United States Senate

WASHINGTON, DC 20510

November 23, 2026

David Joyner
Chairman and CEO
CVS Health Corp
1 CVS Drive
Woonsocket, RI 02895

Dear Mr. Joyner:

We write regarding our concern that CVS Health Corp's (CVS's) new plan to separate into two corporate entities[1] would continue to enable the company to drive up prices and crush competition, and to request information regarding structural conflicts of interest that would continue to affect the health care and pharmacy markets after the separation.

On November 4, 2026, CVS announced its intention to "separate into two independent, publicly traded companies": CVS Health and CVS Pharmacy.[2] CVS Health would contain CVS's insurance company (Aetna), its pharmacy benefit manager (PBM) (CVS Caremark), its specialty pharmacy (CVS Specialty), its primary care clinic (Oak Street Health), and its home-visit provider (Signify Health).[3] CVS Pharmacy would contain the company's approximately 9,000 retail pharmacies, its mail order pharmacy, its retail medical clinic (MinuteClinic), and its health tech/AI solutions business (Health100). You would continue to serve as Chairman and CEO of CVS Health, and current CVS Executive Vice President and Group President Prem Shah would be CEO of CVS Pharmacy. CVS Health shareholders would own shares in both companies.[4]

You cited our legislation, the *Break Up Big Medicine Act (BUBM)*, along with state structural separation laws as "one of" the factors in the decision to break up the company.[5] *BUBM* would prohibit a parent company from owning a medical provider (including a pharmacy) or management services organization and a PBM or an insurer.[6] The goal of the legislation is to dissolve structural conflicts of interest that allow corporate giants to gain leverage over

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[1] CVS Health, "CVS Health announces intent to create two distinct leaders in healthcare," press release, November 4, 2026, https://www.cvshealth.com/news/company-news/cvs-health-announces-intent-to-create-two-distinct-leaders-in-healthcare.html.

[2] *Id.*

[3] CNBC, "CVS Health plans to split itself up. Here's why a breakup could make sense now," Annika Kim Constantino, November 4, 2026, https://www.cnbc.com/2026/11/04/cvs-health-pharmacy-aetna-split.html.

[4] CVS Health, "CVS Health announces intent to create two distinct leaders in healthcare," press release, November 4, 2026, https://www.cvshealth.com/news/company-news/cvs-health-announces-intent-to-create-two-distinct-leaders-in-healthcare.html.

[5] Post on X by American Economic Liberties Project, November 4, 2026, https://x.com/econliberties/status/2118002923950985436.

[6] Break Up Big Medicine Act, S.3822, https://www.congress.gov/bill/119th-congress/senate-bill/3822/text.

competitors and squeeze profits out of their different components, using abusive tactics that leave patients, taxpayers, employers, and independent providers footing the bill. *BUBM* builds on the *Patients Before Monopolies Act* (the *PBM Act*), which specifically targets joint ownership of an insurance company or PBM *and* a pharmacy.[7] Since we introduced the *PBM Act* in 2024, Arkansas and Tennessee have enacted similar laws to break up health care conglomerates and prevent joint ownership of insurance companies or PBMs and pharmacies.[8]

The breakup of CVS is good news. But it does not go far enough to address the concerns about the company's anticompetitive behavior. In particular, CVS's Aetna and Caremark would retain both the ability and the financial incentive to 1) steer patients and prescriptions to the specialty pharmacy and affiliated medical providers and 2) reimburse those affiliated at higher rates than independent competitors. Indeed, the structure of the new CVS Health would still be unlawful under *BUBM* and under Arkansas' and Tennessee's laws. The new CVS Health would retain under common ownership an insurance company and PBM (payers) as well as a specialty pharmacy and primary care clinic (providers). This vertically integrated structure perpetuates the very structural conflicts of interest that *BUBM* is designed to break up: it allows the company to steer business to its own affiliates, evading laws intended to rein in corporate profiteering, or use providers it employs to boost government payments and pad its bottom line.[9] This raises health care costs for patients and taxpayers.[10]

CVS may also be conducting this preemptive break-up to avoid oversight under *BUBM* by the Federal Trade Commission (FTC) and state Attorneys General designed to ensure the divestments would not recreate the conflicts of interest prevented by the bill.[11]

Because CVS will retain this vertically integrated structure under its separation plan, and because other giant health care conglomerates will continue to be in position to exploit patients, taxpayers, and competitors, we intend to pass the bill and will see that it is fairly enforced to lower health care costs for Americans.

Reports have speculated that the deal may also allow CVS to shed the less profitable part of its business (the retail pharmacies), while you remain at the helm of the more profitable entities (the insurance company, the PBM, and the specialty pharmacy).[12] Analysts indicate that "the lower

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[7] Patients Before Monopolies Act, S.4509, https://www.congress.gov/bill/119th-congress/senate-bill/4509/text.

[8] Politico, "The trust-busters going after CVS are Republicans," Kelly Hooper, November 1, 2026, https://www.politico.com/news/2026/11/01/trust-busters-going-after-cvs-are-republicans-01144204.

[9] U.S. Senator Elizabeth Warren, "Warren, Hawley Introduce Bipartisan Bill to Break Up Big Medicine," press release, February 10, 2026, https://www.warren.senate.gov/newsroom/press-releases/warren-hawley-introduce-bipartisan-bill-to-break-up-big-medicine.

[10] Letter from U.S. Senators Elizabeth Warren and Josh Hawley and U.S. Representatives Jake Auchincloss and Diana Harshbarger to the Federal Trade Commission, January 9, 2025, https://www.warren.senate.gov/wp-content/uploads/media/doc/warren_hawley_auchincloss_harshbarger_letter_to_the_federal_trade_commission_on_pharmacy_benefit_managers_report.pdf.

[11] U.S. Senator Elizabeth Warren, "Warren, Hawley Introduce Bipartisan Bill to Break Up Big Medicine," press release, February 10, 2026, https://www.warren.senate.gov/newsroom/press-releases/warren-hawley-introduce-bipartisan-bill-to-break-up-big-medicine.

[12] Post on X by American Economic Liberties Project, November 4, 2026, https://x.com/econliberties/status/2118028130585604169.

valuation investors assign to the retail pharmacy unit has weighed on CVS's overall value and obscured the earnings strength of businesses like Aetna and Caremark."[13]

Whether your intent is to try to head off regulatory pressure, or to cast free less profitable parts of the business, we are concerned that the new entity will still be a vertically integrated health care conglomerate with costly implications for patients and providers.

To address our concerns about this newly structured entity, and to inform our ongoing legislative efforts with regard to the *Break Up Big Medicine Act*, we request that you provide the following information by December 9, 2026 to better assess the potential effects of this deal:

1. Please provide detailed information on revenue, expenses, and net profits for each of the previous five years for:
    a. Aetna
    b. CVS Caremark
    c. CVS Specialty
    d. Oak Street Health
    e. Signify Health
    f. CVS's retail pharmacy business
    g. MinuteClinic
    h. Health100
2. Walgreens was acquired by private equity firm Sycamore Partners in 2025, leading to hundreds of layoffs,[14] and Rite Aid closed its remaining stores in 2025 after emerging from bankruptcy as a private company.[15]
    a. Will CVS Pharmacy close any retail stores after the separation?
    b. Will the separation lead to any layoffs at CVS Pharmacy or CVS Health?
    c. Does CVS have any plans to delist as a public company and sell to private investors?
3. After the proposed split, CVS Health would retain Aetna, Caremark, CVS Specialty, and certain medical providers while CVS Pharmacy would retain the retail and mail-order pharmacies. Under this arrangement, Aetna and Caremark would retain both the ability and the financial incentive to 1) steer patients and prescriptions to the specialty pharmacy and affiliated medical providers and 2) reimburse those affiliated at higher rates than independent competitors.
    a. Why did the company decide to against separating all of its provider businesses from CVS Health, which would have eliminated these conflicts of interest?
    b. How does the new company define "specialty" pharmacy?
    c. Will the new entity make any efforts to shift prescriptions that are currently routed through its retail and mail-order pharmacies to CVS Specialty?

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[13] CNBC, "CVS Health plans," November 4, 2026, https://www.cnbc.com/2026/11/04/cvs-health-pharmacy-aetna-split.html.

[14] Bloomberg, "Walgreens Cuts Hundreds of Jobs after Private Equity Buyout," Ike Swetlitz, February 19, 2026, https://www.bloomberg.com/news/articles/2026-02-19/walgreens-cuts-hundreds-of-workers-after-private-equity-buyout.

[15] NBC News, "Rite Aid shutters all stores after years of financial struggles," Kate Reilly and Madison Lambert, October 4, 2025, https://www.nbcnews.com/news/us-news/rite-aid-closes-stores-nationwide-rcna235596.

4. To what degree did the potential forced sale of the locations in Arkansas and Tennessee due to their laws factor into the particular structuring of this breakup?
5. Does CVS Health or CVS Pharmacy intend to issue any stock buybacks or shareholder dividends in the five years following the separation?
6. You told investors during a November 4 Earnings Call that certain products currently spanning the two proposed entities will be "preserved in commercial agreements" after the separation.[16]
    a. Which specific products were you referencing?
    b. What are the scope and terms of these agreements?
    c. Please describe any other anticipated agreements between CVS Health and CVS Pharmacy or any entities of each, providing details about the purpose of the agreements, any goods or services to be exchanged, and the value of the agreement.
7. CVS Health owns the biosimilar private label Cordavis. To which entity would this subsidiary belong after the proposed separation?

Thank you for your attention to this important matter.

Sincerely,

Elizabeth Warren
United States Senator

Josh Hawley
United States Senator

[16] CVS Health, "CVS Health Corp. (CVS) Q3 2026 Earnings Call Corrected Transcript," November 4, 2026, https://s206.q4cdn.com/752775519/files/content_files/Q3-2026-Transcript.pdf.