Behavioral, Third Party Administration and Wholesale, Voluntary and Worker's Compensation businesses
8. LIMRA NADP 4Q18 US Workplace Benefits Dental and Vision in Force Survey Preliminary Report and Company research
9. https://www.kff.org, State Health Facts, Health Coverage & Uninsured, Health Insurance Status, Health Insurance Coverage of the Total Population (2017)
10. https://www.kff.org, State Health Facts, Health Coverage & Uninsured, Health Insurance Status, Health Insurance Coverage of the Total Population (2017)
11. IBIS World Industry Report 52411b Health & Medical Insurance in the U.S., December 2018