

Maximizing value for clients and members with an innovative approach to formulary



Announcing the 2025 CVS Caremark® formulary updates

An effective formulary strategy is the foundation of cost containment. Our approach prioritizes coverage to clinically appropriate, cost-effective medications for members while ensuring low net cost for our clients. And as of January 1, 2025, we're improving access further – without impacting client financials – with more inclusions to our Standard Control Formulary than last year.

Delivering significant savings, with minimal member impact

Our 2025 managed formularies are expected to deliver:

\$4.3B

client savings¹

\$133

savings per member¹

99.4%

of members will not be impacted by formulary removals¹

Hyperinflation management — removing drugs with hyperinflated prices from our formularies, that have readily available, clinically appropriate, and cost-effective alternatives – is embedded within our managed template formularies to prevent wasteful spend.

Our hyperinflation strategies saved clients:

\$484M or **\$2.38 PMPM**

from January-July 2024²

Member access, affordability, and convenience are paramount

Ensuring that medications are affordable for your members is one of our main goals, and we also work hard to maximize their experience with minimal disruptions. **With our 2025 formulary updates, 99.4% of your members won't experience any impact.**¹

For members that are affected, we'll reach out proactively in ways they prefer – including by text, email and direct mail – to clearly explain what is changing, review their options, and walk them through next steps so that they stay on track with therapy. We'll also notify prescribers if a plan member is affected by a change and provide details about the associated medication.



Looking ahead – more opportunities for significant savings with biosimilars

In April, we removed Humira® from our major national commercial template formularies – the first in our industry to do so – replacing it with an adalimumab biosimilar. This bold move accelerated adoption of the biosimilar, improved affordability for members, and delivered significant savings for our clients.

Accelerating adoption

96%

Adalimumab biosimilar adoption since April 1³

Improving affordability

\$0

 out-of-pocket costs

for most eligible members³

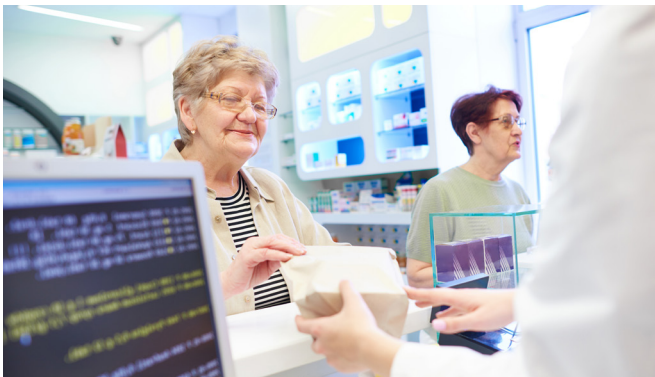
Delivering significant client savings

\$908M

gross savings as of Sept. 30³

In a constantly evolving pharmaceutical environment, biosimilars represent one of the biggest opportunities for reducing drug costs for payors and patients. Up to eight biosimilars for Stelara® are expected to launch in 2025, representing a significant cost reduction opportunity.

With each new entrant, we will evaluate it consistently within our formulary process, with a review of clinical, economic, and market factors, to ensure we get to the optimal outcome for our clients.



Continuously innovating to achieve low net cost for you, while optimizing the experience for your members

1. CVS Health, 2024. Client savings are determined using cumulative value over a 5-year period (Upcoming year, current year, and three prior years). All data sharing complies with applicable law, our information firewall, and any applicable contractual limitations. Actual results may vary depending on benefit plan design, member demographics, programs implemented by the plan, and other factors.
2. CVS Health, 2024. Book of Business, Commercial Clients enrolled in managed template formularies: January 2024-July 2024. Savings are rounded up from \$483.9M. Hyperinflation exclusions from 2019 -YTD 2024. Actual results may vary.
3. CVS Health Analytics, 2024. CVS Commercial Book of Business clients with standard template formularies (i.e., ACSF, Value, SCF, and BCF), excluding restricted clients, January 2024 – September 2024. All data sharing complies with applicable law, our information firewall and any applicable contractual limitations. Gross savings projections are based on CVS Caremark data. Actual results may vary depending on benefit plan design, member demographics, programs implemented by the plan and other factors. \$0 out-of-pocket costs for members enrolled in a plan's standard template formulary with intelligent benefit design. As of September 15, 85% of members had \$0 out-of-pocket costs.

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