

Facts About:

Employers Managing Rx Costs

- ▶ In 2002, employers' average costs for prescription drug coverage for employees increased 16.9%.
- ▶ Employers' health care benefit costs, including all medical, dental, and other health care benefits, averaged \$5,646 per employee in 2002.
- ▶ Employers' health care benefit costs increased 14.7% in 2002—seven times the rate of general inflation and the largest yearly increase since 1990.
- ▶ Nearly 75% of employers offer a prescription drug discount card to employees; almost 90% offer employees coverage through a mail-order plan.

- ▶ Over two-thirds of employers require employees to pay a higher co-payment for brand-name drugs that have generic equivalents.
- ▶ Prescription drug spending accounts for roughly 18% of medical costs for active employees and 40% for retirees.
- ▶ Employers state that the maximum annual increase in health care premiums they can absorb over the next 5 years is 8%, otherwise they will be forced to cut health care and other benefits.
- ▶ In 2003, employers spent an estimated \$22.5 billion on retiree drug benefits, up 18% from the 19.1 billion spent in 2002.

A Project of the **Heinz Family Philanthropies**: Teresa Heinz, Chairman; Jeffrey Lewis, President (jlewis@heinzoffice.org) and **Medco Health Solutions**.