

# 5 Reasons Pharmacy Costs Can't Be Ignored

These 5 stats show why employers and employees need help to cut prescription costs.

**1 Medical and drug inflation are increasing exponentially** For 15+ years medical inflation has grown at 2x the rate of national inflation, and Rx is double that rate.<sup>1</sup>



3%

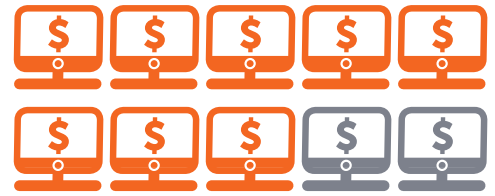


6%



12%

**2 Employers rate drug costs as top concern** 63% of employers said specialty pharmacy management was a top priority.<sup>2</sup>



**Eight in ten** large employers ranked specialty pharmacy among the top three cost drivers.<sup>3</sup>

**3 Specialty drug costs are skyrocketing**

As of 2018, HALF of national drug spend will be specialty medications.<sup>4</sup>

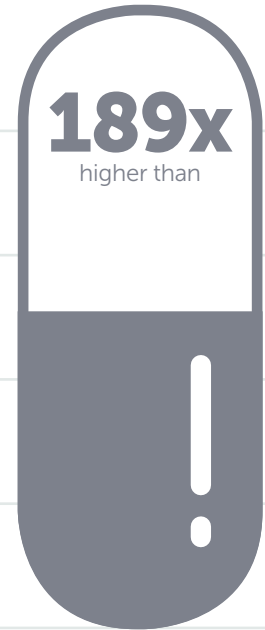
**AVERAGE PRICE OF SPECIALTY DRUGS...**

**18x**  
higher than



Brand Name

**189x**  
higher than



Generic Drugs

**4 Formularies are shrinking while non-covered Rx lists are growing**

At the end of 2017, over **80 prescriptions** were removed from formularies, impacting over 200 million Americans.<sup>6</sup>

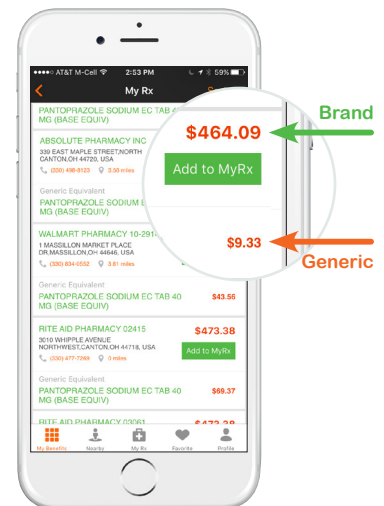


**5 Drug spend is pushed to out of pocket costs** 77% of Americans say prescription drug costs are unreasonable.<sup>7</sup>

**Fact:** Changes to Rx coverage shift major costs to employees.

**Strategy:** A second pharmacy benefit alongside the health plan creates a “safety net” that works for all groups and plans.

**Consumerism:** Price comparison tools educate employees as healthcare consumers while giving them options.



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1. www.milliman.com/insight/Periodicals/mmi/2017-Milliman-Medical-Index/  
2. www.mbg.org/blogs/mbgh-information/2016/12/09/managing-specialty-drugs-and-employee-engagement-are-of-greatest-concern-to-employers-in-2017  
3. www.businessgrouphealth.org/news/nbgh-news/press-releases/press-release-details/?ID=334  
4. https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/care-management-specialty-pharmacy-costs.aspx

5. www.aarp.org/content/dam/aarp/ppi/2015/rx-price-watch-specialty-prescription-drug-prices-continue-to-climb-final.pdf  
6. www.npr.org/sections/health-shots/2016/08/15/489790412/will-your-prescription-meds-be-covered-next-year-better-check  
7. Kaiser Family Foundation survey, Sept 2016