

18-02535-FOIA

July 18, 2018

U.S. Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE Mail Stop 2745
Washington, DC 20549-5100



Dear FOIA Office:

Under the Freedom of Information Act (FOIA), we are requesting a copy of the following:

CVS HEALTH CORP comment letters.
DOC_DATE: 1/1/2001 to 12/31/2006
CIK_NUM: 0000064803

Process this request up to our education-use entitlements.

Thank You,

Dr. Amy Hutton
Boston College
Carroll School of Management,
Chestnut Hill, Massachusetts 02467





UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

August 17, 2018

Dr. Amy P. Hutton
Boston College
Carroll School of Management
Chestnut Hill, MA 02467

RE: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. **18-02535-FOIA**

Dear Dr. Hutton:

This letter is in response to your request, dated and received in this office on July 18, 2018, for comment letters concerning CVS Health Corp., from January 1, 2001 to December 31, 2016.

The search for responsive records has resulted in the retrieval of 10 pages of records that may be responsive to your request. They are being provided to you with this letter. Since you are considered an "Other Use" requester, you are entitled to two (2) hours of search time and 100 pages free of charge.

Additionally, the SEC has posted comment letters to filings received after August 1, 2004, to the SEC website. Accordingly, the remaining portion of the information you requested is publicly available. To retrieve the correspondence, please go to www.sec.gov and select "Company Filings Search" under "FILINGS." Instructions are provided online (select the search criteria of your choice). The filing type for comment letters is "UPLOAD."

If you have any questions, please contact me at morrowa@sec.gov or (202) 551-8376. You may also contact me at foiapa@sec.gov or (202) 551-7900. You also have the right to seek assistance from Jeffery Oval as a FOIA Public Liaison or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or Archives.gov or via e-mail at ogis@nara.gov.

Sincerely,

A handwritten signature in black ink that reads "Alysia Morrow".

Alysia Morrow
FOIA Research Specialist

Enclosures

Via Facsimile and U.S. Mail

Mail Stop 03-09

August 28, 2002

David B. Rickard
Executive Vice President, Chief Financial Officer
and Chief Administrative Officer
CVS Corporation
One CVS Drive,
Woonsocket, Rhode Island 02895

Re: CVS Corporation
Form 10-K for the fiscal year ended December 29, 2002
Filed March 21, 2002

Forms 10-Q for the quarters ended March 30 and June 29, 2002
File No. 1-01011

Dear Mr. Rickard:

We have reviewed your filings and have the following comments. We have limited our review to only your financial statements and related disclosures and will make no further review of your documents. Where indicated, we think you should revise your documents beginning with your Form 10-Q for the period ended September 28, 2002 in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at

the end of this letter.

Form 10-K - December 30, 2001

Critical Accounting Policies, page 15

1. We note that you refer investors to note 1 for a review of your critical accounting policies. This note includes all accounting policies, not just the "critical" policies. Please consider the need to revise this disclosure to focus this discussion on those policies that are truly "critical" because of the judgment involved in them or the significance of the potential impact on your operating results.

Note 1: Significant Accounting Policies

2. Provide to us and disclose in future filings your accounting policy for repairs and maintenance and improvements to property and equipment. Quantify in MD&A the amount of repairs and maintenance expense in each period.

3. The total amount of advertising expense should be disclosed for all three years. Refer to paragraph 49 of SOP 93-7.

4. Please tell us and disclose in future filings the types of expenses that you included in the cost of goods sold line item and the types of expenses that you include in the selling, general and administrative expenses line item. Address items such as inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs, and the other costs of your distribution network.

5. Tell us and disclose in future filings how you reflect in your financial statements the co-payments made by members on transactions in your pharmacy benefit management segment. Also address how you account for the cost of the prescription drugs. Refer to the authoritative literature on which you are relying. If co-payments are reported gross in revenue tell us, and disclose in MD&A in future filings, the amount of co-payments recorded for all periods presented. The amount of service revenue of the PBM segment and cost of that revenue should be disclosed separately on the face of the income statement. Refer to Rules 5-03(b)(1) and (2) of Regulation S-X.

6. Please tell us and disclose the specific nature and timing of allowances and credits received from vendors and other entities. Please tell us and disclose your accounting policy for consideration received from a vendor in connection with the purchase or promotion of the vendor's products, such as slotting fees, payments under buy down agreements, and co-operative advertising fees. Disclose the statement of operations line item in which each of these types of payments is included. If you net any amounts against expense line items, also disclose the amounts netted for each type of payment for

each period presented. Please also revise your MD&A to discuss the changes in these payments between periods and how they impacted the related statement of operations line items.

7. We note that you reflected as an expense in 2001 the \$46.8 million contribution to the CVS Charitable Trust to fund future charitable giving. Please provide us the supporting accounting literature on which you relied for recognizing the entire amount as an expense in 2001. Include an explanation of the trust structure including who controls the trust.

Note 2 - Restructuring Charge

8. EITF 94-3 requires disclosure of the revenue and net operating income or losses from activities that will not be continued if those activities have separately identifiable operations. Provide this disclosure in future filings.

Intangible assets, page 21

9. Please disclose the estimated useful lives or range of lives used for your customer lists in future filings.

Insurance, page 21

10. Please clarify in future filings whether you specifically accrue amounts for claims incurred but not reported related to your self-insurance.

Note 9: Commitments & Contingencies, page 28

11. Please include a discussion of the class action shareholder suit filed against the company in future filings or tell us why you believe it is not required in the notes to the financial statements.

Form 10-Q - March 30, 2002

First Quarter (Thirteen Weeks Ended March 30, 2002 versus March 31, 2001), pages 11 - 12

12. In future filings please make reference to the impact that the adoption of SFAS 142 had on your financial statements. Based on your footnote disclosure it appears that the effect was material.

13. When more than one factor affects a line item, for example gross profit, you should quantify the effect of each separately. Please quantify the amount of promotional markdowns and inventory losses in future filings.

Liquidity and Capital Resources, page 13

14. Please make reference to the significant increase in short-term

borrowings in future filings. We note that you failed to discuss any affects of financing activities even though the impact of such activities was substantial in the period.

15. In addition, please include a discussion of significant cash obligations in future filings.

* * * *

Please provide us the supplemental information requested within 10 business days of the date of this letter or tell us when you will provide a response prior to the expiration of the 10-day period. Please furnish a cover letter with your supplemental responses that keys your responses to our comments. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your responses to our comments

You may contact Jim Atkinson, Staff Accountant, at (202) 942-2826 or Lisa Vanjoske, Assistant Chief Accountant, at (202) 942-1972 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 942-1803 with any other questions.

Sincerely,

Jim Rosenberg
Senior Assistant Chief Accountant
Mr. David B. Rickard
CVS Corporation
Page 1

Via Facsimile and U.S. Mail

Mail Stop 03-09

October 8, 2002

David B. Rickard
Executive Vice President, Chief Financial Officer
and Chief Administrative Officer
CVS Corporation
One CVS Drive,
Woonsocket, Rhode Island 02895

Re: CVS Corporation
Response letter dated September 9, 2002
Form 10-K for the fiscal year ended December 29, 2002
Filed March 21, 2002

Forms 10-Q for the quarters ended March 30 and June 29, 2002
File No. 1-01011

Dear Mr. Rickard:

We have reviewed your response letter dated September 9, 2002 and your filings and have the following comments. We have limited our review to only your financial statements and related disclosures and will make no further review of your documents. Where indicated, we think you should revise your documents beginning with your Form 10-Q for the period ended September 28, 2002 in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of

our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K - December 30, 2001

Note 1: Significant Accounting Policies

PBM revenues

1. More fully explain to us your arrangement with the other pharmacies for whom you act as an agent. Discuss how pricing is determined with the other pharmacy and with your client. Separately address each of the indicators in EITF 99-19. Provide us an analysis of a typical contract and show how EITF 99-19 leads to net reporting. In addition, if gross margins on product revenue are materially different from the gross margins on service revenue, we request that you break out product and service revenue as well as the cost of product and service revenue in your statement of operations despite the fact that service revenue may be less than 10% of your net revenue.

Vendor Allowances, page 21

2. We believe that rebates received from manufacturers and recorded in cost of sales are material to your operations. Accordingly, the amounts recognized in each period should be disclosed in future filings.

Note 2: Restructuring & Asset Impairment Charge, pages 22 - 23

3. Refer to your response to comment 8. While we understand that you attempt to retain the customer base when you close a store, the fact is that the store is no longer open. We feel that disclosing the store revenues and operating income is important information required by EITF 94-3. Please disclose the revenue and operating income for store closures. You may surround such disclosure with an explanation similar to what you provided to us in your response.

Form 10-Q - June 29, 2002

Note 5, page 8

4. Refer to comment 12. We note the additional disclosure that you provided in your Form 10-Q for the period ended June 29, 2002. You did not provide all of the applicable disclosure for your current audited periods that is typically expected in the interim filing for statements adopted during an interim period. Please provide this disclosure.

* * * *

Please provide us the supplemental information requested within 10 business days of the date of this letter or tell us when you will provide a response prior to the expiration of the 10-day period. Please furnish a cover letter with your supplemental responses that keys your responses to our comments. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your responses to our comments

You may contact Jim Atkinson, Staff Accountant, at (202) 942-2826 or Lisa Vanjoske, Assistant Chief Accountant, at (202) 942-1972 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 942-1803 with any other questions.

Sincerely,

Jim Rosenberg
Senior Assistant Chief Accountant
Mr. David B. Rickard
CVS Corporation
Page 1

Via Facsimile and U.S. Mail

Mail Stop 03-09

September 25, 2003

Mr. David B. Rickard
Executive Vice President, Chief Financial Officer and Chief
Administrative Officer
CVS Corporation
One CVS Drive
Woonsocket, RI 02895

Re: CVS Corporation
Form 10-K for the fiscal year ended December 28, 2002
File No. 1-01011

Dear Mr. Rickard:

We have reviewed your filings and have the following comment. We have limited our review to only those issues addressed below and will make no further review of your documents. In our comment, we ask you to provide us with supplemental information so we may better understand your disclosure. Please provide us the supplemental information requested within 10 business days of the date of this letter or tell us when you will provide a response prior to the expiration of the 10-day period. Please furnish a cover letter with your supplemental responses that keys your responses to our comments. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your responses to our comment.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Exhibit 13 - 2002 Financial Report, page 13

Notes to Consolidated Financial Statements, page 26

1 Significant Accounting Policies, page 26

1. We noted that you use the retail method for inventory in your stores and the cost method for inventory in your distribution centers. In this regard, please advise us, supplementally, regarding the following:

a. Explain why your policy appears to be inconsistent. Specifically, the first sentence indicates that you use both the retail and cost methods. However, the second sentence simply states that you use the retail method to determine cost of sales and inventory.

b. Quantify the amount of inventory as of December 28, 2002 and December 29, 2001 that was accounted for under each method.

c. Tell us why the use of the cost method at your distribution centers was not disclosed in your Form 10-K for December 29, 2001. If you changed your method of accounting for inventory at your distribution centers, please tell us if and when a preferability letter was filed pursuant to Item 601(b)(18) of Regulation S-K.

d. According to ARB 43, Chapter 4, paragraph 7, "financial statements will be more useful if uniform methods of inventory pricing are adopted". As such, describe the business reasons why you believe that the use of two different methods is appropriate.

e. Address why the methods appear to be based solely on the location of the inventory, as it would appear that the same types of inventory would exist at both your distribution centers and your stores.

f. Tell us the extent of your inventory that was in-transit between your distribution centers and your stores. If material, indicate what method is used for such inventory.

You may contact Oscar Young, Staff Accountant, at (202) 942-2902, or Mary Mast, Senior Accountant, at (202) 942-1858 if you have questions regarding the comments. In this regard, do not hesitate to contact me, at (202) 942-1803.

Sincerely,

Jim Rosenberg
Senior

Assistant Chief Accountant
Mr. David B. Rickard
CVS Corporation
Page 1

