OVERVIEW:
Co. reported 2Q19 consolidated adjusted revenues of $34.4b, consolidated after-tax earnings of $1.6m and consolidated EPS of $4.30. Expects full-year 2019 consolidated adjusted revenues to be $136-137b and consolidated adjusted EPS from operations to be $16.60-16.90. Expects full-year 2021 EPS to be $20-21.
Ladies and gentlemen, thank you for standing by for Cigna's Second Quarter 2019 Results Review. (Operator Instructions) As a reminder, ladies and gentlemen, this conference including the question-and-answer session is being recorded.

We'll begin by turning the conference over to Mr. Will McDowell. Please go ahead, Mr. McDowell.

William McDowell - Cigna Corporation - VP of IR

Good morning, everyone, and thank you for joining today's call. I am Will McDowell, Vice President of Investor Relations. With me this morning are David Cordani, our President and Chief Executive Officer; and Eric Palmer, Cigna's Chief Financial Officer.

In our remarks today, David and Eric will cover a number of topics, including Cigna's second quarter 2019 financial results as well as an update on our financial outlook for 2019.
As noted in our earnings release when describing our financial results, Cigna uses certain financial measures, adjusted income from operations and adjusted revenues, which are not determined in accordance with accounting principles generally accepted in the United States, otherwise known as GAAP. A reconciliation of these measures to the most directly comparable GAAP measures, shareholders’ net income and total revenues, respectively, is contained in today’s earnings release, which is posted in the Investor Relations section of cigna.com.

We use the term labeled adjusted income from operations and earnings per share on the same basis as our principal measures of financial performance. I would remind you that as previously disclosed, we exclude contributions from transitioning clients from adjusted income from operations and adjusted revenue.

In our remarks today, we will be making some forward-looking statements including statements regarding our outlook for 2019 and future performance. These statements are subject to risks and uncertainties that could cause actual results to differ materially from our current expectations. A description of these risks and uncertainties is contained in the cautionary note to today’s earnings release and in our most recent reports filed with the SEC.

Before turning the call over to David, I will cover a few items pertaining to our financial results and disclosures. Regarding our results, in the second quarter, we recorded an after-tax special item charge of $115 million or $0.30 per share for integration and transaction-related costs. We also recorded a special item charge of $64 million or $0.17 per share for a litigation matter. As described in today’s earnings release, special items are excluded from adjusted income from operations in our discussion of financial results.

Please note that consistent with past practice, when we make prospective comments regarding financial performance including our full year 2019 outlook, we will do so on a basis that excludes the impact of any future share repurchases or additional prior year development of medical costs.

And with that, I’ll turn the call over to David.
Our 4 growth businesses give us a path for attractive growth in a dynamic marketplace and regulatory environment. In Commercial, we are executing on our plans to expand our Go Deep markets by 25% over the next 3 to 5 years, building on the success of our proven strategy.

In Medicare Advantage, we expect 10% to 15% average annual customer growth, driven by both product and geographic market expansion beginning in 2020.

In our Health Services businesses, we see meaningful opportunities for sustained growth, through innovative new products, cross-selling opportunities and further geographic expansion given the modest overlap between our Health Services and Integrated Medical businesses.

We also continue to serve commercial clients, while we further expand and deepen health plan and governmental agency client relationships. And in International Markets, we continue our product and distribution channel expansion to drive sustained attractive growth.

By leveraging these distinctive assets and guided by our clear strategic direction, Cigna is accelerating the future of health care. We began this journey almost a decade ago when we moved from the transactional phase of health care to leading the transitional phase, where we demonstrated that improving health, engaging individuals and supporting and incentivizing health care professionals does work and yields real value. That value includes delivering lower medical cost trend, fueled in part by our leading portfolio of specialty capabilities, which includes behavioral health in coaching programs that serve as the cornerstone of our coordinated care approach. Our approach has earned us a privilege to serve more than 165 million customer relationships around the globe. Now our transformative model of health care is building on the progress we have made to position us to lead the industry in creating a better, more sustainable health care system.

Our focus is in 3 critical areas: treating the whole person, body and mind; targeted rapid innovation to meet customers’ needs for more affordable, personalized solutions; and leveraging data and technology to serve as the connective tissue between our customers and their health care professional partners of choice.

Let me briefly touch on these components beginning with the first 2, treating the whole person and investing in targeted innovation to meet the needs for more affordable personalized solutions. We see extraordinary opportunities to achieve better whole person health by building personalized solutions at scale in a way no one else does, as we offer a holistic, connected approach to addressing emerging threats to health. For example, it is clear to us that conditions such as stress, loneliness and depression each impact overall health and vitality as well as overall cost of care. Often, we see people having one or more of these conditions. Further, data demonstrates that behavioral and medical conditions are highly interrelated. Having both behavioral and medical conditions can increase cost of care by up to 2 to 3x compared with the cost of treating a patient without a behavioral health condition.

For example, chronic stress is becoming a major concern around the world. It is linked to reduced workplace productivity and costs employers hundreds of billions of dollars a year in the United States alone. Yet, in most cases, in the United States, and the world for that matter, behavioral and medical services remain uncoordinated.

At Cigna, we are addressing these costly conditions in a better, more coordinated way. We have more than 1000 coaches and specialists helping individuals set goals and improve their behavioral and mental health conditions. We have 600 nurses who visit our customers’ homes every day. And we have more than 650 aligned Collaborative Accountable Care relationships who are now rapidly expanding services to include behavioral health programs. And we have game-changing connective data, thanks to the combination of Cigna and Express Scripts.

I’ll provide 2 examples of the benefit of our integrated approach. The first relates to our work to address the mental health needs of first responders. 85% of firefighters, police officers and paramedics and other first responders have experienced symptoms related to mental health issues. However, many have trouble accessing coordinated local care. In a first-of-its-kind initiative, we worked closely with the city of San Diego and local health care professionals to give first responders easy, coordinated access to behavioral wellness treatment. We are bringing together our capabilities with data and technology to help first responders cope with traumatic and high-stress situations while on the job, thereby improving their overall health and well-being.
A second example is our partnership with a large global client to help employees avoid work-related stress. In this example, our clients’ employees are tasked with sorting through social media content, some of which can cause symptoms and health challenges similar to PTSD. Collaborating with our client, we developed the first end-to-end stress management application that incorporates artificial intelligence, virtual reality capabilities and personalized behavioral coaching. Through this approach, we’ve created a solution that measures individual stress levels real-time, identifies social medial content most likely to trigger that stress and alerts dedicated wellness coaches to engage with individuals who may be exhibiting high levels of stress, helping them through their greatest time of need.

A third way we’re working to transform health care is by leveraging data and technology to serve as the connective tissue between our customers and their health care professional partners of choice. To be clear, our strategy guides us to work with, partner and enable health care professional partners as they provide care to their patients, not compete with or disintermediate them. More than ever, people expect coordinated personalized experiences that are similar to those they receive from other industries. This means understanding each person’s engagement preferences, health needs and treatment protocols to help us to deliver better, more affordable care one person at a time.

Let’s take a simple yet critically important example. We know that 50% to 60% of people with chronic illness miss taking their medication or take the wrong dose or discontinue treatment prematurely. The cost of inconsistent and incomplete care is staggering, $300 billion in the U.S. alone, approaching almost 10% of what our country spends on annual health care costs. One way we’re addressing this challenge is by turning it into an opportunity one individual at a time, leveraging technology to empower patients and providers to address condition-specific challenges, like diabetes, which impacts more than 30 million people in the United States.

Our glucose-monitoring technology enables targeted clinical intervention for people with diabetes by generating personalized, real-time analytics and alerts to inform targeted outreach and coaching from our diabetes specialist pharmacists and clinical teams.

For our Diabetes Care Value program, we provide physicians with the data they need to help people better manage their diabetes. In addition to improving the adherence in clinical outcomes, it also improves quality of life. And within our commercial plans for example, those enrolled in this program saw a 4.3% decline in spending in 2018 versus a 4.1% increase for these conditions overall.

So as you could see at Cigna, our focus on whole person health is more than just words. It’s a clearer strategic intent, a focused guide to action and a catalyst for the development of products, programs and services. Additionally, our approach along with our technology and innovation capabilities, has helped us create personalized, high-impact, life-changing solutions that truly matter to our customers and clients. These are just a few tangible examples of how Cigna is shaping and defining the future of health and wellness one person, one provider, one client at a time.

Now to wrap up, Cigna delivered strong second quarter financial results, reflecting continued momentum across our businesses including consolidated adjusted revenue of $34.4 billion and earnings of $1.6 billion. Collectively, our second quarter performance results gives us confidence again to raise our revenue and earnings outlook for 2019, representing a 17% to 19% EPS growth rate over Cigna’s 2018 performance.

Our strong results and our confidence in continued long-term sustainable growth are fueled by a portfolio of leading assets that we connect to provide more complete, whole person care for those we serve and as a result, improving affordability and predictability as well as personalized quality and sustainability as we drive for medical cost growth no greater than CPI by 2021.

Our 4 growth businesses give us a path for sustained attractive growth in a dynamic marketplace and regulatory environment, including through ongoing innovation and expansion of our Health Services, Commercial, Government and International Markets businesses. We remain on track to deliver $20 to $21 of EPS in 2021, and we’ll deliver 10% to 13% average annual EPS growth over the long term. We’re also making very good progress against each of our integration priorities and are on track to achieve our integration goals.

With that, I’ll turn the call over to Eric.
Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Thanks, David. Good morning, everyone. In my remarks today, I will review key aspects of Cigna’s second quarter results and discuss our updated outlook for the full year.

Key consolidated financial highlights for second quarter 2019 include adjusted revenues of $34.4 billion, earnings of $1.6 billion after tax, earnings per share of $4.30, reflecting continued growth and deepening of customer and client relationships across each of our businesses, underlying strength in medical and pharmacy cost performance, operating expense efficiencies, and the quarter was further aided by the favorable resolution of a tax matter.

Second quarter results also included strong cash flow from operations, driven by continued strong execution across our businesses.

Regarding our segments, I will first comment on Health Services. Second quarter revenues were $24 billion and pretax earnings were $1.16 billion. Results for second quarter reflect organic growth with the addition of 236,000 pharmacy customers in the quarter and 1.9 million customers on a year-to-date basis, strong volumes with 294 million adjusted pharmacy scripts fulfilled in the quarter and continued growth in Specialty Pharmacy, driven by strong volumes.

Overall, Health Services performed very well in the second quarter. Consistent with the seasonal ramp of earnings in this business, Health Services earnings in the second quarter were significantly higher than the first quarter. And as expected, Health Services earnings for the second quarter 2019 were lower than the Express Scripts second quarter 2018 earnings on a comparable basis. We remain on track for our full year outlook for this business, and I’ll provide more commentary on this momentarily. The fundamentals of this business are strong and we’re driving innovation and growth with solutions that deliver differentiated value for our customers and clients.

Turning to our Integrated Medical segment. Second quarter revenues grew 10% to $9 billion, driven by customer growth and deepening of customer relationships, premium growth reflecting underlying cost trends and the inclusion of the Express Scripts Medicare Part D business. We ended the second quarter with 17 million global medical customers, driven by an organic increase of 207,000 lives over second quarter 2018, led by growth in our Select and Middle Market segments partially offset by lower National Accounts enrollment. Second quarter earnings grew 8% to $1 billion, reflecting strong medical and specialty contributions and continued effective medical cost management.

Turning to our medical care ratio or MCR. Our second quarter MCR of 81.6% reflects strong underlying fundamentals including continued effective medical cost performance. Compared with second quarter 2018, our MCR increased as expected due to the inclusion of Express Scripts Medicare Part D business, the pricing effect of the suspension of the health insurance tax and a higher MCR in our individual business. As we’ve discussed previously, we expect margins in our individual business to be lower in 2019 than last year.

Second quarter 2019 Integrated Medical earnings benefited from $28 million pretax of favorable net prior year reserve development compared to $20 million pretax in second quarter 2018. Overall, Cigna’s Integrated Medical segment delivered strong results in the second quarter.

Turning to our International Markets business. Revenue grew to $1.4 billion, representing 8% growth over second quarter 2018 on a currency-adjusted basis. Second quarter earnings grew to $207 million, reflecting continued business growth and strong margins, partially offset by unfavorable foreign currency impacts.

For our Group Disability and Other Operations segment, second quarter revenues were $1.3 billion. Second quarter earnings for this segment were $149 million, driven by solid performance in both disability and in life.

For our Corporate segment, the second quarter 2019 loss was $453 million, primarily driven by $428 million of interest costs.

Lastly, I would note that the second quarter results include a $45 million nonrecurring benefit from the favorable resolution of a tax matter. Overall, Cigna’s second quarter results reflect continued strong revenue and earnings growth, led by our Health Services and Integrated Medical businesses.
I’ll now discuss our outlook for 2019. For full year of 2019, we now expect consolidated adjusted revenues in the range of $136 billion to $137 billion. This represents an increase to our prior outlook of $2.5 billion to $3.5 billion reflecting higher pharmacy contributions. Our increased revenue outlook for 2019 includes approximately $1.5 billion of incremental revenue from the transition of Cigna pharmacy script volume from OptumRx which began in July. We now expect full year consolidated adjusted income from operations to be in the range of $6.34 billion to $6.46 billion, or $16.60 to $16.90 per share. This represents an increase of approximately $0.25 to $0.35 per share over our prior expectations and represents growth in the range of 17% to 19% over 2018.

For 2019, we now project an expense ratio of less than 10%, which reflects additional revenue leverage, including the insourcing of pharmacy services from OptumRx, ongoing efficiencies and administrative expense synergies.

For 2019, we now project the consolidated adjusted tax rate in the range of 23% to 24%, an improvement of 50 basis points from our previous outlook, primarily reflecting resolution of the tax matter I mentioned earlier.

I will now discuss our 2019 outlook for the Health Services and Integrated Medical segments. For our Health Services business, we continue to expect full year pretax earnings in the range of $5.05 billion to $5.2 billion. Consistent with this outlook, we continue to expect Health Services earnings to be higher in the second half of 2019 than the first half due to several factors. First, we’ve executed a number of supply chain initiatives in the first half of the year that will take full effect in the second half. I would note that the impact of these initiatives is more heavily weighted to the back half of 2019 compared with the pacing of initiatives in 2018. Second, in the second half of 2019, we expect continued strong performance in Specialty Pharmacy including the full run rate benefit of specialty generics introduced earlier this year and, finally, the realization of administrative expense synergies associated with the Cigna-Express Scripts combination. These second half growth drivers are partially offset, as previously communicated, by stranded overhead costs associated with the early termination of the Anthem contract. We now expect adjusted pharmacy scripts in the range of 1.21 billion to 1.23 billion scripts, an increase of approximately 40 million scripts from our previous outlook. The increase to our script outlook reflects volumes we expect to transition from OptumRx in 2019.

Additionally, for Health Services, we now project a 2020 retention rate in the range of 97% to 98%, an increase of 50 basis points from the midpoint of our previous expectations as our innovative pharmacy solutions continue to resonate in the marketplace and enable us to deliver greater value for those we serve.

For our Integrated Medical business, we now expect full year earnings in the range of $3.78 billion to $3.85 billion, an increase of $50 million to $80 million from our previous outlook. This outlook reflects strength and growth in our businesses, driven by deepening customer relationships, industry-leading medical cost trend performance and well-managed administrative expenses.

Key assumptions reflected in our Integrated Medical earnings outlook for 2019 include the following: Regarding global medical customers, we now expect 2019 growth of approximately 200,000 customers. Our updated guidance reflects continued growth in the Select and Middle Market segments. Relative to previous expectations, while we continue to project attractive customer growth in Middle Market and International, our updated outlook now assumes lower growth in those segments.

Turning to medical costs. For our U.S. Commercial employer book of business, we continue to expect full year 2019 medical cost trend to be in the range of 3.5% to 4.5%. We continue to expect the 2019 medical care ratio to be in the range of 80.5% to 81.5%. I would note that our outlook for both medical cost trend and the medical care ratio is unchanged and is indicative of both stable underlying cost trends across our Commercial and Government businesses and our leading approach to driving better clinical and cost outcomes through advanced consumer engagement, physician partnership and further aided by our combination with Express Scripts.

We also continue to expect solid contributions from our International Markets, Group Disability and Other businesses as we continue to innovate in the marketplace and deliver differentiated value for our customers. All in, for full year 2019, we now expect consolidated adjusted income from operations of $6.34 billion to $6.46 billion or $16.60 to $16.90 per share. This represents 17% to 19% growth over 2018.

I would also remind you that our outlook continues to exclude the impact of future share repurchases and any additional prior year reserve development. Overall, our updated outlook reflects continued strong execution across our 4 differentiated growth platforms. Our 2019 outlook is...
also consistent with our multiyear growth expectations and we remain confident in our ability to achieve our 2021 earnings per share target of $20 to $21 per share.

Now moving to our 2019 capital management position and outlook. As previously communicated, our top capital deployment priority is accelerated debt repayment and we are on track to return our debt to capitalization ratio to the upper 30s by the end of 2020. On an ongoing basis, our capital priorities remain as follows: First, reinvesting back into our businesses for innovation and growth; second, strategic M&A on a targeted basis; and third, returning capital to shareholders, primarily through share repurchase.

Consistent with these priorities, in the second quarter, we deployed $1.3 billion to repay debt and we repurchased 2.6 million shares of stock for $406 million. Additionally, in July, we repurchased approximately 1.2 million shares for $196 million. Our debt to capitalization ratio was 47.2% as of June 30, 2019, down from 50.9% as of December 31, 2018.

For 2019, we continue to project cash flow from operations of approximately $8 billion. In the year, we continue to expect to deploy approximately $4.2 billion to debt repayment. We continue to expect to have capacity for $1.5 billion of share repurchases in 2019, and through the end of July, we have already deployed $1.1 billion of that total.

Our balance sheet and cash flow from operations outlook remains strong as our capital-efficient businesses continue to deliver attractive margins and returns on capital.

Now to recap. Our second quarter consolidated results reflect continued strong execution and focus on creating differentiated value for our stakeholders. We are well positioned to achieve the attractive financial targets we’ve established for 2019, and we’ve maintained strong visibility toward our $20 to $21 earnings per share target for 2021. Further, our clear strategic focus, strong fundamentals across our businesses and outstanding financial flexibility give us greater confidence in our long-term targets for growth in revenue, earnings and earnings per share.

And with that, we’ll turn it over to the operator for the Q&A portion of the call.
The integrated approach and the integrated side of the house. They’re separate initiatives and separate focus on the Health Services portfolio side of the house. So successful past, attractive opportunities in front of us and the ability to leverage those product portfolios through core commercial, individual commercial and MA off of our successful Collaborative Accountable Care relationships.

Joshua Richard Raskin - Nephron Research LLC - Research Analyst
Got you. And then just a quick follow-up. I got Eric here as well. Just on the PBM retention. Any more color on sort of bringing up the low end of the previous range? Is that sales driven? Were there a couple of accounts just sort of weren’t sure about that have signed on, et cetera?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO
Josh, it’s Eric. I would just think of the increase there as we’ve gotten additional visibility as we continue to move through the year and getting our clients lined up, we’re really pleased with the progress that we’ve had and the dialogue that we’ve had with our clients with, I think, 97% to 98% in outstanding result, and pleased to be able to deliver that now 2 years running in terms of the retention in that segment.

Operator
Our next question comes from Matt Borsch with BMO Capital Markets.

Matthew Richard Borsch - BMO Capital Markets Equity Research - Research Analyst
Yes. Just on the more near term. Could you talk to the lower enrollment target on the medical side, and just related to that, how you’re seeing the mix of preferences, if I could put it in terms of risk versus ASO and whether maybe the reintroduction of the Obamacare industry fee might be playing some role there?

David Michael Cordani - Cigna Corporation - President, CEO & Director
It’s David. So relative to the membership outlook or the medical customers, first, to be clear, we’re very pleased with our track record of sustained commercial growth now that spans 10 years of sustained organic growth. For 2019, we recognize that our outlook is lowered a bit to 200,000 lives, still an attractive result. That is largely driven by lower commercial National Accounts and a little lower performance at the upper end of the Middle Market portfolio. I’d remind you that those buyer groups are typically less integrated offerings. We’ve retained outstanding focus in Select, in core Middle Market and, as such, continue to have strong underlying life growth as well as specialty growth including behavioral, dental, pharmacy, et cetera. As it relates to the mix of business, we have seen a bit more guaranteed cost or risk business over the recent past to complement our ASO strength. And as you recall, we go to market with a diverse portfolio of funding mechanisms and offer choice. It’s an inherent strength of our organization, and we believe that the sustained strong medical cost trend performance we’ve been able to deliver in the marketplace, again, posting the lowest rate of growth year in year out is resonating well, and we’re complementing sustained ASO performance and stop loss performance with a bit higher guaranteed cost performance. We do not see that as a corollary to changes within the marketplace year in year out. That’s a more sustained medical cost performance outlook for us. So good balance in funding mechanisms, and we think that’ll continue to perform as we step into 2020.

Operator
Our next question comes from Justin Lake with Wolfe Research.
Justin Lake - Wolfe Research, LLC - MD & Senior Healthcare Services Analyst

I appreciate the comments on the Healthcare Services results being above expectations. I wanted to follow up there and ask whether you could tell us how this business looked on a year-over-year basis adjusted for all the moving parts. Basically the same way you indicated, it was down modestly in the first quarter at the Investor Day. And then given we're more than halfway through the year and all the focus on the PBM, I was hoping you might give us a view on where you expect to come in relative to the guidance range at $5.05 billion to $5.2 billion. Any thoughts on whether we should expect a kind of higher end or lower end given we're several months into the year?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Justin, it's Eric. I'll start here. So first of all, just to reiterate, the second quarter results were consistent with or even a bit ahead of our expectations and reflect the strong performance of the businesses there, in particular strong Specialty Pharmacy performance and the growth in the volumes as we had expected. As you alluded to, the number of different items in terms of adjusting comparability for this year's second quarter versus Express Scripts stand-alone items that were reported last year, and I'd point you back to the same factors that we talked about at our Investor Day in terms of that reconciliation as being present here.

As you -- also as you might expect, there are a number of different supply chain activities that were on hold kind of at the time period leading up to the close of the combination that we executed over the first part of this year and we've got good visibility into those in terms of driving results in the back half of the year. So overall, that helps to inform the pattern. So year-on-year we'd characterize the results for second quarter versus second quarter as down in the single digits percentage for the quarter. And I note, as we look ahead then, as you might expect in the third quarter, we expect the pattern to flip. We expect we'll be up mid-single digits or single digits in terms of the performance for the Health Services business relative to the Express Scripts piece from last year's third quarter. So we'll bring those capabilities online. The effect of the supply chain initiatives and such will drive us to growth over the back half of the year.

David Michael Cordani - Cigna Corporation - President, CEO & Director

Then part of your question relative to the range, we're pleased to be performing solidly throughout the first half of the year, as Eric noted, and see a ramp throughout the second half of the year with the pattern flipping in the second half of the year. As it relates to performance in the range, I mean stay tuned for more of --that's rate and pace of our execution of our synergies that's in front of us and rate and pace of investments, and we see an exciting end to the year and a good start to next year in front of us right now.

Justin Lake - Wolfe Research, LLC - MD & Senior Healthcare Services Analyst

Okay. And Eric, just to be clear, you said mid-single digits down in the second quarter versus kind of down low single digits?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

A little bit just down in the second quarter. Think about single digits up in the third quarter.

Operator

Our next question comes from Sarah James with Piper Jaffray.
When you talk about medical cost trends going to the CPI range in the next couple of years, should we think about that being ratable so we could see a step down in 2020 cost trend outlook from what you’re experiencing this year? And I know it’s a small book for you guys where you take risk, but does the lower cost trend correlate to lower pricing? And could that create any SG&A delevering?

As you may recall from Investor Day, we walked through a little bit of a crosswalk of some of the tools, levers, initiatives we’ve been executing now for many years to generate a lower medical cost trend in the industry at large. And you may recall Matt Manders walked through a framework that over the last 7 years or so we’ve delivered about a 4% medical cost trend with the last few years being a little closer to 3. So point one is sustained. Point two is trending downward or even more favorable going forward. We’re not providing guidance for 2020. So I don’t want to tell you anything is ratable. There’s dynamism in the portfolio. We’re pleased that here in 2019, we’re sitting in a 3.5% to 4.5% medical cost trend outlook which is by far and away best in the industry yet again. And we have a variety of tools and initiatives in front of us to step down that medical cost trend for the benefit of our clients, customers and patients as we look forward. So again, I don’t want to talk about ratability. Rather, the trajectory is positive, it benefits our clients and customers and it enhances our overall value proposition.

To the last part of your comment, I would not correlate the size, shape and scope of our portfolio and diversity of our funding mechanisms. We do not -- to be very clear, we do not view that a lower medical cost trend environment could generate less revenue growth, could generate SG&A deleveraging. That is not an issue that we worry about, and I would encourage you not to worry about that in terms of the diversity of our portfolio and how we deliver services.

I just wanted to see -- you guys raised guidance by less I guess than the upside that we saw in the quarter. So I just wanted to see how you were thinking about that. Is there anything in the back half of the year that you're kind of now incorporating into the outlook?

Kevin, it’s Eric. Well, first, I’d just note, we’re really pleased with the strong results in the quarter and with being in a position to be able to raise the guidance again for full year 2019. So I think the 17% to 19% growth coming off of a strong ’18 is a good result and reflects the accretion from Express Scripts coming through and good momentum in the underlying business. In terms of the outlook, in pieces -- the main thing I would note here would just be around us continually managing the rate and pace of our investments and capabilities and such for the future. And so we’re taking the opportunity to continue to invest into capabilities and the like. So that’d be the main thing I’d call out in terms of a difference of how we’re seeing the back part of the year versus our prior outlook.

I guess one thing that you did kind of change was that you're now taking on or including or taking on Cigna’s -- some of Cigna’s volume. It sounds like you’re just really updating the revenue and the script number. You’re not updating the earnings contribution at all. How should we think about that and does bringing Cigna on add earnings contribution at some point in 2020 or 2021?
Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Yes. On that one, yes, go back to some of the dynamics we’ve talked about at our Investor Day in terms of the impact of once we’re through the transition and such. But overall, would note and I think you’ve got the major dynamics correct there, that the update to revenues, the update to script counts this year primarily are the impacts of the transition, did not think of that as a driver in terms of net income as it relates to 2019. Over time, we’d expect the transition to be slightly accretive as it gives us additional fixed cost leverage and the like. But in the short term and the near term, I wouldn’t really think of that as driving the bottom line income.

Operator

Our next question comes from Peter Costa with Wells Fargo.

Peter Heinz Costa - Wells Fargo Securities, LLC, Research Division - MD and Senior Analyst

My question is on Medicare Advantage growth for 2020. And I know you’re not giving guidance for 2020 but you sort of opened the door with your commentary. Are you expecting Medicare Advantage to grow 10% to 15% in 2020 itself? Or was that something over the 3 to 5 years? It wasn’t clear to me whether 3 to 5 years just applies to the Commercial part of your guidance.

And then with Part D also part of Medicare, which came down 7.2% on average. Do you think you’re going to get growth out of your Part D program given where the national average bids are?

David Michael Cordani - Cigna Corporation - President, CEO & Director

It’s David. Let me take the first part of your question and I’ll ask Eric to take the second part of your question. First, to be very clear, the 3 to 5 year, as you recall, that was specific to the time frame to drive the 25% growth in our Go Deep market. So you’re correct in terms of isolating that as separable. To the specific part of your question, we see tremendous growth opportunity in MA starting in 2020. It will be driven by further in-market growth and traction, expanding into new markets. We have multiple new HMO markets and even more markets from a PPO standpoint, which was topic three, expanding into the PPO space. We had highlighted that, that 10% to 15% organic customer life growth is our customer life growth over the near- to intermediate and long-term range that’s in front of us. And we will be at the lower end of that range in 2020 as we ramp the initiatives going forward. So you don’t have to wait 3 to 5 years, but think about it at the lower end of the range as we step into 2020 and ramping up as we go forward. I’ll ask Eric to answer the second part of the question.

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Yes. Peter, on the Part D benchmarks, again, we’re not providing the specific guidance in terms of 2020 at this point. But I would just note that the benchmarks were actually consistent with how we were thinking about them, there weren’t really big surprises in terms of our view of where the benchmarks came through. Overall, we’ll be in a better position to provide good customer growth guidance as the full visibility into all of the competitors’ positioning kind of region by region comes into view, and we work through our marketing plans there. But overall, no surprises in terms of where the benchmarks came through.

Peter Heinz Costa - Wells Fargo Securities, LLC, Research Division - MD and Senior Analyst

That’s helpful. Just as a follow-up, David. The 10% or so growth that you’re talking about for 2020, you also talk about county expansions. The first year you get to see the growth in membership that’s usually not in Medicare very profitable, and the county expansions are usually fairly costly. Can you -- so do you think Medicare is going to be a drag on your earnings in 2020 and then grow from there?
David Michael Cordani - Cigna Corporation - President, CEO & Director

We haven’t provided 2020 earnings guidance. We will do that as the year comes to a close. I’d step back and the overall portfolio will have attractive growth in our overall enterprise earnings portfolio for ’20 that guides us to 2021. So stay tuned for the guidance as we provide for 2020 from that standpoint. But we think we have a very attractive both growth and overall fundamental earnings profile for the business.

Operator

(Operator Instructions) Our next question comes from Ralph Giacobbe with Citi.

Ralph Giacobbe - Citigroup Inc, Research Division - Director

First, just wanted to go to the MLR that came in a little bit higher. I know you contributed -- or you attributed to a few different things. It seemed like the incremental piece was maybe the individual business at least relative to kind of 1Q. If you could just maybe break out what you’re seeing there and maybe your commitment to expansion in that market?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Yes, Ralph, it’s Eric. On the loss ratio, so a couple of different comparison points to think about there. The biggest driver from a sequential perspective versus 1Q is just, I’d say, the normal seasonality of things as we work through the customers kind of climbing through deductibles and working through that ramp. In terms of the drivers -- in terms of the second quarter year-on-year, really 3 things that I would point to, and they’re each about the same impact, so roughly 1/3 each. That’s the inclusion of Express Scripts as being part of the loss ratio this year and not part of the calculation last year. The Part D business specifically, one. Two, the pricing effects of the suspension of the industry fee. And third is the IFP, the individual segment margin this year versus last year. Each one of those 3 factors is about 1/3 of the variance when you think about things quarter versus quarter.

Ralph Giacobbe - Citigroup Inc, Research Division - Director

Okay. That’s helpful. And then just quickly wanted -- I hope you could flesh out the lower enrollment growth commentary, specifically in Select and Middle Markets, I think you said in the prepared remarks. You’ve obviously had a lot of success there for some time and done well with sort of bundling your specialty lines. A lot more recently, your peers have talked up more aggressively, moving in that direction. So I was hoping you could give us a little bit of sense of the competitive dynamic there, both as it relates to the medical side as well as some of those specialty lines in terms of competition.

David Michael Cordani - Cigna Corporation - President, CEO & Director

Ralph, it’s David. Very specifically, our Select portfolio continues to perform very well. And within the Select portfolio, you’re correct. We go to market with a fully integrated solution. We’d remind you that we use the full breadth of the funding mechanisms that exist, if you will, asking and allowing and working consultatively with our employer clients one by one to determine how they want to best finance their solution. That resonates quite well for us and then we continue to drive very good targeted innovation in our clinical programs and our coaching programs and our service programs, et cetera. In the core middle market capabilities, we continue to perform very well. And as I noted in a prior question, we have seen a little lower performance in the high end or the upper end of the middle market, where there’s a little less integrated offering. Lastly, to the overall tone of your question, the marketplace is competitive, has been competitive and will be competitive going forward. So it’s a dynamic market. Our points of differentiation continue to resonate well, and importantly, our underlying fundamental medical cost performance continues to resonate well. And then as Eric noted, we continue to invest in ongoing innovation. So we’re poised for continued strong growth in the space.

I appreciate the commentary about the PBM and given how focused The Street is on that metric. I just want to clarify that we’re on the same page. So if you look at the second quarter of ’18, ESI reported $1.395 billion of core EBITDA. If we grow that mid-single digit, 5%, that’s about $1.465 billion, which would represent about a $250 million sequential increase. I just want to make sure those are sort of the numbers that we’re talking about for the 3Q.

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Gary, it’s Eric. So I would say my commentary in terms of our expectation for growth on 3Q would be on an apples-to-apples basis. Once you take the Express Scripts reported numbers and adjust for the items that we talked about at the Investor Day, our resegmentation, the changes in terms of depreciation and amortization, the change in terms of enterprise value initiative and then work from there. Once you get to that baseline, then we would grow from that baseline. That’s the basis that we’re speaking to here.


So on an adjusted basis, not as a reported basis. I’m glad I clarified that then.

Operator

Next question comes from Stephen Tanal with Goldman Sachs.

Stephen Vartan Tanal - Goldman Sachs Group Inc., Research Division - Equity Analyst

You’ve obviously covered a lot of ground. I guess just one thing, maybe if you could give us a little bit more commentary on sort of MCR by line of business, maybe thinking year-on-year. But if you could just touch on sort of the key things there. Commercial, Medicare and Medicaid, how those performed relative to expectations. And then maybe just within that line, thinking about all the good growth and market share gains you’ve had in the commercial risk side of the business, how are those margins sort of relative to the overall average or base business if you wouldn’t mind commenting there?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Steve, it’s Eric. So on the loss ratio, it’s kind of by business. Actually would really put both of them right down the middle. So consistent with expectations and consistent performance in both the Commercial and the Government business. So we feel good about those. The Medicaid business is a small business for us but has actually outperformed consistent with our targets as well. So again, really no variation that I’d call out in terms of the Commercial versus the Government versus the Medicaid business. It’s good to note in the quarter.

David Michael Cordani - Cigna Corporation - President, CEO & Director

And Stephen, relative to the question relative to, I think, your second part of your question orients around the margins and margin differentiation by funding mechanism or type of business, if you step back from that, you may recall that our approach to the marketplace is such that we’re a bit funding mechanism-agnostic. So that enables our sales force, our client managers, et cetera, to work client by client to determine the last step, which is, once the right solution is put in place in terms of clinical programs, network designs, service program designs, et cetera, how do you want
to fund and finance it? So backing into that, that means that when you look at it on an apples-to-apples basis, in general, the margins and the returns across the various funding mechanisms are attractive and have some similarity relative to them. There's some nuances, but think about the margins as being strong and differentiated in guarantee cost, think about the margins as being strong and differentiated in our core package ASO stop loss portfolio of businesses. Hope that helps.

Operator

The next question comes from A.J. Rice with Credit Suisse.

Albert J. William Rice - Crédit Suisse AG, Research Division - Research Analyst

Just maybe postmortem on the selling season and a quick clarification with Eric on the PBM selling season. I know -- I think when I was up there in the headquarter visit back in the spring, there was a discussion about the fact that this year there was less business on the Express Scripts side up for renewals than there had been last year. So you'll be more on the offense. And it sounded like that was the expectation for 2020. And I want to see if you still -- so next year's selling season. And then just a quick point of clarification for some discussion on guidance that Eric said because I know you won't comment on it if you don't comment on this call, is there anything that you guys would say about the Q3 versus Q4 split? I know you're talking about synergies and PDP seasonality which would tend to push people into the fourth quarter versus the third relative to historic trends. Is there anything you want to say about the Q3, Q4 split?

David Michael Cordani - Cigna Corporation - President, CEO & Director

A.J., it's David. Let me take your first question and obviously Eric will take the second piece of it. So your recollection is pretty clear. The '19 selling season for the core pharmacy services business had higher volume of business on a relative basis. That's cycle time. So there's cycles on the contracts and it was a more intense cycle and, as Eric noted, just outstanding client retention. 2020 selling season, which is far into the season right now, from that standpoint, is shaping up very favorably from a client-retention level again, which underscores the strong sustained service level delivery, the strong sustained clinical delivery, the strong sustained overall cost delivery and continued investment from an innovation standpoint. And as articulated at I Day, we expect fundamentally to grow that portfolio of businesses in 2020, aided by outstanding retention as well as new business growth.

To the last part of your question, no, we don't believe or see any unique pent-up volume for RFP's being held back versus not because you're dealing with large sophisticated health plan contracts, large sophisticated commercial employer contracts. They're typically on a multiyear cycle. So we do not see a bubble coming on the immediate horizon from that standpoint and see our value proposition as resonating very well as evidenced through growth in 2019 and our growth outlook for 2020. Eric, I'll ask you to take the second question.

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Sure. A.J., just on your seasonality, we're not providing a specific guidance in terms of third quarter versus fourth quarter, but there are a handful of items I'd point you to as thinking about the expectations over the back part of the year. First of all, our Integrated Medical segment, as you know, has income intensity bias towards the early part of the year just given the normal seasonal impact of deductibles and such. Second of all, the Health Services business, it tends to be biased later in the year due to the both customer behavior and growth in script volumes and just the timing of generic launches and we've talked about the ramp that we're on 1Q to 2Q to 3Q to 4Q over the year for that business. And additionally, this year specifically, you should expect the synergies to continue to build throughout the year and the impact of deleveraging to continue to play through the Corporate segment over the course of the year. So those will be the major moving items that I think about as we look sequentially into the next couple of quarters.
David Anthony Styblo - Jefferies LLC, Research Division - Equity Analyst

It’s Dave Styblo in for Windley. Just come back to the MLR. It sounds like overall that was largely in line with how you guys were thinking it would be. I guess maybe you could help us understand how it’s changed a little bit in the first couple of quarters because as we look at that, in the first quarter, it was up 140 basis points year-over-year, and then this quarter, it’s up 260 basis points. So wondering what explains that increase? And then I guess guidance implies for the rest of the year that it would come back down to right around 200 basis points. So maybe just understanding the cadence of the spike up in Q2 would be helpful.

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

dave, it’s eric. so just on those pieces, i think, you’ve got the math right there in terms of the moving pieces in the components. the things i’d point you toward would be just the timing of which the prior year reserve development is kind of unfolded even in year development of costs this year second quarter versus last year second quarter. last year second quarter, we had more in-year development in the second quarter than we had this year just given the favorability that we experienced in the individual book of business last year. so really think of it more as an adjustment to the last year first quarter to second quarter dynamic versus anything else going on this year, broadly would characterize the loss ratio dynamics in our second quarter this year as aligned with our expectations.

David Anthony Styblo - Jefferies LLC, Research Division - Equity Analyst

Okay. Great. And then I -- quick color on the National Accounts since the enrollment has been down sequentially both in the first couple of quarters. Is there something on a competitive front side? Or maybe just elaborate there on the erosion?

David Michael Cordani - Cigna Corporation - President, CEO & Director

It’s David. Specific to National Accounts, first, in the commercial space, so not in the service side of the equation but in the commercial space, let me remind you how we define National Accounts because we defined it differently than the marketplace. It’s commercial only, 5,000 or more employees that are multistate. So very specifically, that excludes large single state blocks of business, where that’s a fundamental part of our Middle Market business.

For the past year, we saw an elevated RFP volume, the cycle we are in, we saw a little bit more elevated RFP volume. We saw reasonable retention levels across our portfolio and reasonable new penetration levels in the portfolio and some new business wins, which resulted in some net overall loss in the portfolio. I would note that our strategy of continuing to deepen our relationship in our clients is working well. So we're deepening the relationship in our existing National Account clients with our specialty portfolio, which results in more value we could deliver for them as well as an enhanced overall earnings profile. We do not see an overall change in the market behavior from a purchasing standpoint. We do not see any unique different value propositions resonating in the market. We just saw a little lower retention level and a little lower new business adds for 2019 than we had anticipated.
Steven James Valiquette - Barclays Bank PLC, Research Division - Research Analyst

So you know not to beat the MLR topic to death but essentially you did sort of touch on seasonality and sequential comparison factors. With the 2Q MLR coming in slightly above the full year range, and was it always contemplated internally assuming that 2Q would be above the full year range and should we expect that seasonal pattern on an annual basis going forward. And then just quickly within the individual medical business, since you flagged just in the context of the MLR. Curious if you received any sort of risk adjustment true-up in 2Q ’19 and how that might have compared versus anything you received in the same quarter last year? Was that in line with your expectations?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Steve, it's Eric. So overall, with respect to the loss ratio, we continue to be on track for our full year guidance. We've got good visibility to achieving the loss ratio guidance. So no change there. And as I pointed out the dynamics in terms of the second quarter, were fully contemplated. Specifically, on a risk-adjusted true-up, we did record a risk adjustment item in the individual business in the second quarter this year, order of magnitude $40 million to $50 million pretax. So -- and that's an unfavorable true-up that was in the result this year. But again, in line with the expectations in terms of the margin being a bit more compressed in the individual business this year, and we're continuing to be on track for the full year outlook.

Operator

Our next question comes from Ricky Goldwasser with Morgan Stanley.

Alexa Desai - Morgan Stanley, Research Division - Associate

This is Alexa in for Ricky. Just to clarify, you guys talked about third quarter being up single digits from an adjusted EBITDA per script perspective. Does that include the insourcing of the Cigna business or is that just on an apple-to-apple basis?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Alexa, it's Eric. So just to be clear, we did not say on a per script business. We just talked about the aggregate dollars reported in the Health Services segment compared to an adjusted or recast Express Scripts number to get it to an apples-to-apples basis. So we're just talking about the total adjusted income from operations pretax, we'll have growth in the Health Services segment in the third quarter.

Operator

Our next question comes from Lance Wilkes with Bernstein.

Lance Arthur Wilkes - Sanford C. Bernstein & Co., LLC., Research Division - Senior Analyst

Just a couple of clarifications or questions on the PBM or on the Health Services segment. For the strength you're showing in Specialty Pharmacy, can you just talk a little bit about how you're achieving that, if that is related to sort of supply chain initiatives or steerage and leakage or if it is more OpEx kind of synergies related to consolidation with the Cigna book?

And then I guess also just interested in your outlook for cross sales and PBM for 2020, in particular, with the stronger capability as you look up market in that segment.
Lance, it's David. First, specific to the Specialty Pharmacy, we're extremely pleased with the performance of our Specialty Pharmacy services that are delivered through Accredo. Just stepping back for a moment, as you know, we deliver an exceptional patient clinical outcome and service outcome one patient at a time and as such, work to deliver the right affordability outcome and our overall cost outcome leads the industry from that standpoint. And just as a validation of the kind of satisfaction level. We have NPS approaching 80 for patients that are in our high clinical coordination programs.

As it relates to the growth, think about underlying fundamental growth. So in addition to specialty pharmaceutical costs being the fastest cost growth sector, we have deepening relationships in terms of growing the overall portfolio, legacy attached to the PBM business. We start to convert over the Cigna business. And then importantly, because of the robustness of the Accredo value proposition, Accredo is sold on a stand-alone basis on a day in day out basis to both employers as well as health plans in terms of helping to coordinate the specialty services. So strong underlying fundamentals is what you should think about, growing it, not expenses or otherwise through that lens.

As it relates to the -- your forward-looking question, we do see the opportunity for further -- to your point, either cross-sell our penetration opportunities because we're able to get the best of both companies. Indisputably, we get both more structural flexibility in terms of benefit and solution design attached to the broad portfolio of Express Script capabilities as well as even a further step function to the overall affordability proposition and clinical services proposition. And we believe, to your point, that will serve us well, if you will, up market as it relates to cross selling. That stand-alone value proposition continues to resonate -- it continues to resonate in health plan marketplace and some of those capabilities will help our commercial sector as well.

Operator

Our next question comes from Charles Rhyee with Cowen.

Charles Rhyee - Cowen and Company, LLC, Research Division - MD and Senior Research Analyst

Just 2 quick ones here. One, can you give us a sense on sort of the pacing we should think about as the -- as you kind of insource your -- the Cigna volumes onto the Express Platform? How should we break it up between maybe think about it between third quarter and fourth quarter to model? And then secondly. Apologies, if I missed it earlier. Can you give any -- your thoughts on sort of the Senate Finance Committee bill as it relates to Part D sort of the reenvisioning how the structure of the -- getting rid of the donut hole. Putting more -- larger catastrophic and what that means sort of from a plan perspective. And do you think that, that will lead to more utilization as a result of a lower out of pocket cost for seniors?

Eric Paul Palmer - Cigna Corporation - Executive VP & CFO

Charles, it's Eric. I'll start on kind of the pacing item. We haven't provided any specific expectations there other than just the aggregate numbers that we've talked about. So as I noted in my prepared remarks, think about the insourcing as worth $1.5 billion over the back half of the year and $40 million to $45 million in scripts coming through over the back half of the year associated with the transition. I'd also refer you back to the material we used at our Investor Day a couple of months back now in terms of the complete impact once we get to 2021 in terms of the volumes and such there. I'll let David take the second part of your question.

David Michael Cordani - Cigna Corporation - President, CEO & Director

Charles, as it relates to specifically the Senate Finance Bill or if you step back more broadly, continues to be a significant amount of public policy and legislative activity under consideration that seeks to improve our overall affordability and improve specifically overall affordability relative to pharmaceutical services. Everything we are seeking to do in terms of leveraging the best of both companies is seeking to deliver improved
affordability off of a basis of trend, so importantly, directionally aligned with the initiatives to seek to improve more affordability and choice from that standpoint.

As it relates to the specificity of your question down to PDP, donut hole, et cetera, once the final terms of a bill, if a bill was to be passed are determined, we would obviously react and engage from that standpoint. I think more broadly, I'd ask you to think about the capabilities the corporation has are well positioned to make sure we're able to deliver the best possible value, in this case, for individual Medicare PDP customers over, whether it's pre-donut hole, during donut hole or post donut hole from that standpoint and from a framing around the clinical coordination, access and overall affordability standpoint. So we're highly engaged and aligned with improving overall affordability and the structure of our technology and innovative solutions put us in good position not just to react to but actually be in a leadership position as the programs change.

Operator

Our last question comes from David MacDonald with SunTrust.

David Samuel MacDonald - SunTrust Robinson Humphrey, Inc., Research Division - MD

Just 2 quick questions. First, on the PBM selling season. And anything of note that you would call out in terms of plan design changes that you guys are seeing? And I guess to build on Lance's question, are you continuing to see narrowing of specialty networks in the business that you can.

And then secondly, any initiatives in terms of trying to drive incremental mail just given the likely adherence benefits and the connectivity opportunity it offers with the patients especially the chronics?

David Michael Cordani - Cigna Corporation - President, CEO & Director

So a variety of attributes in your question. Stepping back, our orientation relative to benefit design, specialty design, mail order incentive or design, et cetera, it's a one client at a time approach. So I'll try to give you a macro piece. But really importantly, we do not go to market with a product or a preferred solution offering and try to force it. We try to work one client at a time. Whether it's a commercial client or a health plan client from that standpoint and try to design what works for them based upon the strategy, the culture, the need set, et cetera. And to your point, we pull from a broad portfolio of capabilities around that.

As it relates to design, more receptivity today than ever relative to pursuing value-based care or value-based reward configurations, especially in the specialty environment. That may lead to a little bit more focus on some of the subspecialties. And recall that Accredo is not, for example, one Specialty Pharmacy, there's 15 subspecialty pharmacies within that, that specialize based on health or disease burden from that standpoint.

Similarly, as it comes to mail, you're correct. The -- it's indisputable, the dispensing accuracy and the clinical compliance is higher in that highly coordinated fashion on what's delivered there. And in many cases, clients are revisiting that, seeking a further step function or value creation for the benefit of their employees and our customers or our patients. And we see good receptivity around that. But I can't tell you that mail order is kind of binary going from a more intensified approach in 2020 than it was in 2019. There is receptivity but it's client by client from that standpoint, and we think that's an inherent strength of our company to be consultative from that standpoint.

Operator

At this time, I'll turn the call back over to David Cordani for closing remarks.
David Michael Cordani - Cigna Corporation - President, CEO & Director

Thank you. So basically just to wrap up our call, I’d like to highlight some of the key points from our discussion. Overall, we’re very pleased with our second quarter results which continue to demonstrate momentum across our portfolio of businesses. We are also making very good progress against each of our integration priorities and are on track to achieve our integration goals. Looking ahead, our second quarter results and our integration progress gives us confidence to again raise our revenue and earnings outlook for 2019, representing a 17% to 19% EPS growth rate off of Cigna’s strong 2018 performance. And we’re on track to deliver our $20 to $21 EPS objective in 2021 as we expect to deliver 10% to 13% on average annual EPS growth over the long term. In addition, we continue to drive cost trend to a level in line with CPI by 2021.

We thank you for joining our call today and we look forward to our further discussions.

Operator

Ladies and gentlemen, this concludes Cigna’s second quarter 2019 results review. Cigna Investor Relations will be available to respond to additional questions shortly. A recording of this conference will be available for 10 business days following this call. You may access the recorded conference by dialing (800) 272-5965 or (402) 220-9721. No pass code is required for the replay. Thank you for participating. We will now disconnect.