Addressing Rising Health Care Costs

Solutions to help make health care more affordable for patients and taxpayers

Increasing medical costs impose a heavy burden on patients and our health care system. National health expenditures currently account for 17.9% of our GDP and are expected to increase to 19.9% by 2025.¹

CVS Health is committed to lowering health care costs while delivering high-quality care across the country.

1. Rising Drug Prices
The average price of brand prescription drugs increased 58% from $231 to $364 over the past five years.²

- We’re developing comprehensive programs to lower drug costs for patients and payors:
  - Savings passed directly to 10M members
  - Negotiated rebates provided at point-of-sale to 10M PBM members
  - ~90% spent < $300 OOP
  - Nearly 90 percent of PBM members spent less than $300 out-of-pocket for their prescription medicines in 2017
  - $420 average annual savings per patient by identifying the lowest-cost medications through our Rx Savings Finder

- Lowest drug trend in 5 years by leveraging lower-cost generics, strategic formulary management and negotiated discounts and rebates for PBM members in 2017

2. Chronic Disease Costs
If rates of diseases such as obesity, diabetes and heart conditions continue to rise, the cost to our health care system will reach $42 trillion between now and 2030.³

- We’re implementing solutions to help manage costly chronic diseases and improve outcomes for patients:
  - $0 copays on medications for many chronic diseases through preventive drug lists offered to payor clients
  - Increased adherence as much as 1.8 percentage points in 2017 by designing plans that connect chronic disease patients to lower-cost options
  - $3 saved for every $1 spent on personalized interventions for patients through our Pharmacy Advisor program

3. Access to Affordable Care
Americans rank the cost of health care as the most important financial problem facing their family.⁴

- We’re expanding access to low-cost, high-quality health care in communities and in the home:
  - 80% lower cost of care through retail clinics (on average), compared to receiving care through emergency rooms
  - Up to $3,000 savings per at-home infusion treatment course through Coram, compared to the same services provided in a health care facility

4. Care Coordination
Waste and inefficiencies represent 20 cents of every dollar spent on health care.⁵

- We’re providing savings by strengthening health care integration and improving efficiencies:
  - 50% fewer preventable readmissions and an average of $1,300 savings per patient using pharmacist-led medication reconciliation following a hospital stay
  - More than 70 collaborations with major health systems to support joint clinical programs and interoperable electronic health records

Learn more at: cvshealth.com/cost-of-care