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CVS Health, the parent company of long-term care pharmacy Omnicare, will lay off 5,000 employees as part of a restructuring effort. The company expects these actions to result in run rate savings of over \$600 million starting in 2024. CVS Health President and CEO, Karen Lynch, stated that the restructuring was carefully planned to avoid disruption to the company's long-term strategy and customer-facing roles.

“This morning, we announced a restructuring charge of nearly \$500 million associated with the elimination of approximately 5,000 non-customer-facing positions as well as the impairment of noncore assets. These efforts are expected to generate over \$600 million of run rate savings beginning in 2024.

Our optimization efforts have also focused on identifying additional opportunities to drive efficiency and operational excellence using technology. For example, we've been selectively using artificial intelligence for some time and are increasingly finding opportunities to improve the efficiency of our operation, enhance our customer experience and increase our competitiveness.”, said CEO Karen Lynch in an earnings call with investors.

The company had previously announced plans to sell Omnicare as it evaluates its portfolio strategically. In the first quarter of this year, CVS Health recorded a \$349 million loss in its long-term care pharmacy business. CVS Health stated that clients and customers will not be affected, and all affected employees will receive severance pay and benefits. The company has also been focusing on using technology, including artificial intelligence, to “improve efficiency”.

When the capitalist class speaks of “improving efficiency”, they mean reducing costs, including labor costs, in an effort to boost profits for the investors. Efficiency is viewed within the narrow framework of maximizing profits subject to the costs necessary to produce a good or service without regard to the social implications of their actions. Under capitalism thousands of workers suffer from the scourge of involuntary unemployment while the small group of oligarchs, the capitalist class, grow their wealth to unimaginable proportions.

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