Agenda

1. **Broad AI strategy**

    - Project: AI Shield and Enhance

    - Why Now?

    - Strategy Timeline

1. **The Value of Approaches & Risk Mitigation**

2. **Conclusion**

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Diagnosing the Challenge

CVS at Risk

Data Breach Impact: Customer trust and business reputation impaired

New Market Rivals: Amazon Pharmacy & Walmart Health are expanding into AI-driven healthcare.

Competitive Threat: CVS could lose customers, revenue and industry relevance

The Cure: AI-Shield & Enhance

- Strengthen data privacy and security
- Implement advanced cybersecurity measures
- Leverage AI to innovate & improve customer experience.

By focusing on **cybersecurity, bias mitigation, and AI-driven advancements**, CVS can regain its spot in the evolving industry.

Why Now?

 Consumer Expectations

 Competitive Pressure

dustries/healthcare/our-insights/harnessing-ai-to-reshape-consumer-experiences-in-healthcare

Harnessing AI to reshape consumer experiences in healthcare

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Tackle the 70 percent problem of data readiness

First, executives need to consider their organization's data and tech readiness before allocating resources and funding. Delivering tangible value for healthcare consumers through AI requires integrated data ready for consumption, a challenging task that represents, on average, 70 percent of the work when developing AI-based solutions.[8] For healthcare, the challenge is knowing what data to collect and how to connect those sources; data is fragmented across multiple platforms and in varying formats and levels of utility (for example, claims or electronic health records hosted on-premise, marketing information on a cloud platform, and call center information spread across multiple systems).

on.com/news/retail/how-amazon-pharmacy-uses-generative-ai?utm_source

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5 ways Amazon Pharmacy uses AI to make getting medications more convenient for customers

See how Amazon is using generative AI to empower medical professionals and improve health care, starting with your prescriptions.

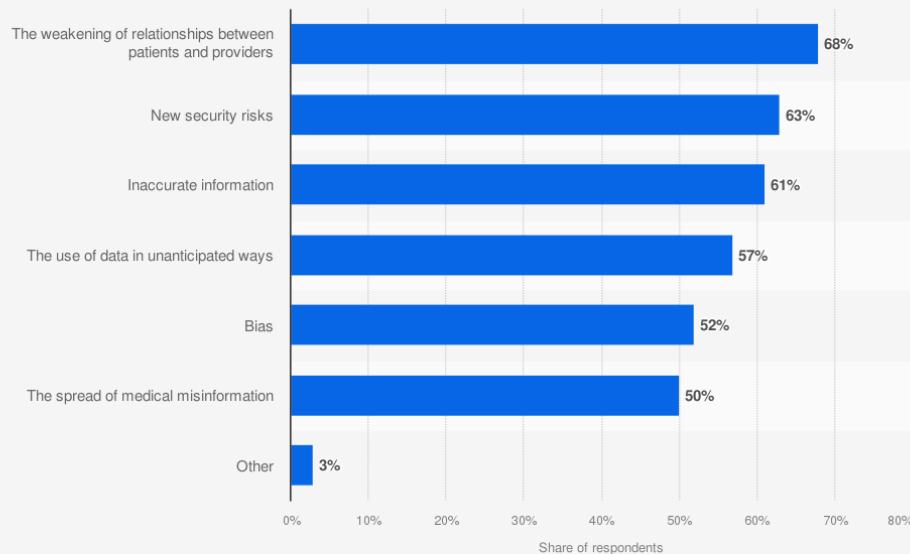Amazon Pharmacy   Health care   Artificial Intelligence   Health   Innovation   Machine Learning   AWS   Share

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Why Now? (Continued)

Regulatory Shifts

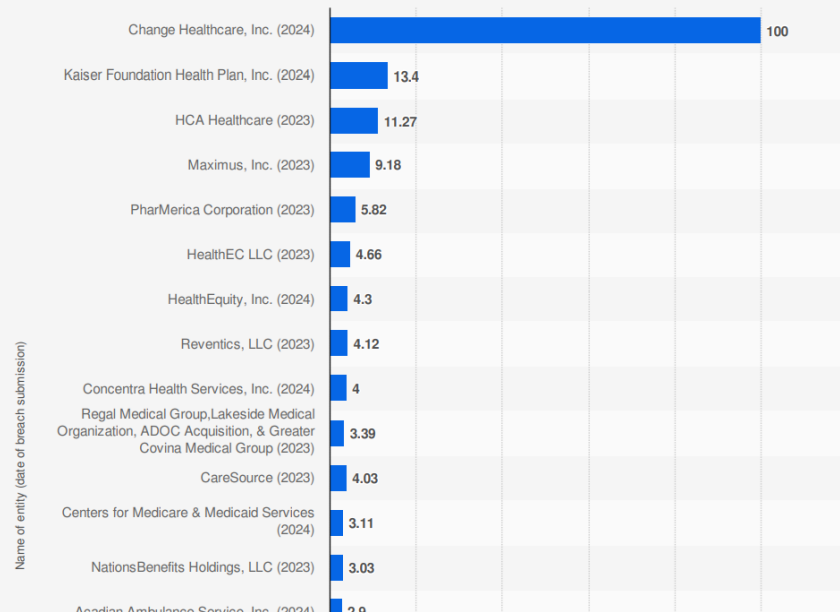**Concerns of adults with the use of artificial intelligence in healthcare in the United States in 2024**

Concern	Share of respondents
The weakening of relationships between patients and providers	68%
New security risks	63%
Inaccurate information	61%
The use of data in unanticipated ways	57%
Bias	52%
The spread of medical misinformation	50%
Other	3%

Cybersecurity Threats

Largest healthcare data breaches to date in the United States as of November 2024, by number of affected individuals (in millions)

Name of entity (date of breach submission)

Entity	Affected individuals (millions)
Change Healthcare, Inc. (2024)	100
Kaiser Foundation Health Plan, Inc. (2024)	13.4
HCA Healthcare (2023)	11.27
Maximus, Inc. (2023)	9.18
PharMerica Corporation (2023)	5.82
HealthEC LLC (2023)	4.66
HealthEquity, Inc. (2024)	4.3
Reventics, LLC (2023)	4.12
Concentra Health Services, Inc. (2024)	4
Regal Medical Group,Lakeside Medical Organization, ADOC Acquisition, & Greater Covina Medical Group (2023)	3.39
CareSource (2023)	4.03
Centers for Medicare & Medicaid Services (2024)	3.11
NationsBenefits Holdings, LLC (2023)	3.03
Acadian Ambulance Service, Inc. (2024)	2.9

statista

Timeline for Initiate the Strategy

Integrate Bayesian AI models for **personalized retail recommendations** in CVS's digital, email, and in-store promotions

Deploy **pilot programs** for AI-driven inventory forecasting in select locations.

Establish CVS as a leader in **AI-driven healthcare,** leveraging AI to enhance operations, patient experience, and profitability.

Develop an **AI research division** to continuously refine models for diagnostics, inventory, and customer engagement.

July 2025

Phase 1 (0-6 months): AI Infrastructure Development	Phase 2 (6-12 months): New Initiatives	Phase 3 (12-24 months): Full AI Implementation & Market Leadership

March 2025

January 2026

Implement Multi-Factor Authentication (MFA) and Role-Based Access Control (RBAC) for all AI systems handling **sensitive data**.

Integrate Bayesian AI models for **personalized healthcare recommendations** on CVS's digital platforms to enhance patient engagement.

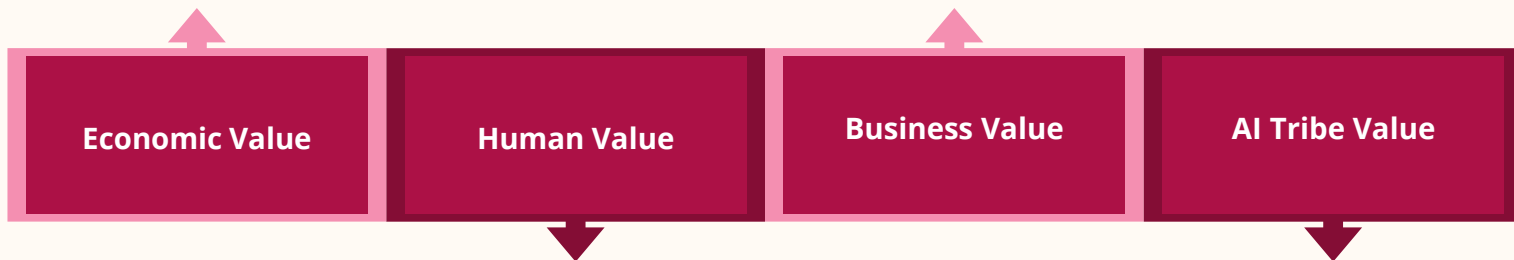**Rollout more** pilot programs based on testing in previous locations

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Advancing Health, Creating Value

- Cost Reduction
- Revenue Growth
- Efficiency

- Competitive Edge
- Operational Excellence
- Brand Reputation

Economic Value

Human Value

Business Value

AI Tribe Value

- Personalized Care
- Increased Trust
- Employee Empowerment

- Probabilistic Decision Making
- Dynamic Learning
- Collaboration & Insights

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The Technical Approach

AI Architecture
Secure, scalable infrastructure to enable seamless data processing and integration

Data Privacy & Security
Implement robust encryption, MFA, and RBAC to safeguard sensitive data and ensure privacy

Cybersecurity
AI algorithms detect threats proactively, minimizing risks to data integrity and patient confidentiality

Continuous Improvement
Ongoing AI model training and real-time analytics ensure adaptive solutions to evolving needs

Compliance & Ethics
Regular audits ensure AI systems comply with regulatory standards and promote transparency

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Risk Mitigations the Strategy Can Provide

Enhanced Security	Improved Inventory Management	Better Customer Engagement	Refined Models for Diagnostics
Implementing MFA and RBAC in AI systems handling sensitive data directly mitigates risks of **data breaches** and **unauthorized access**.	AI-driven inventory forecasting, as pilot programs, aims to **reduce overstocking and stockout risks** by optimizing inventory levels and minimizing losses.	Enhance **patient engagement** and **reduce dissatisfaction** by using Bayesian AI for personalized retail and healthcare recommendations on digital platforms.	Establishing an AI research division refines models for diagnostics, inventory, and customer engagement, reducing the risk of **inaccurate diagnoses**.

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Initiating the Strategy: Achieving Our Long-Term Vision

Enhancing Customer Experiences with AI

Ensuring Data Privacy & Security

Customer-Centric AI Applications

CVS