Retail Health Care and Consumerism

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36th Annual Trustee Conference
September 17, 2016
Overview

• CVS HEALTH
• CONSUMERISM
• CVS MINUTECLINIC
• HEALTH SYSTEM AFFILIATIONS
• DIGITAL/TELEHEALTH
• PHARMACY CARE
Our journey
Our Model Meets Evolving Healthcare Needs…

A CONNECTED HEALTH CARE COMPANY

- Retail
- Specialty
- Infusion
- Long-Term Care
- Medical Claims Editing
- Clinical Programs
- PBM/Mail
- Retail Clinics
- Digital

COST  QUALITY  ACCESS

...helping deliver excellent outcomes while lowering costs

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Where we are today

- More than 9,500 retail pharmacies serving more than 5 million customers per day
- More than 30,000 pharmacists and nurse practitioners
- 25.6 million visits on CVS.com per month
- 1,135 MinuteClinics in 33 states and DC with more than 32 million patient visits
- 75 million PBM members
- 26% market share

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New Name, New Era for CVS Health

Purpose-driven company: Helping people on their path to better health

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Inconsistency
CVS Eliminates Tobacco
Snuffing out Tobacco
National Environment and Background

1 in 5 Americans currently lack access to primary care for their basic health needs\(^1\)

20 million potential newly insured lives as a result of health care reform, placing additional strain on already limited health care resources\(^3\)

By 2025, the shortage of primary care physicians (PCP) will grow to more than 30,000\(^2\)

\(~14\%\) percent of all emergency department visits could be treated in a lower-cost retail clinic, leading to annual savings of \(~$4.4\text{ billion}\)\(^4\)

Need for convenient, cost-effective, high quality complimentary care alternatives


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Health Reform and Demographics
Expanding Insured Population

Growth in U.S. Insured Lives
(lives, millions)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2015E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals/Exchanges</td>
<td>264</td>
<td>286</td>
<td>306</td>
</tr>
<tr>
<td>Medicaid</td>
<td>14</td>
<td>19</td>
<td>35</td>
</tr>
<tr>
<td>Medicare</td>
<td>53</td>
<td>63</td>
<td>65</td>
</tr>
<tr>
<td>Employer-sponsored</td>
<td>148</td>
<td>151</td>
<td>143</td>
</tr>
</tbody>
</table>


Medicare and Exchanges will be primary drivers
Retailization of Health Care Continues with Growth in Consumer-Directed Health Plans (CDHPs)

CDHP Enrollment (lives, millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>6.1</td>
</tr>
<tr>
<td>2008</td>
<td>12.5</td>
</tr>
<tr>
<td>2010</td>
<td>22.0</td>
</tr>
<tr>
<td>2012</td>
<td>30.5</td>
</tr>
<tr>
<td>2014</td>
<td>37.5</td>
</tr>
</tbody>
</table>

Drivers of Trend

- Employers looking to CDHPs to help control unsustainable growth
  - Employees have accountability in their health care decision making
- Growth in CDHPs also driven by health insurance choosers on the exchanges

Source: AIS’s Inside Consumer Directed Care; Kaiser; AHIP surveys.

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Promoting Healthy Behavior Is Critical in Avoiding Unintended Consequences with CDHPs

As Patient Cost Share Rises…

Cost

…sustaining adherence becomes more challenging

Adherence

…patients may choose to cut corners on their health and wellness needs to avoid costs

CVS Health Advantages

✓ More than 9,500 convenient locations
✓ CVS/MinuteClinic
✓ Innovative plan design options
✓ Adherence programs: Pharmacy Advisor
✓ Trusted brand

CVS Health is positioning itself to help meet consumer needs

Note:
1. Retail pharmacy locations include more than 1,660 Target locations.

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MinuteClinic Fills the Gap & Provides Additional Cost-Effective Access Points

MinuteClinic offers value through access to care
MinuteClinic: High-Quality, Lower-Cost Care

32 million+ visits

1100+
Full-time Clinics in 33 States and D.C.

>3,100
Providers (NPs/PAs) nationwide

Walk-in care, seven days per week

THE FIRST RETAIL HEALTH CARE PROVIDER TO BE FULLY ACCREDITED BY THE JOINT COMMISSION

Up to 80% savings over higher costs of care

94%
overall patient satisfaction

70+
major health system affiliations

50% of MinuteClinic patients do not have a PCP
50% seen on Evenings and Weekends

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Ensuring Care Coordination: Patient-Centered Medical Home (PCMH) support

Evidence-based care complements and supports the PCMH

Affiliate relationships with more than 70 leading health systems/provider organizations

Strong commitment to partnering with local health care community
  • Notes sent to PCPs with patient permission
  • Patients referred back to PCP, no direct referral to specialists

Primary care safety net: Patients without PCP receive list of local PCPs accepting new patients

EHR connectivity, HIE connectivity and EpicCare

Supportive role in ACOs & Patient Centered Medical Home practices

Translation Services for non-English speaking patients
MinuteClinic Facility

Clinic Exterior

Interior

Interior

Interior
Rapidly Growing to Meet Access Needs: Comprehensive national network of clinics (includes Target Clinics)

More than 1135 locations in 33 States and D.C. as of January 2016

More than 50% of the U.S. population is within 10 miles of a MinuteClinic
New York City Minute Clinics
MinuteClinic Patient Satisfaction 2012-2016

MinuteClinic Net Promoter Scores

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>80%</td>
</tr>
<tr>
<td>2013</td>
<td>82%</td>
</tr>
<tr>
<td>2014</td>
<td>84%</td>
</tr>
<tr>
<td>2015</td>
<td>81%</td>
</tr>
<tr>
<td>2016</td>
<td>83%</td>
</tr>
</tbody>
</table>

2014 Net Promoter Scores

- USAA Home Insurance: 84%
- MinuteClinic: 84%
- Amazon.com: 64%
- Integrated Delivery Network: 40%
- Medicare: 27%
- Health Insurance Sector Average: 17%


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MinuteClinic Suite of Services—Extended to Enable Better Population Management

**ACUTE CARE**
- Diagnose, treat and prescribe for common illnesses
- Allows physicians to focus on more complex patient needs
- After-hours & weekend care
- Telehealth for expanded access*

**PREVENTIVE**
- Screenings for chronic disease
- Vaccinations
- Health Risk Assessment*

**CHRONIC CONDITIONS**
- Support clinical quality improvement and close gaps in care
- Diabetes, hypertension & hyperlipidemia monitoring and patient education

**WELLNESS**
- Smoking cessation and weight loss programs
- Connecting members to primary care

* Currently piloting in select markets
MINOR ILLNESS EXAMS
• Allergy symptoms (2 years+)
• Body aches
• Bronchitis/Cough
• Earache/Ear infection
• Flu-like symptoms
• Gout
• Headaches
• Itchy eyes
• Nausea, vomiting and diarrhea
• Mononucleosis (mono)
• Motion sickness prevention
• Mouth/Oral pain
• Nasal congestion
• Pink eye/conjunctivitis
• Sinus infection/congestion
• Sore throat/strep throat
• Styes
• Upper respiratory infection
• Urinary tract infection (F 12+yrs)
• Vaginal yeast infection

SKIN CONDITION EXAMS
• Acne
• Athlete’s foot
• Chicken pox
• Cold sores and canker sores
• Impetigo
• Lice
• Minor infections
• Minor rashes including eczema and psoriasis
• Oral/mouth sores
• Poison ivy/oak
• Ringworm
• Scabies
• Shingles
• Sunburn
• Swimmer’s itch
• Wart evaluation

PHYSICAL EXAMS
• Camp physical
• Dept of Transportation (DOT) physical
• Sports physical

HEALTH SCREENINGS
• Biometric screening
• Cholesterol screening
• Comprehensive health screening

HEALTH CONDITION MONITORING
• A1c test
• Cholesterol monitoring
• Diabetes monitoring
• Hypertension evaluation

VACCINATIONS
• DTaP (diphtheria, tetanus, pertussis)
• Flu
• Hepatitis A
• Hepatitis B
• HPV (Gardasil®)
• IPV (Polio)
• Meningitis
• MMR (measles, mumps, rubella)
• PPSV (pneumonia)
• PCV13 (Prevnar)
• Td (tetanus, diphtheria)

WELLNESS
• Weight Loss Coaching
• Smoking Cessation Evaluation and Coaching

OTHER
• Contraception counseling
• Contraception injection
• Travel health
• Ear wax removal
• One-time medication renewal
• HIV testing (NY only)
• Hepatitis C screening (NY only)
• Pregnancy evaluation
• TB (tuberculosis) testing
• Vitamin B12 injection
MinuteClinic: High Quality Care

PERFORMANCE ACROSS FOURTEEN QUALITY INDICATORS RELATED TO THREE COMMON CONDITIONS

<table>
<thead>
<tr>
<th>Setting</th>
<th>Quality Score</th>
</tr>
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<tbody>
<tr>
<td>Emergency Departments</td>
<td>55%</td>
</tr>
<tr>
<td>Physician Offices</td>
<td>61%</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>63%</td>
</tr>
<tr>
<td>MinuteClinic</td>
<td>64%</td>
</tr>
</tbody>
</table>

Quality better than ER & equivalent to PCP & UC

HEDIS: AVOIDANCE OF ANTIBIOTICS

BRONCHITIS TREATMENT

- MinuteClinic
- Health Partners Clinic
- St. Cloud Medical Group
- Park Nicollet Health Services
- University of MN Physicians
- Mayo Clinic
- Allina Health System
- Fairview Medical Group
- HealthEast Clinics
- Mankato Clinic
- St. Cloud Medical Group
- Fairview Express Care
- Alexandria Clinic

Medical Group Average = 34%

1: "Comparing Costs and Quality of Care at Retail Clinics With That of Other Medical Settings for 3 Common Illnesses," Annals of Internal Medicine, August, 2009.
Quality of Care at MinuteClinic for Three Common Conditions

- Study of 75K episodes of care with severity matched controls

MinuteClinic performed better than ambulatory primary care visits and emergency departments across all quality measures.\(^1\)

MinuteClinic Delivers Significant Costs Savings vs. Other Sites of Care

COMPARING COSTS AT POINTS OF CARE FOR THREE COMMON ILLNESSES

<table>
<thead>
<tr>
<th></th>
<th>VISIT COST</th>
<th>PHARMACY COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>MinuteClinic</td>
<td>$110</td>
<td>$21</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>$156</td>
<td>$22</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$570</td>
<td>$26</td>
</tr>
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</table>

1. Comparing Costs and Quality of Care at Retail Clinics With That of Other Medical Settings for 3 Common Illnesses," Annals of Internal Medicine, August, 2009. N = 2,100 care episodes (700 of each) compared across venues.

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### MinuteClinic Condition-Specific Testing, Education, Counseling and Support

<table>
<thead>
<tr>
<th>Service</th>
<th>Diabetes</th>
<th>Hypertension</th>
<th>High Cholesterol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical exam</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Blood pressure check</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Body mass index</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Cholesterol test</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>A1c &amp; microalbumin tests*</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foot exam</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weight loss program (if needed)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Smoking cessation program (if needed)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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</tbody>
</table>

Helping to improve patient adherence through convenient access to disease monitoring and supplementary patient education

*Kidney Function

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Epic EHR: Broader Scope and Connectivity

Epic Enables Close, Real-time Connectivity with Health Alliances

Advantages
- Laboratory and registry data and decision support
- Pharmacy messaging
- Enables co-management of chronic condition care
- Clinical services
- Visit and discharge summary sharing

Source: Epic Systems Corporation, Copyright © 2014 Epic Systems Corporation. All rights reserved
Fully Connected to Promote Most Effective Care with Health System Affiliates and Health Plans

1. **Member Visits MinuteClinic**

2. **NP Accesses Electronic Medical Record (EMR)**

3. **MinuteClinic EMR Links to Health System/Plan**
   - Health system patient notes:
     - Allergic to penicillin
     - Current medications
     - Hypertension: needs BP check

4. **MinuteClinic Provider Treats Member**

5. **Electronic Clinical Information Exchange with Health System EMR/Health Plan**

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CVS Health uses and shares data as allowed by applicable law, our agreements and our information firewall.

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Epic Impact: Connectivity with Other Providers

- Exchanging 8M records since 2015
- Records to 900 Hospitals, 1,100 EDs, 23,000 Clinics

MinuteClinic exchanged patient records with organizations spanning 50 states

MinuteClinic exchanged patient records with other health care organizations

Other Connections

- 22 interfaces through Surescripts and Health System Affiliates beyond Epic

Including:
- eClinicalWorks
- Cerner
- Allscripts

Native Epic-to-Epic Connections

Sources: CVS Health – Interoperability Record Exchange Report 2015 – Q3

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Health System Affiliations
Collaborations with Health Systems in New York State

• Clinical Collaborations designed to support Health Systems to improve quality and reduce costs:
  – MinuteClinic EHR Connectivity
  – MinuteClinic Visit and Quality Reporting
  – Retail Pharmacy Patient Specific Non-Adherence Messages sent to Providers
  – Pharmacy Adherence Intervention and Condition Specific Reporting

• Collaboration with CVS Health to Compliment and Support Patient Care Strategies including:
  – Pharmacy Benefit Management Services for both the Health System and their System’s Health Plan if Applicable
  – Retail and Specialty Agreements
  – Coram Focus Care Home Infusion Program to Improve Transitions of Care and Help Reduce Length of Stay
  – Targeted Programs for Complex Patients
    o Smoking Cessation Support through both MinuteClinic and CVS Pharmacy
    o ScriptSync to Synchronize a Patient’s Maintenance Prescriptions
    o Future Programs such as Multi-Dose Packaging and Health Tag Messaging through Prescription Bag Labels
Collaboration with American Academy of Family Physicians and other Primary Care Societies

MINUTECLINIC COLLABORATION WITH LEADING PRIMARY CARE PHYSICIAN MEDICAL SOCIETY

CAMPAIGN ORGANIZED BY A COLLABORATION BETWEEN THE NATION’S EIGHT LEADING FAMILY MEDICINE ORGANIZATIONS

HEALTH IS PRIMARY GOALS INCLUDE:

• Increase care coordination between PCPs, retail pharmacies and clinics
• Inform patients about the resources available through the medical neighborhood
• Help ensure patients have access to primary care-based health care
Looking Ahead: Creating Digital Solutions for Patients

- **2015:** 3 million text alerts sent from kiosk
  - Sign into Kiosk
  - Agree to text alert
  - Patient decides where to wait
  - Receive text for return
  - Return for visit

- **2016:** Deploy online wait times, remote queuing, and scheduling
  - **ONLINE WAIT TIMES**
    - View wait times online and with mobile
  - **REMOTE QUEING**
    - Sign in to queue online and with mobile
  - **SCHEDULING**
    - Schedule future appointment
Online Wait Time Details

View Wait Times at your favorite Clinic….

…or view Wait Times at nearby clinics and either walk in or choose to hold your place in line.
Remote Queuing Capabilities

You provide the basics and let us know the reason for your visit....

...and we will confirm your place in line. We will text you when it is just about time to head to MinuteClinic.
Looking Ahead: Partnering to Expand TeleHealth

- Continuing to refine MinuteClinic TeleHealth model

![Bar chart showing patient satisfaction](chart.png)

- Partnering with 3 vendors for a Direct-to-Consumer TeleHealth offering

CVS Health Optometry Centers
Focus on Adherence: Brings All Three Health Care Frames into Alignment

Improved adherence can:

- Improve quality of care
- Improve outcomes
- Reduce overall health care costs


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Investing in Adherence Can Help Reduce Overall Costs and Avoid Human Suffering

HEALTH CARE SAVINGS FROM IMPROVED ADHERENCE (PMPY)

- **Lipid Lowering**
  - Net savings: $2,710
  - Added Rx Spend: $601
  - Medical and Productivity Savings: $3,311

- **Diabetes**
  - Net savings: $5,227
  - Added Rx Spend: $656
  - Medical and Productivity Savings: $5,883

- **Hypertension**
  - Net savings: $5,047
  - Added Rx Spend: $629
  - Medical and Productivity Savings: $5,676

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ScriptSync: Members’ Prescriptions, Ready Together

Aligns maintenance medication fills, making it easier for members to stay on the therapies they need to effectively manage their conditions.

SCRIPTSYNC OFFERS MEMBERS THE CONVENIENCE TO:

- Pick up all medication refills in a single CVS/pharmacy® visit
- Receive a consolidated delivery through the mail*

*ScriptSync is currently available at CVS/pharmacy locations nationwide and will be available through CVS/caremark Mail Service Pharmacy in 2016.
Multi-Dose Packaging: Labeled dosing packages

Sorted by time of day

Medication name and dosage

Pre-packaged medication

Date and day of week clearly labeled
Expanded access to Naloxone—an opioid overdose reversal drug

- Naloxone is an opioid overdose reversal medication
- Administered via injection or nasal spray by a first responder
- Carried by EMS and many police departments
- Several states have enacted laws to allow pharmacists to dispense it without a prescription
- When dispensing, pharmacists provide training on proper administration and usage
EXPANDING THIS PROGRAM TO THE FOLLOWING STATES IN FOURTH QUARTER:

• ALABAMA
• HAWAI'I
• ILLINOIS
• SOUTH DAKOTA

Currently CVS stores in 31 states are able to fill naloxone under standing order and we expect a total of 35 states by year end.
THANK YOU

Dr. Andrew Sussman
President, MinuteClinic
Executive Vice President &
Associate Chief Medical Officer, CVS Health

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