

Insights / Innovation

Strategies Designed to Lower Plan Member Cost

Study Finds Health Care Costs a Barrier to Seeking Care



BRIEFING
September 3, 2020
From the Editors



The COVID-19 pandemic has many consumers contending with difficult financial situations. The pandemic has also amplified concerns plan members have about the affordability of health care and medications. Such concerns about costs are one of the reasons many people are not visiting their health care providers. To compound such difficulties, those patients who do see their physicians may not ask questions to help them better understand the cost of their care.

The third annual [CVS Health Path to Better Health Study](#) shows that a majority of respondents are greatly concerned with consumer health care costs. Nearly all respondents indicated that cost was “somewhat” or “very important” when it comes to their health with 35 percent indicating that cost was an obstacle to staying healthy. Specifically, 71 percent noted their “high concern” or “moderate concern” with the cost of prescription medications.

The cost of health care is a major source of worry for members, especially for those enrolled in high deductible health plans (HDHPs). Because members in HDHPs are responsible for 100 percent of the cost of their care until they meet their deductible for some that could mean thousands of dollars of out-of-pocket (OOP) costs each year. In a 2019 survey, the average single deductible was \$1,655 with an annual coverage cost averaging \$6,015.¹

One way to help lower member OOP costs is through plan design strategies, such as point-of-sale (POS) rebates, preventive drug lists with \$0 copay, and RxZERO. Digital tools such as Savings Advisor provide greater cost transparency enabling members to make more informed decisions about choosing cost-effective medications.

Point-of-Sale Rebates

Passing along all or a portion of the discounts we negotiate from manufacturers on behalf of clients — also known as rebates — can help offset member OOP costs, especially during the deductible phase when they are responsible for the full cost of the drug. Clients can utilize our industry-leading POS rebates solution to help members save money when they pick up their prescription at the pharmacy counter.



Members save with POS rebates:*



>\$670
per eligible 30-day specialty Rx



\$155
per eligible 30-day non-specialty Rx

In 2019, members covered by plans which implemented POS rebates saved more than \$670 on average in OOP costs per eligible 30-day specialty prescription, and \$155 on average per eligible non-specialty prescriptions, during the deductible phase. Overall, member savings for plans with POS rebates was an average of 42 percent.(

POS Rebate Program Enhancements Provide Greater Flexibility:

- Specific drug classes or lists
- A preventive drug list
- Diabetes drugs
- Drugs with lower list price, but higher wholesale acquisition price
- Specialty treatments

Preventive Drug Lists

In 2019, 30 percent of consumers enrolled in HDHPs, compared to 24 percent in 2015, which means more members are having to pay thousands of dollars OOP.¹ CVS Caremark encourages clients with any kind of HDHP to cover a wide preventive drug list, including all generic medications for chronic diseases as well as some key branded drugs, like insulin. Such a preventive drug list enables plans to offer a zero-dollar copay for drugs that prevent disease.

RxZERO: Making Diabetes Medications More Affordable

Members who have high OOP costs, either because they are covered by a HDHP or because they have substantial copayment or coinsurance costs, often struggle to afford the medications their doctors prescribe. Fifteen percent of members spent more than \$300 on medications with those using brand antidiabetic medications spending an average of \$467 OOP annually.² Nearly 12 percent of those members using brand antidiabetic medications spend \$1,000 or more annually on all diabetes medications. In fact, drug prices make up a significant portion of the cost of treatment for diabetes.

Research shows that eliminating OOP costs for members improves adherence. RxZERO enables clients to cover all diabetes medications at zero cost to the member without raising costs for the plan sponsor, or increasing premiums or deductibles.



RxZERO takes away the need for members with diabetes to make difficult decisions about whether they can afford their medications without raising plan sponsor costs.

While the solution increases pharmacy costs for the client, those can be offset by adopting our most cost-conscious, generics-focused Value Formulary, and through lower overall medical costs.

[Learn more about how RxZERO can make diabetes medications more affordable >](#)

Savings Advisor

Affordability of prescription medication is a concern for payors, patients, and the entire health care system. Giving members access to personalized prescription savings advice and offering savings advice can help improve adherence. Savings Advisor features a personalized drug savings opportunity page on Caremark.com, and proactive email alerts to eligible members. Currently 80.2 million members — about 80 percent of our book of business — have access to Savings Advisor.



When members take the recommended Savings Advisor actions, they can reduce their OOP costs and improve adherence while plan sponsors may see a reduction in pharmacy spend.

We review past claims and when a member has a savings opportunity of \$10 or more — and OOP costs of \$15 or more — it is listed on the member's Caremark.com landing page. If the member provided contact information and communication preferences, we also send an email about the potential savings, which includes a link to the landing page.

By making health care simpler — such as connecting care between providers, pharmacists, and members while supporting navigation of the system — we, in turn, make it more accessible and affordable. CVS Health is committed to helping members find the most affordable options to keep them healthy.



The [2020 Path to Better Health Study](#) highlights that the American health care industry needs to evolve to ensure the consumer care experience is more local, personalized, affordable, and convenient. As we look toward the future, it's our mission to help lead this change and support people in achieving better outcomes not just for physical health, but also for total health.

Do you have any questions about our member cost savings strategies and digital tools? [Ask Us](#)



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1. <https://www.kff.org/health-costs/report/2019-employer-health-benefits-survey/>.
2. CVS Health Book of Business, Commercial Cohort Clients, Jan 2018–Dec 2018 Enterprise Analytics, Feb 2019.

*In 2019, among members covered by plans that implemented POS rebates, within the deductible phase.

All data sharing complies with applicable law, our information firewall and any applicable contractual limitations.

Savings projections are based on CVS Caremark data. Actual results may vary depending on benefit plan design, member demographics, programs implemented by the plan and other factors. Client-specific modeling available upon request.

Data source, unless noted otherwise, CVS Health Enterprise Analytics, 2020.

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