

Addressing the Complex Problem of Rising Drug Prices



CVS Health is committed to creating value and improving health by ensuring patients get access to the medications they need at the lowest possible cost.

425 Billion

Record U.S. spending on prescription drugs in 2015¹

16.7%

of all U.S. health care spending in 2015 went to prescription drugs²



Americans agree the **cost for prescription drugs** is unreasonable

Contributing factors and implications:



85%

of consumers are personally concerned about the rising cost of prescription drugs³



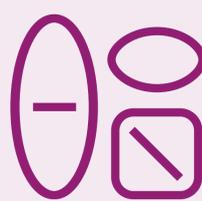
1 in 5

put off filling a prescription in the past month due to concerns about being able to afford it⁴



60%

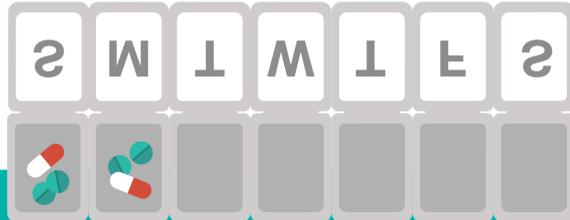
of U.S. adults take at least one prescription drug⁵ While brand name drugs make up just **15%** of prescriptions dispensed, they account for **75%** of total pharmaceutical spend⁶



>3,000

generic drug applications awaiting FDA approval⁷

How CVS Health is making a difference



Injecting Competition to Promote Greater Access

As one of the largest drug purchasers in the U.S. health care system, CVS Health employs industry-leading strategies to encourage more competitive pricing and make breakthrough drugs more affordable and accessible for patients who need them.

85%

of drugs dispensed are generic medicines, leading to equivalent care at a much lower price

>90%

of rebates are passed along to clients, who may use them to help lower their employees' out-of-pocket costs or potentially lower plan premiums



Innovative Adherence Programs

Prescription cost management goes beyond price negotiations. Our innovative adherence programs improve health outcomes and reduce costs.

- **Pharmacy Advisor**[®] - pharmacists engage directly with chronic care patients and their physicians to improve adherence and close gaps in care
- **ScriptSync**[™] - allows customers to pick up most maintenance medications at the same time each month
- **Specialty Connect**[™] - allows patients to bring specialty prescriptions to any CVS Pharmacy and receive guidance and support from a team of experts
- **Retail Pharmacy tools** - customers enrolled in digital programs demonstrate better medication adherence and reduced health care costs



¹ IMS Health, National Sales Perspectives, Jan 2016; U.S. Census Bureau; U.S. Bureau of Economic Analysis

² Department of Health and Human Services Observations on Trends in Prescription Drug Spending March 8, 2016

³ CVS Health Morning Consult Poll conducted July 14-16, 2016

⁴ CVS Health Morning Consult Poll conducted September 22-24, 2016

⁵ Kantor ED, Rehm CD, Haas JS, Chan AT, Giovannucci EL. Trends in Prescription Drug Use Among Adults in the United States From 1999-2012. JAMA. 2015;314(17):1818-1830. doi:10.1001/jama.2015.13766

⁶ <http://drugchannelsinstitute.com/files/2016-PharmacyIndustry-Overview.pdf>

⁷ Figure current as of July 1, 2016 as reported by Kaiser Health News. Original source:

<http://www.fda.gov/downloads/Drugs/DevelopmentApprovalProcess/HowDrugsareDevelopedandApproved/ApprovalApplications/AbbreviatedNewDrugApplicationANDAGenerics/UCM511473.pdf>

Learn more at: <http://cvshealth.com/thought-leadership/rising-drug-prices>

