

Insights / Pharmacy Innovation

# Vendor Benefit Management Simplified

Streamlined management of third-party health and wellness solutions



**BRIEFING**

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CVS Health today launched vendor benefit management (VBM), a new service designed to help payors easily onboard and manage third-party vendors that provide digital and non-digital health and wellness solutions. The service enables clients to simply integrate management of third-party vendor solutions into their existing relationship with CVS Health and benefit from negotiated pricing, simplified contracting, billing and payment processing, standardized plan member eligibility usage, and outcomes reporting across multiple vendors. The service was developed with client input and vendor selection will be based on clients' goals for their plan and members.

The first solution available through the VBM service, Sleepio, by Big Health, is now available to all clients, in addition to those who were early adopters. Sleepio is a fully automated mobile and desktop app that uses cognitive behavioral therapy (CBT) to help patients dealing with poor sleep and insomnia. CBT is meant to assist patients in changing unhelpful behaviors, improving emotional regulation, and developing personal coping strategies that target specific problems. Additional vendors and solutions will be available on an ongoing basis after appropriate screening.

## A Growing Marketplace

The traditional health and wellness sector is being disrupted by new technological advancements and care models. Novel tools that supplement traditional health care are assisting patients with a wide range of conditions, from the management of insomnia and lower back pain, to meeting fitness goals and staying adherent to medications and beyond. In 2018, the average employer offered 14 supplementary health care solutions from different sources, including health plans and third-party vendors. Of employers with more than 15,000 employees, 30 percent offered 20 or more solutions.<sup>1</sup>

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Onboarding a slew of external vendor solutions can be complex, time consuming, and resource intensive because of the large amount of work involved including price negotiations, developing and managing multiple contracts, defining and auditing employee eligibility, and monitoring usage of vendor solutions.

### The CVS Health Solution

CVS Health's new VBM solution is open platform and was developed in response to client requests to help onboard and manage third-party vendor solutions that provide digital or non-digital health and wellness solutions. It makes the deployment and management of a range of third-party vendor solutions easier with:

- ✓ **Negotiated pricing.** Clients will be able to take advantage of competitive pricing.
- ✓ **Streamlined contracting and billing.** CVS Health will contract directly with the vendor, so that clients will not need to, and also process billing and payment through existing PBM processes.
- ✓ **Standardized member eligibility verification.** Using demographic and claims data, CVS Health will assist in identifying qualified members in real-time, and clients will be billed only for members that meet the eligibility requirements.
- ✓ **Usage and outcomes reporting.** CVS Health can independently track potential impact on prescription spend/utilization supplemental to any reporting available from the vendor.

## Options to Meet Client Needs

We plan to continue adding a variety of vendors to our VBM service including: fitness services, employee assistance programs (EAPs), benefit navigation services, smoking cessation programs, substance abuse support, care management solutions, medication adherence services, and digital therapeutics. Our solution is truly designed around our clients and their goals for their plans and members. We will continue to add vendors and solutions based on client input and feedback, and after appropriate screening.

### Considerations for vendor inclusion include:

- Demand from the market/alignment with client interest
- Consistency with applicable industry and clinical guidelines
- Robust member engagement, including program enrollment
- Compatibility with CVS Health's third-party security standards



**Our solution is designed around our clients and their goals for their plan and members.**

## Automated and Real-Time

In addition to being an open platform, the CVS Health VBM solution integrates with our existing processes, unlike other solutions that focus on curated vendor selection and vendor contracting and billing. Vendors contracted through our VBM offerings may only bill clients for members who are qualified based on both plan coverage and pre-determined eligibility criteria.

### Our VBM service can:

- ✓ Automatically verify client determined eligibility based on their plan coverage
- ✓ Look up member drug claim history over a specified time period and only allow billing and utilization of the vendor solution for members who meet the applicable pre-determined clinical criteria
- ✓ Automate reporting across vendor solutions tying member utilization of the vendor solution to member outcomes, for instance a comparison of adherence among members who use different vendor solutions that drive toward the same endpoint
- ✓ Allow member cost sharing where appropriate, such as for fitness memberships, where the client and member both pay a portion of the fee for the vendor solution
- ✓ Be billed through the client's routine billing and not need to be managed separately



The CVS Health VBM solution offers clients a scalable solution capable of supporting a large number of health and wellness vendors so that they can meet the clinical goals of their plans and members. It is an ongoing part of our goal to transform health care and help put more consumers on their path to better health.

Do you want to know how to get vendors that meet your plan goals through our VBM solution?

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1. <https://www.castlighthealth.com/press-releases/castlight-releases-first-of-its-kind-report-on-digital-health-in-the-workplace/>.

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