



The critical role of consumer experience in health care

Improving medication adherence and preventive care

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Introduction

By improving retail experiences, we aim to advance medication adherence for our consumers.

Trust is a critical bond that connects health care providers with their patients, ensuring that the advice given and the treatments prescribed are followed with confidence. Given the many communities CVS Health® serves and the touchpoints maintained throughout the care journey, we have a unique opportunity to strengthen trust in medicine and health care. This is not simply an exercise in reputation; trust plays a meaningful role in driving positive health outcomes. For example, 84% of American respondents with high trust in our health care system are fully vaccinated, compared with 46% of those with low trust¹.

Because trust is so important in influencing better health care outcomes, we must consider deeply how to build and maintain trust with the patients and members we serve. It is well-known that health care challenges like lack of access to affordable care, as well as the difficulty of navigating a highly complex and fragmented system of care, can be difficult to address on an individual consumer level². It is incumbent upon leaders in health care, including CVS Health which serves 100M+ people in the United States, to help facilitate a seamless, positive experience that leads to better trust and improved outcomes. This can include something as simple as ensuring people adhere to medication protocols, which can meaningfully impact consumer health and costs.



Approximately 50% of Americans don't take their medications as directed by their doctor, which often leads to preventable hospitalization or death.

Moreover, non-adherence costs amount to 16%, or \$500 billion, of the entire U.S. health care spending every year³. In fact, recent studies have found that a 10% increase in treatment adherence can be associated with a decrease in annual health care costs of 8.6% to 28.9%⁴.

Several factors influence non-adherence, including patient motivation, affordability and health literacy. However, one seldom discussed aspect is the experience that a consumer has in accessing their medications. CVS Health has prioritized being the most consumer-centric health solutions company in health care. This concentrated focus not only helps ensure CVS Health aligns with people's needs but also addresses the challenges of the health care system more broadly. By improving retail experiences, we aim to advance medication adherence for our consumers⁵.

The link between patient experience and medication adherence

Improved patient experiences have an impact on increasing levels of trust in health care⁶. As a leading health solutions company, CVS Health recognizes the impact increased levels of trust have on patient outcomes like medication adherence and other clinical outcomes (e.g., reducing hospital admissions). Improved experiences help drive greater trust by way of both staff engagement (e.g., friendliness) and operational improvements (e.g., speed of transactions).

Patients who adhere to a prescribed medication regimen not only experience reduced out-of-pocket costs, also are less likely to have to engage in high-cost clinical services like emergency department (ED) visits.



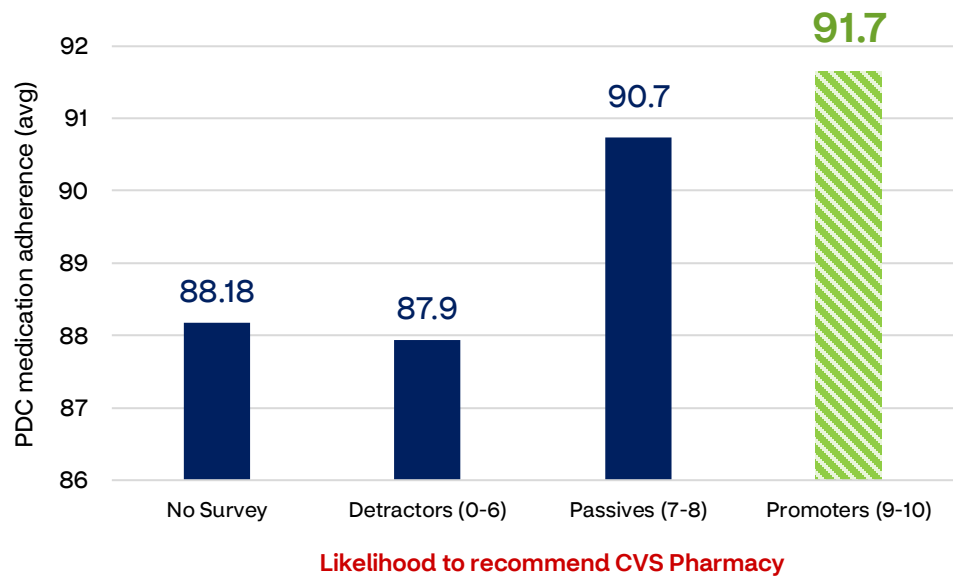
CVS Pharmacy[®] patients enrolled in a Medicare Advantage plan with a Portion of Days Covered (PDC) >95%, which is a measurement of days' supply of prescribed medication over a set period of time indicating how consistently a patient is taking their medication, spend **\$1893 less for overall health care costs** than somebody with <25% PDC^{7, 8, 9}.

Though patients are considered adherent when PDC is over 80%, incremental **benefits are still observed** when PDC exceeds 80%.

Increasing PDC from 85-90% to 90-95% **increases savings in total costs of care between \$870 and \$1140** for patients with diabetes mellitus and hypertension⁹.

The graphic below shows that better experiences with CVS Pharmacy® is linked to improved medication adherence for patients. This is based on our transactional patient experience surveys that occur after a patient interacts with our retail pharmacy.

Association between trust and medication adherence



Key takeaway:

Highly satisfied patients (Promoters) are more adherent than non-engaged or unhappy patients (Passives and Detractors)^{10; 11; 12}.

Data: This includes all CVS Pharmacy patients who are enrolled in a Medicare Advantage plan who filled one maintenance medication for cholesterol, diabetes mellitus and hypertension, including beta-blockers or calcium channel blockers, in 2023. Patients were grouped based on feedback from post-transactional patient surveys^{8; 13}.



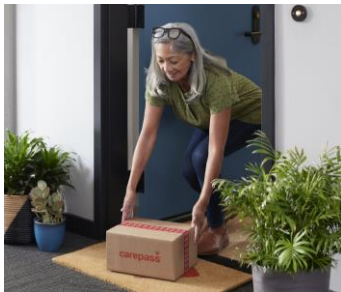
Trust:

CVS Health typically builds very lengthy and strong relationships with their consumers.



Ease:

The second most important component of our Net Promoter Score (NPS) is that our pharmacy orders are ready when promised. According to our patient experience survey, over 80% of our patients are extremely satisfied with our pharmacy wait times (with a typical wait time under five minutes).



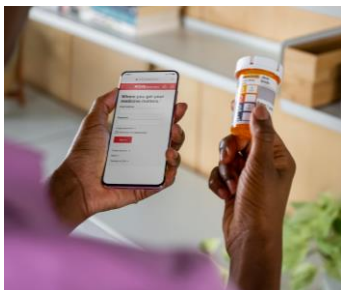
Convenience:

Eighty-five percent of Americans live within 10 miles of a CVS Pharmacy with five million daily interactions across over 9,000 CVS Health locations. Order completeness and ease of access with drive-thrus are key drivers of our experience.



Pharmacist interactions:

A primary influencing faction of our NPS is our pharmacists' ability to answer consumer questions effectively. Ninety percent of our patients say they are extremely satisfied with our pharmacists.



Ability to self-serve:

Patients who register on our website and use text alerts typically have a higher NPS than those who do not utilize these self-serve capabilities.

CVS Pharmacy has launched numerous programs to improve the effectiveness of the retail pharmacy experience and differentiate us from competitors.



Launched virtual verification:

Virtual verification allows pharmacists to verify medication digitally, freeing them up to interact with patients more proactively. Pharmacists now focus on the relationship with their patients versus being focused more on their fulfillment activities. This effort to improve experience aims to help patients understand their medications, making them more knowledgeable and likely to stay adherent¹⁴.

Improved point of sale (POS) options:

By making multiple POS innovations, we've reduced wait and prescription transaction time and increased the use of self-service digital options.

Improved interactive voice response (IVR) system:

We have changed our in-store IVR options to make them more user-friendly. We now help direct patients to self-service and even offer a call-back option.



Enhanced digital capabilities:

Through training, we empowered retail colleagues to support patients using in-store digital options. Additionally, we provide colleagues with easily accessible QR codes to aid patients in downloading the CVS Pharmacy app, allowing in-store creation of a pharmacy profile to manage prescriptions via our mobile app.

Introduced dynamic workload sharing:

New approach leverages the scale of our retail business and colleagues across multiple stores, all working together to share intake and verification work associated with prescription filling.

Integrated solutions:

To guide users in making healthier decisions, CVS Health also offers Next Best Actions (NBAs) to Aetna®, a CVS Health company, members. NBAs, powered by AI and machine learning, offers health-focused recommendations for members based on their unique circumstances and preferences. NBAs have led to a 5% increase in medication adherence for Aetna Commercial members with chronic conditions. That's a positive as medication adherence is associated with improved clinical outcomes and reduced mortality.

The consumer-centric focus at CVS Health has improved health behaviors

Focusing on the consumer experience as a vital key to impacting medication adherence has allowed CVS Health to outpace our competitors in many clinical outcomes. Below and on the following page, we share data regarding Aetna® Medicare Advantage members who fill prescriptions (Rx) at a CVS Pharmacy versus other pharmacies¹⁵. The statistically significant results had a high degree (i.e., 99.9%) of confidence and indicate^{16,17}:

Improved medication adherence for Medicare Advantage members

Aetna Medicare Advantage members who fill their prescriptions – maintenance and specialty medications – with CVS Health are more adherent than Medicare Advantage members who use other pharmacies.



of Aetna Medicare Advantage members are more adherent to **maintenance medications**.



of Aetna Medicare Advantage members are more adherent to **specialty medications**.

Fewer acute medical events

Acute medical events - inpatient (IP) days and emergency department (ED) visits decrease for Aetna Medicare Advantage members who are medication adherent.



96 fewer

IP days per year for every 1000 visits for Aetna Medicare Advantage members.

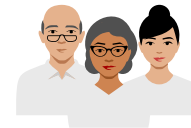


64 fewer

ED visit days per year for every 1000 visits for Aetna Medicare Advantage members.

Decreased medical expenses per member per month

Increased medication adherence decreases the costs of medical expenses per month per Medicare Advantage member.



3%

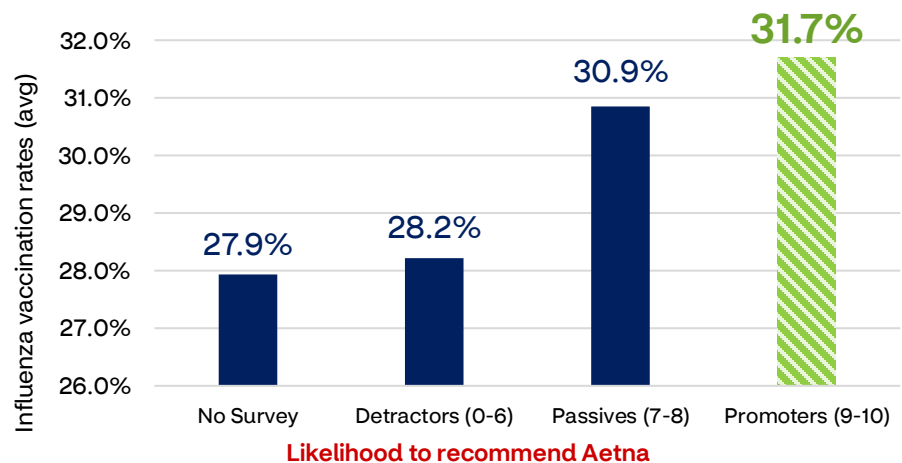
Lower costs per Aetna Medicare Advantage members.

Member satisfaction helps drive preventive health services like vaccinations

Among older adults, immunizations can be a critical determinant of health, helping to prevent illnesses like influenza and reducing the severity of symptoms. For example, vaccinations reduce influenza-associated hospitalizations and deaths by about 26% and 31%, respectively^{18; 19; 20}. Highlighted by the chart below, members who express loyalty —likelihood to recommend Aetna — are more likely to be vaccinated.

Immunizing individuals has benefits for the community as well. People who receive preventive health services like vaccinations reduce the risk of spreading the disease to other community members. If enough community members receive the vaccination, herd immunity can be reached, offering protection to the few unvaccinated members. Additionally, vaccinated workers typically have less severe disease symptoms with lower absenteeism and higher productivity²¹.

Relationship between member engagement and influenza vaccination rates



Key takeaway:

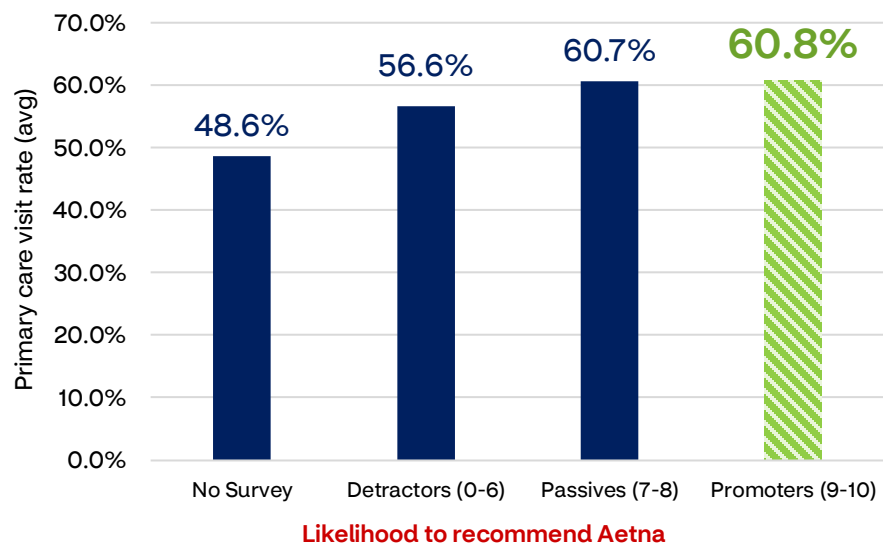
Highly satisfied members (Promoters) are more likely to receive the influenza vaccination than non-engaged or unhappy members (Passives and Detractors)^{10; 11; 12}.

Data: The denominator includes three million Aetna Medicare Advantage members enrolled in medical insurance for at least one month in 2023. The numerator includes the distinct count of individuals who had an inpatient, outpatient or emergency service insurance adjudicated for influenza immunization^{13; 23; 24}.

In addition to medication adherence and immunizations, visits to primary care providers (PCP) can be a critical factor in long-term consumer health. Research, represented in the chart below, indicates that consumer satisfaction can also impact PCP visitation.

Members who regularly visit their PCP experience many benefits, including early detection of disease, assistance managing chronic health conditions, referrals to other doctors, and treatment of acute conditions before they worsen into a hospitalization²².

Increased likelihood of PCP visits in satisfied members



Key takeaway:

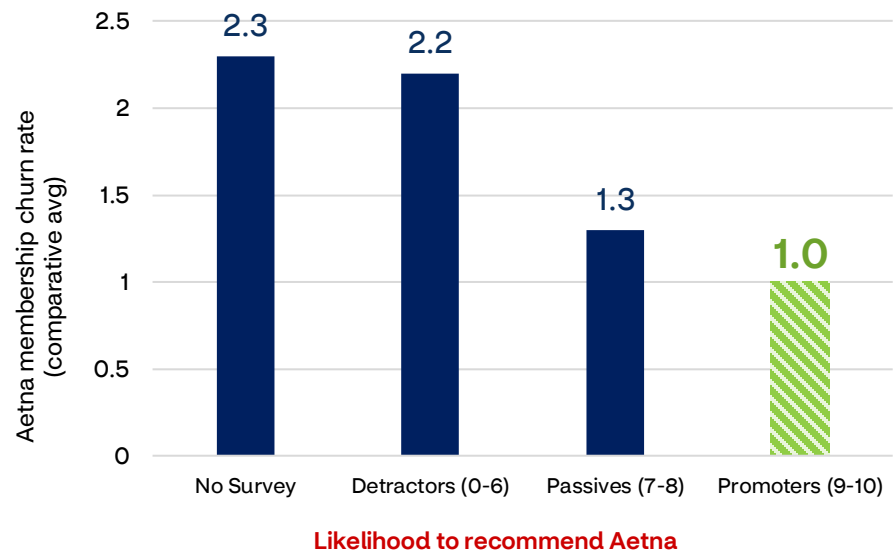
Highly satisfied members (Promoters) are more likely to visit their PCP than non-engaged or unhappy members (Passives and Detractors)^{10; 11; 12}.

Data: The denominator includes all Aetna Medicare Advantage members enrolled in medical insurance for at least one month in 2023. The numerator includes the distinct count of individuals who had an inpatient, outpatient or emergency service or insurance adjudicated primary care visit within 2023^{13; 23; 24}.

Loyalty associated with continuity of care

A member's choice to stay or switch insurance providers is impacted by experience and satisfaction, as indicated in the graph below. Promoters who are highly satisfied are 2.2 times more likely to stay with their current provider than those who are dissatisfied and 2.3 times more likely than those who didn't take the survey. Companies that provide member-aligned services greatly benefit members by reducing the hassle and costs of switching providers. Additionally, satisfied members are more likely to recommend their provider to friends and family, creating a community of trust and reliability.

Lower disenrollment associated with positive experiences



Key takeaway:

Highly satisfied members (Promoters) are more likely to stay with their current insurance provider than non-engaged or unhappy members (Passives and Detractors)^{10; 11; 12}.

Data: The denominator includes all Aetna Medicare Advantage members enrolled in medical insurance for 12 months of coverage in 2022, excluding individuals who have passed away. The numerator counts all members in the 2022 base period who did not return in 2023^{13; 23; 25}.

Conclusion

By using patient-centric experiences to build trust, CVS Health is innovating in ways that make it easier for patients to learn about, acquire and stay on course with their prescribed treatment plans, including medications. As a result, tangible benefits are already seen in health care costs per patient and clinical outcomes. CVS Health helps people improve their long-term health outcomes through coaching, treatment adherence support and managed care offerings, helping to build a world of health around every consumer.



Definitions and sources

1. Edelman. Special report: Trust in health. 2022.
2. A consumer is anyone who makes a purchase or receives a service from CVS Health. They're our patients, clients, members, customers in our stores and colleagues, too.
3. Watanabe JH, McInnis T, Hirsch JD. Cost of prescription drug-related morbidity and mortality. *Ann Pharmacotherapy*. 2018;52(9):829-837.
4. Iuga AO, McGuire MJ. Adherence and health care costs. *Risk Management health care Policy*. 2014;7:35-44.
5. The terms medication and treatment are utilized interchangeably to clarify that consumer adherence encompasses all doctor prescribe regimens for health and wellness.
6. Agency for Healthcare Research and Quality. (n.d.). Why improve patient experience? In CAHPS improvement guide.
7. Portion of Days Covered (PDC) is a measurement of how often a patient has access to their medication over a set period of time.
8. CVS Pharmacy Data Warehouse; PDC = Proportion of Days Covered. N = five million. CVS Health receives millions of surveys annually. This analysis is based on 22 million consumers.
9. Qiao Y, et al. Association between medication adherence and health care costs among patients receiving the low-income subsidy. *Value Health*. 2020;23(9):1210-1217.
10. Detractors are consumers submitting a rating from 0-6; complaints from this consumer type can deter new business and demoralize colleagues.
11. Passives are consumers submitting a rating from 7 or 8; this category of consumer has been targeted for continuous improvement.
12. Promoters are consumers submitting a rating of 9 or 10; these are loyal consumers created from positive experiences with our organization. They buy more, stay longer, cost less to serve, and recommend your products and services to others. This category of consumer can tell us what we're doing that delights them.
13. Consumers were divided into groups based on their responses to the question, "How likely are you to recommend CVS Health/Aetna to a friend or family member?" This is a 0-10 scale; 0 representing consumers unlikely to suggest CVS Health/Aetna to a friend and 10 containing consumers highly likely to promote the brand. Individuals who declined to answer a survey or did not receive a survey are categorized as "No Survey." Results are statistically significant, with a high degree (i.e., 99.9%) of confidence.
14. Larson M. Virtual verification elevates technicians. *Pharm Times*. 2020;Issue 7:63.
15. A&BC DAT Clinical Data Science team – Aetna Data warehouse.

Definitions and sources (cont.)

16. The results are based on a regression model controlling and adjusting for differences in baseline characteristics such as benefit design, age, sex, consumer segment, geographic location, risk level and presence of chronic conditions.

17. Methodology:

Patterns were similar across 2019, 2020 and 2021, but the rates shown in the table are from 2021.

Statistical adjustments were made (i.e., propensity score matching) to account for differences in baseline characteristics such as benefit design, age, sex, consumer segment, geographic location, risk level and presence of chronic conditions.

Rates were capped at the 99th percentile within each year.

Individuals are classified as CVS Health vs Non-CVS Health fillers when a person fills 80%+ of their fill in either of the locations.

18. Pelton SI, Mould-Quevedo JF, Nguyen VH. The impact of adjuvanted influenza vaccine on disease severity in the US: A stochastic model. *Vaccines*. Published 2023.

19. Rezaei-Tavabe N, Kheiri S, Mousavi MS, Mohammadian-Hafshejani A. The effect of monovalent influenza vaccine on the risk of hospitalization and all-cause mortality according to the results of randomized clinical trials: A systematic review and meta-analysis. *Iran J Public Health*. Published 2023.

20. Grohskopf LA. Prevention and Control of Seasonal Influenza with Vaccines: Recommendations of the Advisory Committee on Immunization Practices — United States, 2022–23 Influenza Season. *MMWR Recommendations and Reports*. 2022;71.

21. Rodrigues CMC, Plotkin SA. Impact of vaccines; health, economic and social perspectives. *Front Microbiol*. Published 2020.

22. Levine DM, Landon BE, Linder JA. Quality and Experience of Outpatient Care in the United States for Adults With or Without Primary Care. *JAMA Internal Medicine*. 2019;179(3):363.
doi:<https://doi.org/10.1001/jamainternmed.2018.6716>

23. Aetna Enterprise Data Warehouse.

24. The numerator must contain one of the following: Revenue code = 90471, 90472, 90473, 90474, 90460; ICD 10 Code = Z23; Procedure code = 90630, 90653, 90654, 90655, 90656, 90657, 90658, 90660, 90662, 90672, 90673, 90674, 90682, 90685, 90686, 90687, 90688, 90689, 90694, 90756, Q2034, Q2035, Q2036, Q2037, Q2038, Q2039, G0008, G8482.

25. The numerator must contain one of the following: ICD 10 Code = Z00.00, Z00.01, Z00.0; Revenue code = 0521, 0522, 0524, 0525, 0527.



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