AI in CVS Health: Navigating Risks & Unlocking Value

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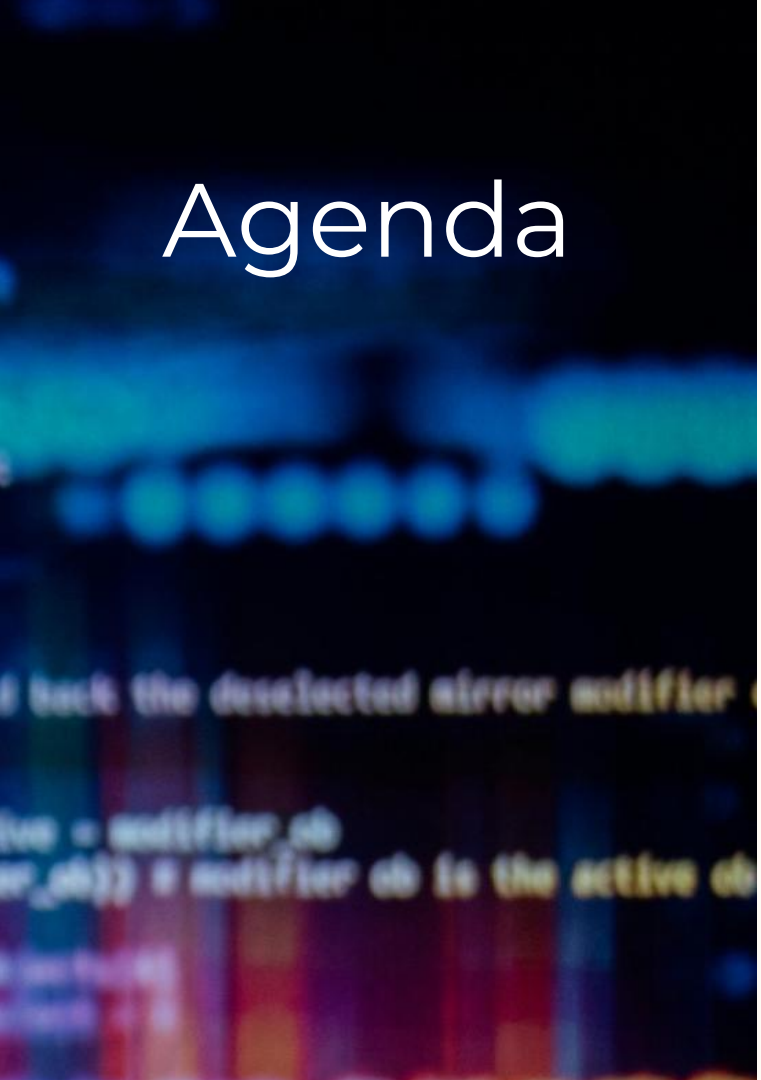


Agenda

Most impactful AI considerations

-Data Privacy & Cybersecurity

-Bias in AI Models

-AI-Driven Drug Discovery & Clinical Insights

Mitigation & The Value of Each Approach

Conclusion

CVS Health

Data Privacy & Cybersecurity

CVS Health has already experienced cybersecurity incidents in 2021, highlighting the need for robust security measures.

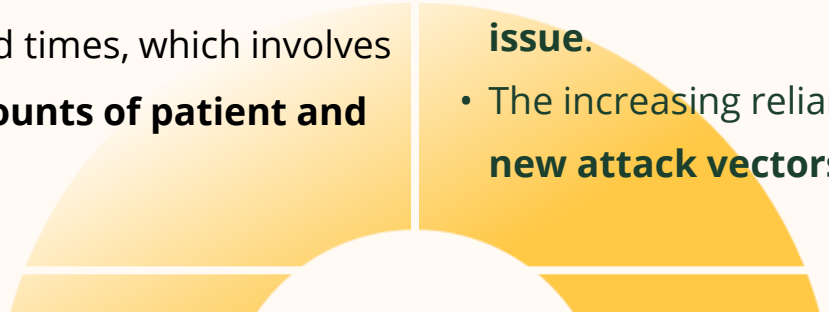
Privacy Concerns

- In 2025, CVS Health's redesigned AI-powered app sparkles privacy concerns over **sensitive health data handling.**
- Using AI to create more intuitive workflows and faster turnaround times, which involves processing **large amounts of patient and member data**.

Cybersecurity Risks

Learn from the past...

- The **database leak** exposed over 1 billion personal information, causing serious **reputation damage** and **customer trust issue**.
- The increasing reliance on AI may create **new attack vectors** for cybercriminals.



Bias in AI models

AI-driven Insurance & Claims Processing	Pharmacy AI & Prescription Approvals	Personalized Healthcare & Wellness Recommendations
• **Aetna's** AI may deny claims unfairly if trained on biased historical data, worsening healthcare disparities.	• AI may reinforce racial and gender disparities in medication access if trained on biased data.	• AI may unequally distribute preventive care recommendations, favoring certain groups.
• In 2019, **UnitedHealthcare's** AI prioritized healthier patients, reducing care for Black patients with higher risks.	• In 2021, AI monitoring disproportionately flagged **Black patients** as **"high-risk"** opioid users, limiting pain treatment.	• In 2020, an AI tool prioritized **white patients** over **Black patients** for healthcare recommendations.

AI-Driven Drug Discovery and Clinical Insights

Regulatory & Compliance Risks	High Implementation Costs	Disruption to Traditional Pharmacy & Provider Roles
• Models must adhere to strict FDA and healthcare regulations, which **may delay implementation**.	• Deploying AI in drug discovery and medical practices **requires investment** in technology, personnel and infrastructure.	• Automation may change the role of pharmacists and healthcare providers, leading to resistance.
• **IBM Watson** faced scrutiny when it was revealed that the AI system provided incorrect/unsafe treatment recommendations.	• **BenevolentAI**, a biotech company using AI for drug discovery, faced major financial difficulties despite initial successes.	• **Walgreens** implemented AI-driven automation in its prescription fulfillment process which led to job cuts and resistance from staff

Strategies for Mitigation & The Value of Each Approach

1. ***Data Privacy & Cybersecurity:*** Require Multi-Factor Authentication (MFA) and Role-Based Access Control (RBAC) for AI systems handling sensitive data.

2. ***Bias on AI models:*** Regularly audit AI models to check for racial, gender, and socioeconomic disparities in claim approvals.

3. ***AI-Driven Drug Discovery and Clinical Insights:*** Partner with biotech firms, AI-driven pharma companies, and academic research institutions to share costs and accelerate AI drug research.

Thank you for listening!

Do you have any questions?