

CVS Caremark: Profile Summary



Focus on connected model, innovation to increase access/affordability, and enhanced member and provider experience

Value prop positioning

- + **Providing face-to-face engagement** and prescription services, including specialty, through retail stores.
- + **Offering innovative health services** with retail clinics, home infusion services and nurse management.
- + **Creating convenience** through personalized technology and digital experiences as a “tech-forward PBM”.

Background

#2

nationally in
PBM market
share

1.9B ARx in 2024 (-17% Y/Y)

+ 27% PBM market share

- + **88M** members
- + **46M** prescriptions filled through mail
- + **~65K** network pharmacies nationwide, of which 43% are independent
- + **~9K** CVS Pharmacy retail locations

Primary differentiators

- + **Retail background** gives a strong marketing foundation and consumer brand awareness
“Offers multiple channels to access care locally and nationally”
- + **Expert marketers who tell a strong story** around its integrated assets
“A complete health care ecosystem”
- + **Integrated retail/PBM/health plan/care** allows them to tell a unique story around capabilities and programs
“Impact America’s health through wellness, benefits, pharmacy, and drug coverage”

Key product positioning

- + **Core positioning** ► **Connected Model:** Omnichannel health experiences for consumers via digital and integrated solutions (Retail Pharmacies, Minute Clinics, Oak Street clinics, Signify Home Health)—expected to generate 3-4x greater consumer lifetime value for a fully engaged CVS Health member.
- + **Secondary positioning** ► **Access & Affordability:** Leaning into new transparent offerings at retail (CostVantage) and new transparent PBM pricing model (TrueCost).
- + **Clinical model highlights:** Home care will be the first place that CVS expects to more deeply integrate PBM and care delivery business; Focused on care for MA population.
- + **Biosimilars:** Cordavis for preferred biosimilar strategy, excludes Humira.
- + **Weight Loss:** GLP-1 program called Weight Management program.

Specialty positioning

- + **Specialty-trained Care Teams** provide therapy-specific support (includes Coram infusion services and Accordant Care nurses).
- + **Intelligent Medication Monitoring (IMM)** engages members no longer benefitting from their therapy.
- + **Transform Oncology Care™** program, including Radiation Oncology.
- + **Digital connections** through Specialty Expedite (PA) and Specialty Connect (access)

CVS Caremark: Sell-Against Messaging



Use Case: When you have limited time and want to make a big impact, focus on these key points to counter CVS's market positioning

01

Store foot traffic is paramount:

CVS's programs, which are not exclusive, drive members to the store as they need to encourage front-of-store purchases.



CVS needs ESI members in stores because **75% of the market is not owned by CVS Caremark**. Customer satisfaction for CVS pharmacies has been declining Y/Y.

900 retail stores closed since end of last year, and an additional 270 to close this year (~12% of national footprint)

02

CVS will always take care of CVS first:

They've prioritized Medicare Advantage to grow the population needed to fill acquired clinics – forcing the company to grow more internally focused

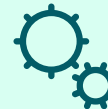


CVS Caremark will retain CVS pharmacies in-network, regardless of performance; CVS Caremark scored lower than ESI on metrics for the past three years of PSG Customer Satisfaction Surveys.

03

Perception is not reality:

CVS is skilled at marketing, but their product portfolio and consumer-facing technology experience suggest otherwise.



CVS touts innovation in the marketplace but has **closed their innovation center** originally launched in 2015 and tends to follow a "me-too" strategy with product development.

Across the board, **ESI apps score higher than CVS apps**.