

EVERNORTH®
HEALTH SERVICES

Evernorth Signature℠ pharmacy benefit services

Rising expectations lead to new opportunities.

Health care costs are becoming increasingly difficult to predict, and a perceived lack of transparency has led to confusion and mistrust.

1 in 3 employers
are concerned about the lack of transparency in manufacturer drug costs and profit margins.

60% of employers
and consumers define transparency as “cost clarity.”

Evernorth Health Services. (2024-2025). Annual Buyer Insights Study.
Evernorth Health Services. (2024-2025). Understanding What Drives Perceptions of PBMs.

An established foundation today, built for tomorrow

Our Signature pharmacy benefit services model is simple and transparent.

We understand the frustrations with traditional component-level guarantees, and the challenges with traditional models aren't going away. From the rise of biosimilars, to the political landscape, to the actions of the pharmaceutical manufacturing industry—we're proactively identifying the opportunity to reshape the **future of pharmacy benefits.**

Our approach leverages direct pharmacy and manufacturer contracting, unmatched scale, and a fully integrated supply chain to compete on true acquisition cost. Together, these capabilities create a strong economic foundation that supports **transparency, predictability and long-term value.**

	Traditional offer	Signature model
RECONCILIATION AND MARKET EVENT LANGUAGE	Component level guarantees need to be restated or reconciled often—examples include AMP CAP, low WAC, MFP commercial expansion and manufacturer price reductions	No longer trigger a need to restate guarantees if ingredient cost decreases offset reduction in rebates
EXCLUSIONS	25+ potential exclusions	Gene and cell therapies
SPECIALTY LIST	Multiple lists to choose from	Single list utilized for the purposes of specialty contracted pharmacy reimbursement
BRAND/GENERIC DEFINITIONS	BGA, MNOY, custom	No longer needed
DAYS SUPPLY	Breakouts based on days supply—standard vs. custom	No longer relevant
STRUCTURE	Rebate and discount guarantees	Straightforward administrative fee for PBM services

A commitment beyond the moment

Designed to endure, scaled over time

- Providing **enhanced transparency** into the economic value PBMs deliver
- Accelerating **time to therapy**
- Providing individualized **connected digital solutions to members**
- Ensuring patients pay the **lowest available** cost at the pharmacy counter
- Personalizing **patient support** for the most complex, hard-to-manage conditions
- Improving health and optimizing the total **cost of care**

A proven model: years of implementation, scaled with purpose

We have had a similar pricing model option for over 7 years—today, we have 1M lives enrolled across multiple employer segments of various sizes.

We are building tomorrow based on what works today. It is a successful model with clear guarantees and fees at risk—established as a strategic direction, not an experimental reaction. Our goals are simple and intentional: **rebuild trust, strengthen alignment with the market to align incentives, and deliver sustainable value** for clients and the members they serve.



Backed by experience and proven results, not experimentation

Our strong forecasting track record has been proven at scale:

In 2018, more than **350,000 lives** were enrolled in this type of model with a forecast variance of $1.66 PMPM (1.4%). Today, we have over **one million lives** enrolled in this model.

During this time, the average variance has remained at **$3.64 PMPM**, despite periods of unprecedented disruption such as COVID-19 or the rise of GLP-1s.

Enrolled clients never overperformed by more than approximately **$2 PMPM** or underperformed by more than **$5 PMPM.**

Why this matters: We set our PMPM targets in favor of the client—our value is earned through results with accountability and trust built in.

Planned protection against future risks

+ Evernorth is the first pharmacy benefit services organization to reach a comprehensive settlement with the FTC, providing long-term clarity and stability for employers, health plans and consultants. For our clients, the FTC settlement does not introduce change—**it confirms the right change was already made.**

+ This model is intentionally protected against market events such as unexpected government or manufacturer actions, so it won't trigger adjustments where drug net cost is not impacted. There's only one exclusion category with no rolling exclusion list, no launch-based exclusions, and no mid-year additions. These are the elements that drive **predictability, transparency, and alignment.**

Managing trend in an intentional model

Evernorth remains the industry leader in managing trend. This model balances **performance, predictability, and protection** through aligned incentives, visibility, and clear guardrails. Click the buttons below to learn more.

Incentives | Visibility | Guardrails

How trend spend and trend risk look in traditional vs. Signature models

Risk is sized deliberately. Evernorth is willing to put up to 100% of the admin fee at risk* and protect **$1 for $1 against underperformance.**

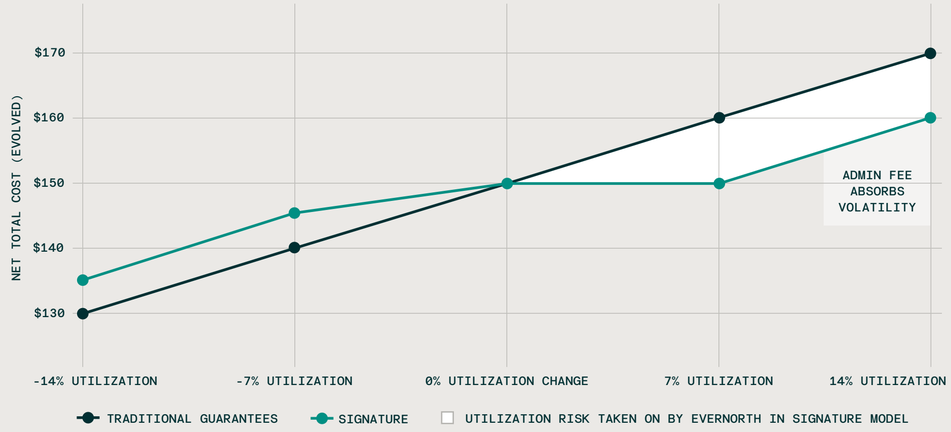
+ For every dollar of **underperformance** against the Drug Spend Target, $1.00 will be subtracted up to 100% of the admin fee.
+ For every dollar of **overperformance** against the Drug Spend Target, $0.50 will be added up to 50% of the admin fee.
+ The admin fee creates a straightforward, transparent structure for how services are paid. It helps clearly separate service costs from drug pricing, reinforcing alignment and trust. **Clients know exactly what they're paying for and why.**

*Exact percentage varies depending on client size and other factors.

Traditional
Unbounded cost exposure

Signature
Defined cost boundaries

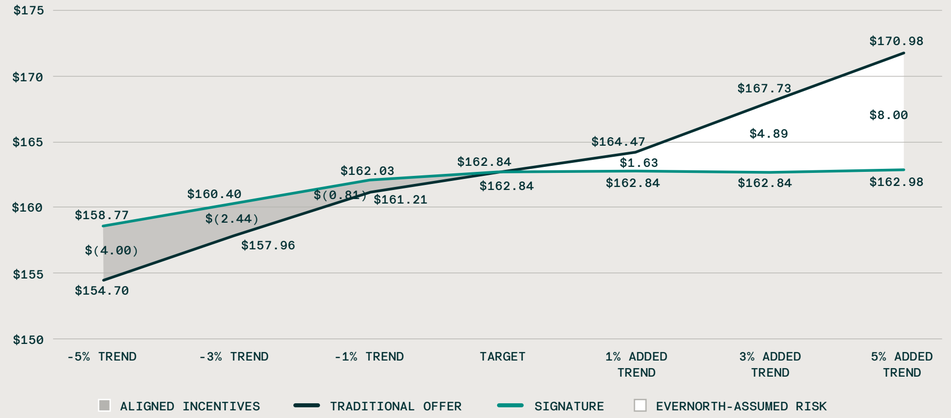
Visualizing trend impacts to client spend



Traditional
Appears stable but adjusted later, Client absorbs misestimates, Volume- and rebate-driven incentive

Signature
Transparent and tracked in real time, PBM assumes risk, Lowest-net-cost driven

Example client trend risk traditional v. Signature

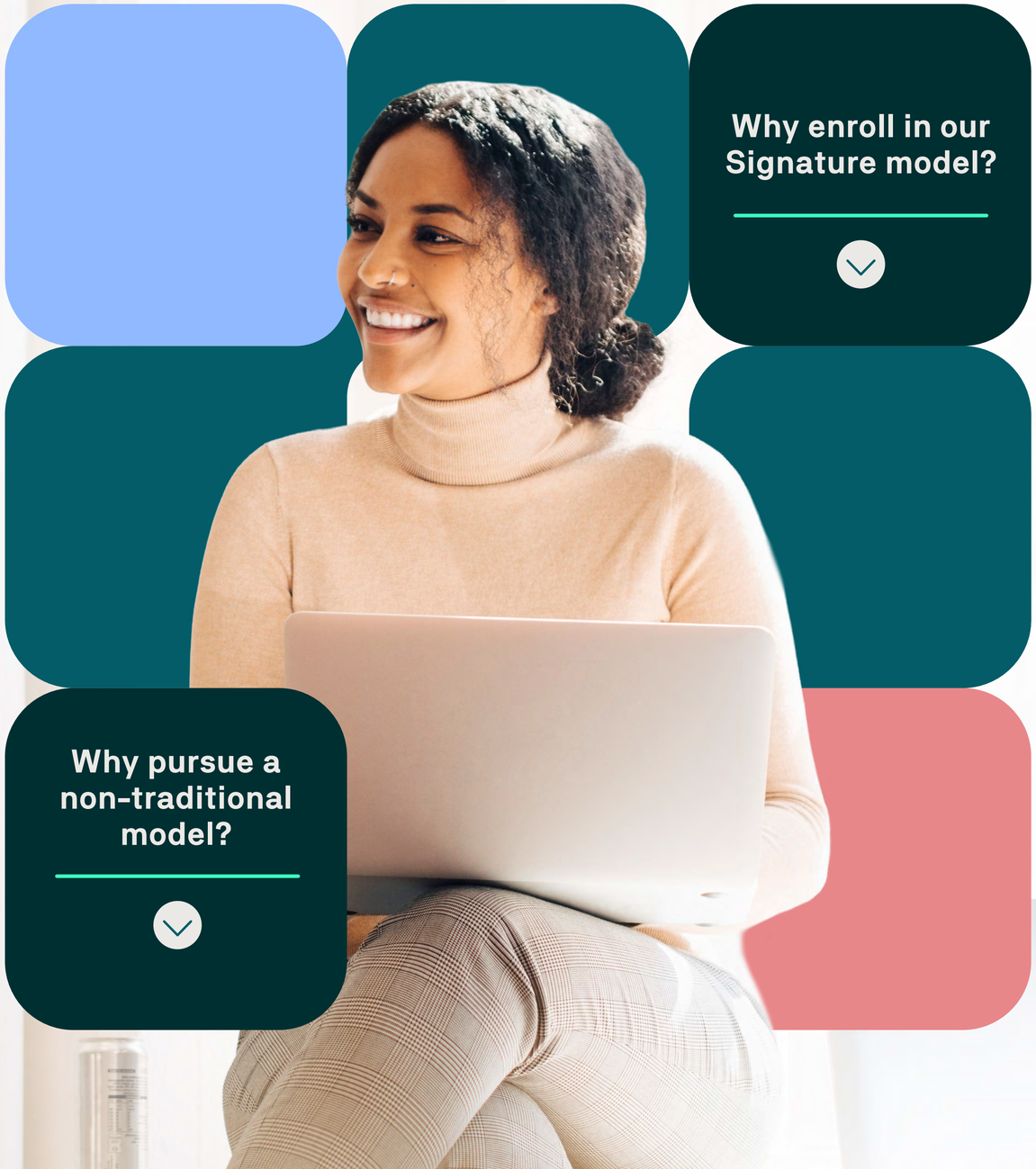


Not all models are created equally

+ A traditional model shifts accountability from individual line items to the full cost equation in order to reduce short-term optimization that can introduce variability over time.
+ Some new models are layered on top of narrow economics, aggressive utilization controls or mid-stream target resets.

+ **Our Signature model is structurally different**—aligns incentives, does not rely on exclusions to protect margin, and it is supported by acquisition-cost contracting that others cannot replicate.

Click the buttons at right to learn more.



Evernorth Pricing Optionality: Built for choice and flexibility

Plan sponsors can select—or evolve between—pricing approaches based on transparency preferences, financial goals and long-term strategy.



			Evernorth Signature Choice℠	Evernorth Signature Complete℠
How it works	Evernorth retains a portion of the pharmacy reimbursement spread and rebates	Pharmacy discounts and rebates passed through; administrative fees disclosed	Drugs priced at Evernorth acquisition cost with a fixed PMPM	Discounts negotiated with pharma provided at pharmacy counter
Best fit when plans prioritize	Lower administrative fees; Evernorth taking on more performance risk	Transparency with traditional network economics	Maximum predictability; budget stability; simplicity. Clean separation of drug cost and administrative fees.	Lowest net drug cost; alignment around clinical value over rebate economics

* PMPM= per member per month

Evernorth Signature Choice℠: Predictability with proven performance

Signature Choice simplifies pharmacy benefit pricing through an acquisition-cost model, with our most predictable PMPM drug spend and a clear separation between drug costs and administrative fees.

Clear acquisition-cost pricing

Drug costs are grounded in actual acquisition cost, creating greater visibility into what the plan is paying.

Predictability with accountability

A PMPM drug spend target and at-risk administrative fee align Evernorth performance with plan outcomes.

Built to manage more than the contract

A simpler financial model helps shift the focus from rebate and contract mechanics to managing population health, trend and outcomes.



Built on proven execution, not theory

The longest-running acquisition-cost PMPM model in the market—delivering consistent, stable performance through disciplined underwriting.

1M+
lives to date

$3.64 to $1.66
PMPM variance improved

1.4%
variance in most recent year

Evernorth Signature Complete℠: Pharmacy value delivered sooner

Signature Complete builds on the same predictable, acquisition-cost foundation as Signature Choice, while moving manufacturer-funded discounts to the point of sale—helping plans and members realize pharmaceutical value sooner.

Value delivered at the point of sale

Manufacturer-funded discounts are applied when the prescription is filled instead of arriving months later through rebate reconciliation.

Greater financial visibility

Earlier access to pharmaceutical value can improve cash flow and give plans faster visibility into true net cost and emerging trends.

Built for a more future-ready benefit

A rebate-free structure reduces layers of complexity and supports greater transparency, oversight and member affordability.



A member-first approach to proactive and affordable health care

Members get the medications they need with more confidence and less cost friction, while plans gain a future-ready benefit design.

- Lower claims invoices sooner
- More transparent visibility into net cost

Evolution in action: Evernorth Signature Choice

Click the arrows in the upper right corner to view the sample pricing proposal for more information.

2027 PLAN COST DETAILS (ASSUMING 25,000 MEMBERS)

	Total	PMPM
Gross ingredient cost Plan cost + member cost share	$54,000,000	$180.00
Dispensing and shipping fees	$7,500,000	$25.00
Rebates (estimate)	-$22,500,000	-$75.00
Net drug spend guarantee target	**$39,000,000**	**$130.00**
Admin fee target	$3,000,000	$18.00
Optional clinical solutions fee	$300,000	$1.00
Total pharmacy spend	**$42,300,000**	**$149.00**



A look ahead: what to expect in your first year

Click on each blue + to see more details.

- PROJECTIONS: VISIBILITY INTO PROJECTED COSTS
- EACH MONTH: SAME BILLING PROCESS
- EACH QUARTER: CLEAR PERFORMANCE VISIBILITY ALL YEAR
- YEAR END: CLEAR AND STRUCTURED VALIDATIONS

Annual Total Cost Guarantee beyond year one: Performance based within defined limits

Your actual performance will inform the next year's guarantee, but **adjustments are constrained by defined protection thresholds.**

Clarity in today and confidence for tomorrow

+ Our Signature pricing model reflects Evernorth's commitment to meeting rising expectations with **clarity, discipline and experience.** By grounding pharmacy benefits in aligned incentives, transparent economics, predictable performance and proven accountability, **we remove uncertainty** and reduce the volatility and mid-year disruptions that have historically occurred due to fluctuating market events or unpredictable legislation changes.

+ Built on years of **proven success and scaled with intention,** the model provides a straightforward structure, outcome-based accountability and year-round performance visibility—giving consultants a foundation to help **clients manage trend, navigate market change and support sustainable value for the members they serve.**

+ Our current steps drive us to our future vision, and **clients can walk into tomorrow with the confidence we have built today.**

We are ready to step into the future, together. Please reach out to your Evernorth representative to get more information on Signature pharmacy benefit services.

Model recalibrates to performance without overcorrecting outcomes:

ESTIMATE → ACTUAL → ADJUSTMENT → NEXT YEAR PMPM

SCENARIOS	2027 YTD ACTUAL PMPM (1Q-3Q)	PROJECTED DRUG SPEND PMPM 2028 FY TARGET PMPM (CLIENT RECEIVES IN NOV)	FINAL RECONCILED DRUG SPEND PMPM (FY 2027)	GUARANTEED TREND CAP	GUARANTEED MAX PMPM TARGET PER CONTRACT	FINAL GUARANTEED DRUG SPEND 2028 PMPM TARGET
Scenario 1: Higher than expected spend + Actual exceeds projection + Adjustment is constrained by protection limits + Prevents upward overcorrection	$95.00	**$102.60**	$100.00	8%	$108.00	**$102.60**
Scenario 2: Lower than expected spend + Actual comes in below projection + Adjustment reflects improvement + Avoids downward overcorrection	$105.00	**$113.00**	$100.00	8%	$108.00	**$108.00**

All values shown in PMPM

Illustrated reconciliation constrained within defined bounds.

SIGNATURE CHOICE (2027)

Moving away from discount and rebate guarantees

- Cost-based pharmacy reimbursement
- Member and client transparency reporting
- Full-value passed thru to the employer and plan
- Member experience enhancements
- Simple and transparent admin fees

SIGNATURE COMPLETE (2028)

Transforming the pharmacy benefit model over time

- Expanded Price Assure, DTC solutions and MoreThanRX services
- Connected digital ecosystem and vendor integrations
- Up-front discounts at the pharmacy counter
- Pharmacy Performance Program
- Rebate-free model