



# Broker Alert

## **Aetna announces new agreement with CVS Caremark**

Aetna is entering into a 12-year strategic agreement with CVS Caremark that will result in enhanced value to your customers and their members. This arrangement will allow Aetna to provide customers with high-value, integrated pharmacy plans that are driven by total cost and quality management, clinical superiority, a holistic, member-centric experience and market-leading products.

Aetna's objective in this strategic agreement was to find a like-minded organization that is focused on clinical outcomes, consumer engagement and driving financial value for our customers and members. CVS Caremark shares similar values, and supports Aetna's goal of providing quality outcomes with lower cost for members.

Under the agreement, Aetna will retain and operate its mail order and specialty pharmacy businesses, with CVS Caremark providing the administration of selected functions for Aetna's retail pharmacy network contracting and claims administration, as well as mail order fulfillment and customer service, specialty pharmacy order fulfillment and inventory purchasing and management.

### **Aetna will continue to own and manage its PBM organization, including:**

- Clinical program development;
- Sales and account management;
- Pricing and underwriting;
- Manufacturer relations;
- Rebate contracting and administration;
- Clinical protocols and oversight of medical policies, plan design, formulary;
- Continued ownership and operation of our mail-order and specialty pharmacies;
- Integrated care management programs, including clinical management of our specialty pharmacy operation.

Through this strategic agreement, Aetna will improve its competitive position as a premier provider of PBM services while delivering enhanced service capabilities, innovative product offerings and greater value to its customers and members.

## CVS Caremark, working closely with Aetna, will:

Handle pharmacy claim administration functions.  
Contract for, and administer, Aetna's retail pharmacy network.  
Provide robust operating platforms, which will create substantial efficiency and improvements in reporting and member experience.

Aetna's mail order and specialty pharmacies will benefit from CVS Caremark's best-in-class fulfillment and administrative capabilities.

| <b>Mail-Order Pharmacy Services</b>   | <b>Aetna</b> | <b>CVS Caremark</b> |
|---|--------------|---------------------|
| <b>Order Entry; Pharmacist Review; Clinical Integration and Communication with Prescribers and/or Members; Patient Counseling</b>                                       | Yes          |                     |
| <b>Order Fulfillment; Pharmaceutical Purchasing and Inventory Management; Customer Service Support</b>  |              | Yes                 |
| <b>Specialty Pharmacy Services</b>  | <b>Aetna</b> | <b>CVS Caremark</b> |
| <b>Order Entry; Pharmacist Review; Patient Assessment and Counseling; Clinical Integration and Communication with Prescribers and Members; Customer Service Support</b> | Yes          |                     |
| <b>Order Fulfillment, Pharmaceutical Purchasing and Inventory Management</b>  |              | Yes                 |

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## Benefits of the strategic agreement include:

Capability to interact with members more frequently and in more locations (providers, retail pharmacies, mail order, MinuteClinic CVS/pharmacy locations).

Access to multiple channels of member interaction will give Aetna more ways to provide members with consumer advocacy programs, integrated care models, Care Considerations and other actionable medical/pharmacy alerts at the point of care.

Improved cost management performance through industry leading clinical tools and a broad, high quality and value pharmacy network.

Live counseling and on-site nurse practitioners at CVS Caremark's retail pharmacies and MinuteClinics. In addition, services include Aetna's specialty and mail-order delivery interactions to flag diagnostics, utilize Care Considerations, engage consumers and improve medication adherence, thus closing gaps in care and improving health care outcomes.

Ability to better engage members for Aetna condition and disease management programs.

Rapid integration of pharmacy data into care management programs and systems.

Ability to create highly personalized, integrated care management using Aetna's strategic infrastructure and CVS Caremark's integrated access and multi-channel local delivery model.

## How this relationship will impact you

There will be no immediate changes for customers with Aetna pharmacy benefits. CVS Caremark services will be phased in to Aetna's pharmacy programs. We expect to be able to obtain all regulatory approvals before the expected commencement date of January 1, 2011.

We are committed to a successful service enhancement implementation process. As we look to put into operation the exciting benefits of this arrangement we will continue to share with you the strategy and timeline of our activities as details evolve into 2011.

The press release and other information about the agreement are available on Aetna's website - <http://www.aetna.com/about-aetna-insurance/sas/cvs-caremark-agreement/index.html>. In the coming months, we will keep you apprised of any developments as they relate to your clients' business with Aetna Pharmacy Management.

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies. Those companies include Aetna Health Inc., and Aetna Health Insurance Company.

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