

Hearing Testimony of David Joyner, President and CEO, CVS Health House Committee on Ways and Means

Chairman Smith, Ranking Member Neal and members of the committee:

Thank you for the opportunity to share our perspective on the drivers of health care costs and the market and policy solutions needed to address them.

CVS Health engages with millions of Americans every day, in their communities, helping families struggling with an often confusing, disconnected system and the rising cost of health care. What's driving these costs is understood: Greater demand for care, growing medical provider costs, and persistently high prices for hospital care and prescription drugs.

Every day we are addressing the fragmentation and underlying cost of care. That starts by making care for Americans accessible and affordable; and most importantly simplifying the patient experience at every point. Our 300,000 employees across the country work every day to meet this moment.

CVS Health supports the Committee's goal of addressing rising medical costs. And we want to be a partner in addressing these challenges.

We are working to ensure our members have access to the right care at the right cost. We are expanding low-cost primary care, covering preventive care at no cost to patients, and offering free virtual care to eliminate barriers to access.

We are leading the industry in developing new solutions to lower costs, investing in technology to identify health problems before they become serious and tailoring treatment to individual patient needs. Today, I'll share four ways we're making care more affordable and accessible:

First, we're expanding access to coverage that rewards providers for keeping patients healthy.

Second, we're reducing administrative burdens, so instead of filling out forms, doctors can spend that time caring for patients, all while driving lower administrative costs of care. We know denial of care is a major frustration for patients and their doctors. So, we continue reducing the number of claims subject to prior authorization, and by independent measures, have the fewest number of services subject to it.

When we do receive an authorization request, 77% are approved in near real time, and that number is growing. For medications nearly half are approved immediately, and for others, average approval times decreased from 3 hours in 2024 to 34 minutes today.

CVS Health's bundled approach now gives providers one approval covering medical procedures like repeat imaging and medication for specific conditions. For patients undergoing breast cancer treatment that means a single authorization for the entire series of procedures.

Third, we're using competition to address rising drug costs. We're aggressively promoting the use of biosimilars. We now have 80% of patients paying \$0 out-of-pocket costs for these once pricey drugs and have generated \$1.5 billion in savings.

Fourth, we're building a modern consumer health care platform – that we will open to plans and providers. For patients, it's simple: one open app that allows them to own and manage their health care. Our 17 million monthly active app users will schedule appointments, refill prescriptions, access preventive care – all in one place – with the goal of helping them stay healthier at lower costs. For the health care system, it's a shared foundation we believe will make care more coordinated and affordable.

I took this role 15 months ago because I wanted to help shape the future of health care in this country. I'm proud of the work we have done so far to simplify the health care experience and make care more affordable and accessible for American families.

I know there is much more to do. It requires health plans, providers, and employers working together. That's why we support reforms that increase transparency, competition, and innovation, particularly among hospitals and in the pharmaceutical supply chain. We encourage policymakers to preserve flexibility for employers to offer benefits that meet their workforce's needs, and to avoid policies that reduce competition or add bureaucracy.

We want to work together to:

1. Explore solutions that bring younger and healthier people into risk pools.
2. Expand the definition of preventive care to services that keep people healthy and out of the hospital and allow people in high-deductible plans to access these services in their pre-deductible phase.
3. Address the bad actors who are gaming the No Surprises Act. Centralizing eligibility, automating processes, and increasing oversight can address this abuse.
4. Accelerate interoperable health records to reduce friction and help patients manage their health.
5. Pass the ECAPS legislation, allowing pharmacists to practice at the top of their license and receive Medicare reimbursement. This will benefit every pharmacy in the country while improving access for patients and reducing costs.

We welcome the committee's partnership in that effort as we continue our work to make health care more affordable for all Americans. Thank you, and I look forward to your questions, and to the additional hearings in this series.