Aetna SEBC Meeting

May 2023

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Who we are in Delaware

A dedicated presence

319K national employees including **937** in Delaware[1]

Local office in Newark

Supporting **more than 39M members**[2] nationally with **106K medical members** across Delaware[3]

A robust network

13 acute care and children's hospitals [4]

1,228 PCPs and 2,446 specialists

Invested in Delaware

In Delaware to-date since 2005, we've invested **$1.67M in affordable housing**[5]

Employees volunteered **more than 283 hours** in 2022, valued at **$14K** in Delaware[6]

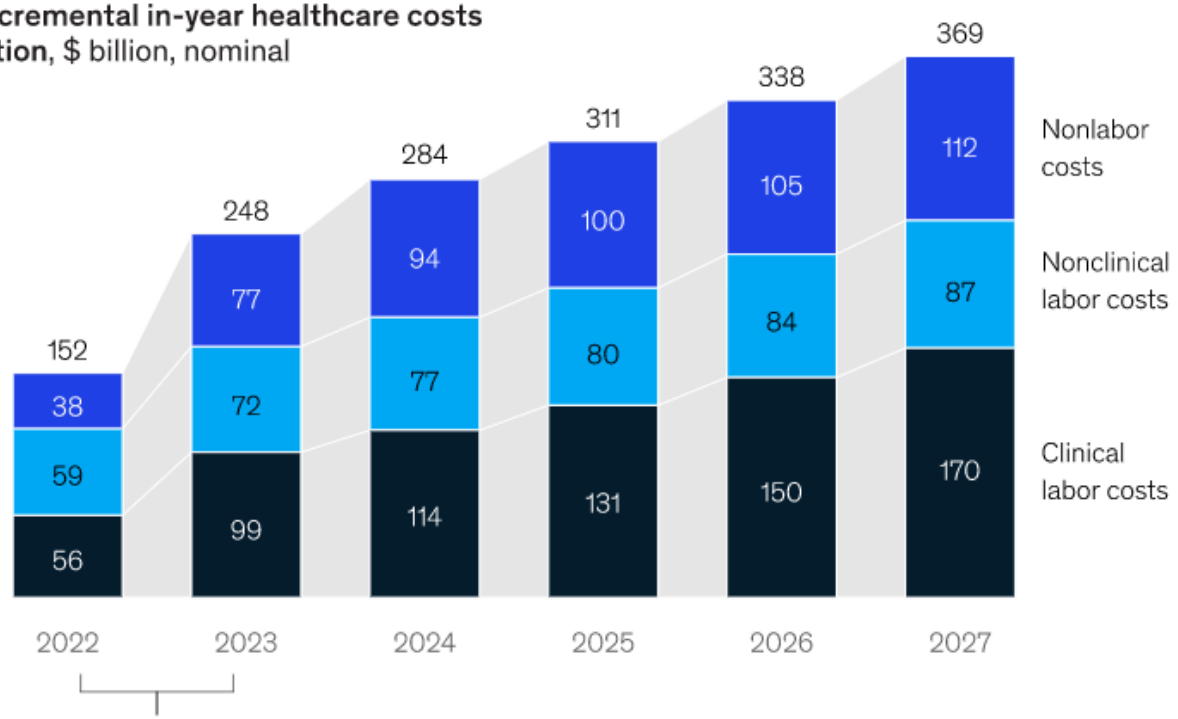
Local support for the Delaware Community Foundation, Foodbank of Delaware, Autism Delaware, and the Hope Medical and Dental Clinic in Dover

1 National numbers represents CVS Health and Aetna employees as of December 31, 2022. Employee counts by state as of February 1, 2023.
2 Medical and dental membership as of September 2022.
3 Commercial HMO and ACAS medical membership as of September 2022.
4 HCIC Network Provider Statistics, February 2023
5 CVS Health Delaware Community Impact Profile for 2021.
6 Employee volunteer hours for calendar year 2022. CVS Health and Aetna internal report.

Impact of Inflation on Providers

The largest portion of potential extra healthcare costs are introduced to the system in 2022–23.

Potential incremental in-year healthcare costs due to inflation, $ billion, nominal



*Inflation and clinical labor wage growth are significantly above baseline trends in **2022 and 2023** before returning to a lower rate of growth on this elevated baseline*

Source: McKinsey analysis in partnership with Oxford Economics; expert input

Executive Summary

Aetna network is growing, innovating, and leading with value-based care

- Our vision remains consistent: deliver a **caring**, **connected** and **convenient** network of providers to meet the diverse needs of our members
- Our strategy is driven through four pillars. Value-based care is the mechanism to help us achieve our vision and build a foundation for future innovation with CVS Health

Execute on the basics

Optimize health care benefits networks to ensure access to high-quality, affordable care

Extend the network

Expand the types of partners and services in the Aetna network to meet the holistic needs of our members

Innovate for impact

Deliver an omnichannel health experience through new capabilities, collaborations and approaches

Invest in primary care

Support and advance the performance of primary care providers, both external and CVS Health

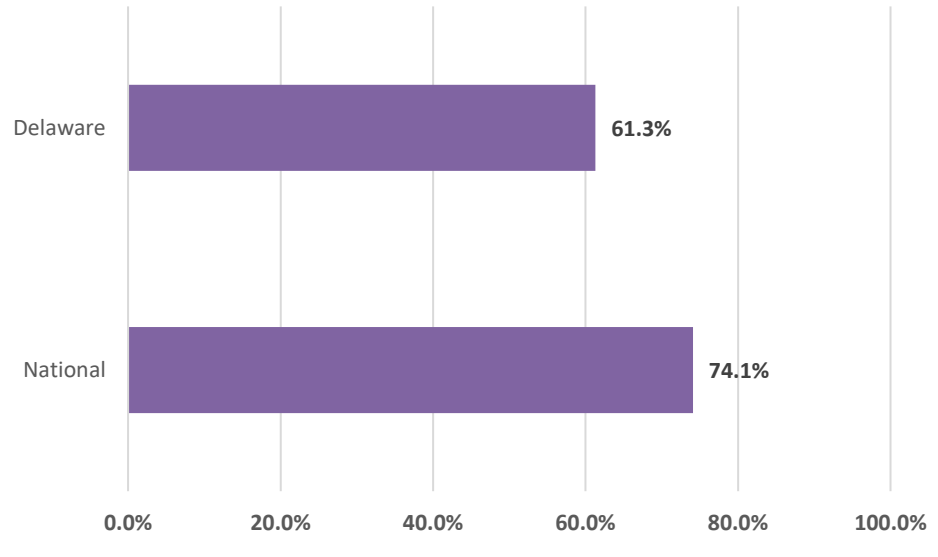
Advanced Payment Model Framework

HCP LAN Category	Category 1: Fee for Service	Category 2: Fee for Service, Link to Quality and Value	Category 3: APMs built on Fee for Service Architecture	Category 4: Population Based Payment
Description*	No link to value and quality	A: Foundational Payments B: Pay for Reporting C: Pay for Performance	A: APMs with shared savings B: APMs with shared savings and downside risk	A: Condition Specific Population Based Payment B: Comprehensive Population Based Payment C: Integrated Finance and Delivery System
Aetna Programs	Fee for service	Pay for Performance (physician, specialist and hospital) Primary Care Medical Home (physician)	Aetna Innovation Model (health system) ACO Models (health system) Commercial Attribution Incentive Arrangement (health system)	Capitation (Primary Care) Episodes of care/bundles (specialist, health system)

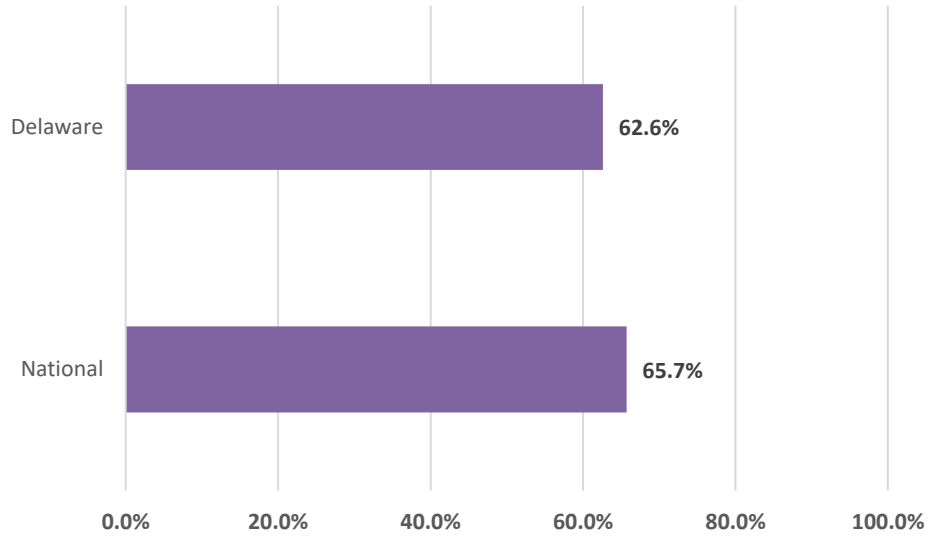
**HCP LAN Alternative Payment Model (APM) Framework – Refreshed for 2017*

Aetna National Advanced Payment Model Adoption

Medicare
% of Spend in Advanced Payment Model



Commercial
% of Spend in Advanced Payment Model

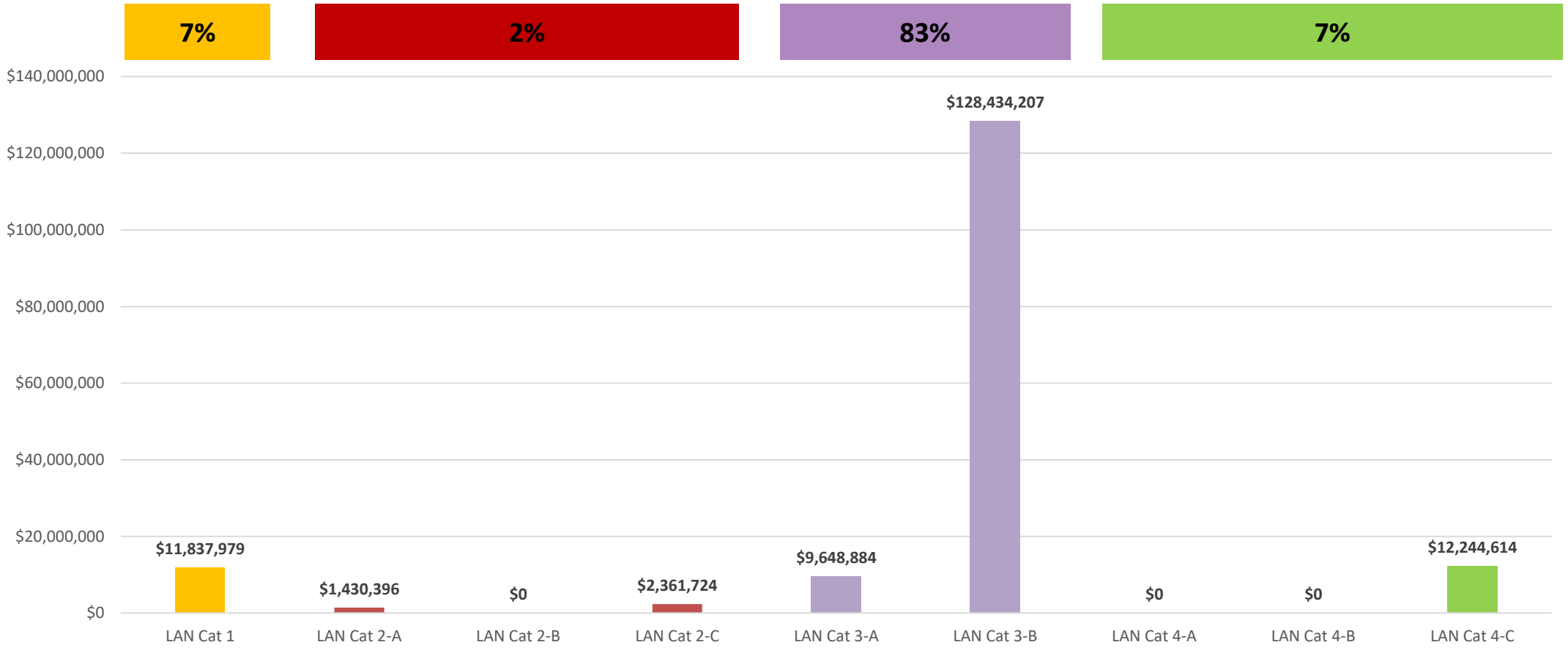


Advanced Payment Model = Risk and Population Based Payments as delivered through an Aetna Value Based Agreement that meets the HCP LAN definitions

Aetna VBC Percent of Spend by Market: Claims incurred Nov 2021 – Oct 2022, paid through January 2023

State of Delaware – Aetna Advanced Payment Model Adoption

GHIP Goals:
Category 3: 40% of Spend
Category 4: 10% of Spend



Aetna January 2023 ASD Template Submission: FY22 (7/1/21 – 6/30/22)

Challenges to Advanced Payment Model Adoption

- Provider leverage; there are a handful of providers in the DE market with substantive Aetna attributed lives, and many practices with small denominator size
- Economic environment, including inflationary pressure and revenue inconsistencies over the last several years due to COVID
- Performance takes time, varies by model and provider
- Not all providers equally equipped or prepared to take risk
- Physician “mindshare” critical, but challenging when we represent a small part of the physician panel
- Commercial self-funded plan sponsors seek concrete or proven ROI

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Quality: How we work with Providers

Clinical efficiency goals that drive care improvement. Measures include:

- Non-trauma bed days
- 30-day readmission rate
- Impactable admits
- Potentially avoidable emergency department (ED) visits
- Site of Service opportunities
- Generic prescribing rate

Clinical performance outcomes including quality measures that focus on:

- Diabetes
- Cardiovascular disease
- Preventative health/cancer screenings
- Pediatrics

Data Exchange

Providers commit to collaborating with our care management programs, implementing team-based care, and to providing extended access

Data Exchange

- Monthly exchange of files through secure file sharing site
  - Medical claims
  - Enrollment
  - Rx claims
  - Lab results
  - Health risk assessments
  - Capitation (if applicable)
  - Predictive risk scoring
  - Social Determinants of Health indicators
- Daily Inpatient Census


Thank you