

Did You Know? Preserving

The Prescription Drug Benefit

*Why Employer Sponsored Pharmacy Benefits May Become
An Endangered Species*

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- Health care costs have been consistently outpacing overall inflation in the past 10 years
- Prescription drug costs have skyrocketed during this time (to a point where employers are starting to question whether or not they can continue to offer this benefit to their employees)
- 5% of the employees covered by a prescription drug plan are incurring 80% of the employer's cost
- Specialty medications in the top three therapy classes (inflammatory conditions, multiple sclerosis and cancer) increased 58.4% (cumulatively) from 2014 to 2015 (Express Scripts 2015 Drug Trend Report)
- Employers continue to increase copays and coinsurance, but that isn't going to be a practical solution to managing this benefit when the cost of some drugs exceed \$100,000 per year per person

How did we get here and is there a solution? [Read more](#)

Most people who work for an employer that provides health insurance benefits are familiar with the prescription drug (pharmacy) benefit. For many years, we accessed this benefit by going to our local drug store and paying \$5 or \$10 and leaving with the drug prescribed by our doctor. Our employer was billed for the balance of the cost of the drug less some discount provided by the insurance company or Pharmacy Benefit Manager (PBM).

When prescription drug costs started increasing due to new therapies being developed by the pharmaceutical manufacturers and the creation of many "me too" drugs (drugs that cost more and treated the same conditions as less costly drugs) combined with the proliferation of direct to consumer advertising, employer groups started tackling these costs by raising copays and adding deductibles. All these arrangements provided temporary relief for employers and members, but they could not keep up with the price increases from drug manufacturers and all the new high priced specialty medications that have come to the market.

Express Scripts stated in their 2015 Drug Trend Report: The average price of brand-name drugs rose 16.2% in 2015, and 98.2% since 2011. One-third of branded products had price increases greater than 20% in 2015. According to MagellanRx, specialty medications, those that treat conditions such as inflammatory disease, cancers, MS, Crohn's Disease and Hepatitis C, are expected to make up more than 50% of the average employer's prescription drug plan costs in 2018. That is right around the corner.

Employers need to take action and become actively involved in looking at programs that will not simply manage this impending crisis once every few years when reviewing their pharmacy benefits contract, but by considering new pharmacy program management solutions, such as the **NSBA School Rx Cooperative**.

The Cooperative will work with your district to implement a truly transparent traditional prescription drug benefits program that can initially provide 15-25% savings on your current plan (without having to change any benefits you currently have in place) and the program continues to provide savings by actively managing the pharmacy benefit 24 hours a day, 7 days a week. With over 400,000 individuals enrolled, the School Rx program allows its members to take advantage of discounted pharmaceutical pricing.

We can provide your school district with a no cost pricing proposal, so please call or email us today for more information.