

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 17, 2023



CVS HEALTH CORPORATION

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of incorporation)

001-01011
(Commission File Number)

05-0494040
(IRS Employer Identification No.)

One CVS Drive
Woonsocket, Rhode Island
(Address of principal executive offices)

02895
(Zip Code)

Registrant's telephone number, including area code: **(401) 765-1500**

Former name or former address, if changed since last report: **N/A**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CVS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

CVS Health Corporation (“CVS Health,” the “Company,” “we” or “our”) understands that Blue Shield of California has announced today, as part of a new pharmacy care model, that it will use a number of pharmacy service providers beginning in 2024. CVS Caremark will continue to provide specialty pharmacy services. The financial impact associated with the partial termination of the Blue Shield of California contract is not expected to have an impact to our previously issued 2023 guidance and is expected to have an immaterial impact on our longer-term outlook. CVS Caremark remains the leading pharmacy benefit manager in the United States, serving more Americans and more health plans today than any of our competitors. CVS Health believes customers choose CVS Caremark because of its ability to seamlessly administer complex pharmacy and specialty pharmacy benefits with high levels of customer service and satisfaction, as well as our leading cost position. We are pleased to continue to serve Blue Shield of California customers for their specialty pharmaceutical needs. Specialty pharmacy spend now represents over 50% of pharmacy benefit spend in the marketplace. We remain confident in the value that CVS Caremark provides to our customers and that our integrated solutions will continue to resonate in the marketplace as we deliver our leading cost position and service excellence to our customers.

CVS Health reaffirms its 2023 full year GAAP diluted earnings per share (“EPS”) guidance range of \$6.53 to \$6.75, adjusted EPS range of \$8.50 to \$8.70 and cash flow from operations range of \$12.5 billion to \$13.5 billion.

Non-GAAP Financial Measures

This Current Report on Form 8-K includes projected adjusted EPS, a non-GAAP financial measure that the Company uses to describe its performance. The Company uses non-GAAP financial measures to analyze underlying business performance and trends. The Company believes that providing non-GAAP financial measures enhances the Company’s and investors’ ability to compare the Company’s past financial performance with its current performance. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. The Company’s definitions of its non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. The most directly comparable GAAP measure is projected GAAP diluted EPS.

Projected GAAP diluted EPS and projected adjusted EPS, respectively, are calculated by dividing projected net income attributable to CVS Health and projected adjusted income attributable to CVS Health, respectively, by the Company’s projected weighted average diluted shares outstanding. The Company defines adjusted income attributable to CVS Health as net income attributable to CVS Health (GAAP measure) excluding the impact of amortization of intangible assets, net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of the Company’s business nor reflect the Company’s underlying business performance, such as acquisition-related transaction and integration costs, restructuring charges, office real estate optimization charges, losses on assets held for sale, gains/losses on divestitures, opioid litigation charges, as well as the corresponding income tax benefit or expense related to the items excluded from adjusted income attributable to CVS Health and certain discrete tax items.

Reconciliations of projected GAAP diluted EPS to projected adjusted EPS can be found in the Company’s press release announcing results for the three months ended June 30, 2023, included as Exhibit 99.1 to the Company’s Current Report on Form 8-K furnished on August 2, 2023.

Cautionary Statement Concerning Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of CVS Health Corporation. Statements in this Current Report on Form 8-K that are forward-looking include statements regarding the potential impact of the announcement made by Blue Shield of California and CVS Health's projected full year 2023 GAAP diluted EPS, adjusted EPS, cash flow from operations and other financial information in this Current Report on Form 8-K. By their nature, all forward-looking statements are not guarantees of future performance or results and are subject to risks and uncertainties that are difficult to predict and/or quantify. Actual results may differ materially from those contemplated by the forward-looking statements due to the risks and uncertainties described in our Securities and Exchange Commission filings, including those set forth in the Risk Factors section and under the heading "Cautionary Statement Concerning Forward-Looking Statements" in our most recently filed Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

You are cautioned not to place undue reliance on CVS Health's forward-looking statements. CVS Health's forward-looking statements are and will be based upon management's then-current views and assumptions regarding future events and operating performance, and are applicable only as of the dates of such statements. CVS Health does not assume any duty to update or revise forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise.

The information in this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") or otherwise subject to the liabilities of that Section, and shall not be or be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 17, 2023

CVS HEALTH CORPORATION

By: /s/ Shawn M. Guertin
Shawn M. Guertin
Executive Vice President and Chief Financial Officer
