



To: DVHT Trustees and Human Resource Contacts

Cc: DVHT Executive Committee

From: Carol Bigham, Director of Member Services

Date: December 4, 2017

RE: Update on Acquisition of Aetna by CVS Health Corp.

We wanted to provide you with an update on the acquisition of Aetna by CVS Health which was formally announced yesterday.

We believe the new integrated company will enhance DVHT's competitive position and strengthen our ability to provide members with quality, sustainable health benefit programs.

Given the fact CVS Health and Aetna are complimentary organizations with little market overlap, we do not see any significant downside or potential negative impact for members of the Trust.

The merger of the two companies may create some unique opportunities for the delivery of healthcare by combining CVS's network of local pharmacies with Aetna's clinical and analytical strengths as a health insurance company. It is expected that:

- Aetna will operate as a standalone subsidiary under CVS Health with Aetna's current management team remaining intact
- The combined market clout of both companies should result in greater purchasing power (which may benefit DVHT members through lower claim costs)
- A wider range of health care and wellness services are likely to be provided through CVS national network of retail pharmacies, improving access to health care, facilitating detection of chronic diseases and offering a convenient platform for a full range of health care services.
- Integration of care will result from this partnership providing greater information and resources for health care providers and members alike which should ultimately translate to better informed decisions and better outcomes.

Below is a statement from DVHT's Aetna account team on the merger:

*In CVS Health we have found the ideal partner that can accelerate our strategy to make the health experience more personalized and affordable so individuals can achieve their best health. At the heart of this transaction is a shared desire to improve the health and productivity of the people and communities we serve. We will combine Aetna's industry leading health care benefits and services with CVS Health's 9,700 retail locations, 1,100 in-store clinics and integrated pharmacy capabilities to become the trusted front door to health care. This local community presence will allow us to better understand member needs, simplify their experience and guide them through the health system. We will also deliver care using CVS Health's clinics, which are significantly less expensive than traditional health care delivery settings.*

*A combination with CVS Health will allow us to continue to build on our momentum with a partner that shares our commitment to promoting wellness, health, and convenient access to high-quality health care for everyone.*

The deal is expected to be finalized in the second half of 2018 and it subject to regulatory approval.

We will continue to monitor the changing market landscape while actively representing the interests of DVHT members and your employees.

If you have any questions, please feel free to contact:

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Thank you.