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# CVS Potentially in Talks to Buy Aetna for \$66B

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By Courtney Gabrielson

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Health insurer Aetna could be acquired by CVS to the tune of \$66 billion, should the Woonsocket-based pharmacy services company have its way.

And, should the deal move forward, CVS Health would offer health insurance plans.

Even though both companies' shares [fell this morning](#) (4.9 percent for CVS and 2.9 percent for Aetna, after the later's [spiked](#) last evening when the news first broke) and much of the deal is cloaked in secrecy, some analysts argue that the move makes sense.

"CVS has so many threats coming at them," said Leerink Partners Senior Health Care Services Analyst Ana Gupte in a CNBC report on [the deal](#).

Those threats? In the piece, Gupte cited [UnitedHealth Group's](#) OptumRX, a pharmacy benefit management group. It's similar to CVS Caremark in that it negotiates drug benefits for insurance plans.

Then, of course, there's Amazon, which has reportedly been testing the pharmaceutical waters; it has procured the necessary wholesale pharmacy licenses in [12 states](#) (Alabama, Arizona, Connecticut, Idaho, Louisiana, Michigan, Nevada, New Hampshire, New Jersey, North Dakota, Oregon and Tennessee) and a newly hired manager in

charge of strategy for market entrance, according to Fortune's Term Sheet [newsletter](#). It's worth noting that the Rhode Island Commerce Corporation [recently submitted](#) an application to Amazon in hopes of securing one of seven Rhode Island sites as its newest HQ2.

"CVS's potential acquisition of Aetna would be a competitive move in response to expectations that Amazon will enter the pharmacy business," said Shannon Shallcross, CEO and co-founder of East Greenwich-based [BetaXAnalytics](#), a company that uses data to assist employers, providers and payers make better decisions about their health services.

"This would move CVS closer to the trajectory of United Health Group, the parent of both the largest U.S. health insurer and Optum, which includes a [pharmacy benefit manager] and a growing number of clinics and physician practices."

She emphasized that while the deal is unconfirmed, it would be the largest of its kind — ever — in health insurance history.

As far as what the potential deal could mean for the Ocean State, Shallcross added that it's too soon to tell. "It's important to understand that much of CVS's Rhode Island functions are in the retail space, and much of their PBM functions are based in Illinois, Texas and Arizona," she said. "It's still too early to predict the impact on CVS's Rhode Island-based jobs."

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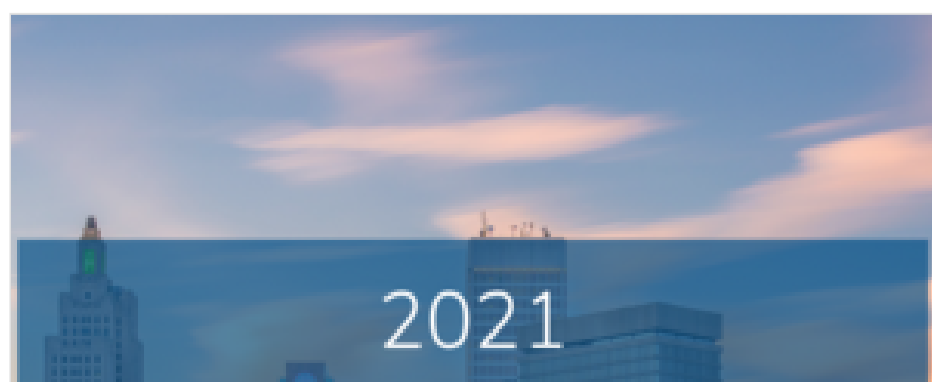


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