



**Key Findings from National Survey of Small Businesses
Regarding Prescription Drug Coverage Goals and Priorities**

September 13-26, 2011

Ayres, McHenry & Associates conducted a telephone survey of 400 owners and human resource managers of small businesses — those with 100 or fewer employees — to assess their views on pharmacy benefits and potential changes to regulations covering prescription drug plans. The results show widespread satisfaction with pharmacy benefits among companies that offer these benefits, strong interest in reducing both employee out-of-pocket and company costs, and widespread support for approaches to dealing with prescription drugs that maximize flexibility for employers.

Highlights from the survey are:

- 1. Small businesses want low-cost coverage, not “Cadillac coverage.”** Their top priorities are low pharmacy costs for their business (66 percent) and lower out-of-pocket costs for their employees (39 percent). Given a choice, they prefer basic coverage with lower premiums (71 percent) to expanded coverage with higher premiums (19 percent).
- 2. Most small businesses want to reduce drug costs not protect drugstores.** By a 78 to 11 percent margin, respondents say *“small businesses should be able to reduce prescription drug costs as much as possible, even if it means drugstores make less profit”* rather than *“the government should protect drug stores from competition, even if it raises prescription drug costs, because they are a vital business.”*
- 3. Small businesses want the option to choose a plan that encourages delivery of prescription drugs through the mail.** Respondents say it is a good idea to *“allow plans to offer discounts that encourage employees to get prescriptions by mail”* by a 79 to 16 percent margin.
- 4. Small businesses want the option to choose a plan that excludes expensive drugstores from their networks.** By a 61 to 32 percent margin, respondents say it is a good idea to *“allow employers to choose lower cost plans that exclude the most expensive drug stores from their coverage network.”*
- 5. Small businesses place a very low priority on knowing how plans reimburse drugstores.** Just 6 percent of respondents say that knowing this information is among their top prescription drug benefit priorities.

6. **Three-fourths of small businesses oppose mandates requiring low co-pays for high-priced specialty drugs.** Seventy-four percent of small businesses either want no new regulations on high-priced drugs (25 percent) or think drug companies should offer patient discounts as needed (49 percent). Only 20 percent say regulators should require small businesses to offer lower co-pays so individual patients can afford the drugs.
7. **Small businesses want the option to choose plans that cover generics instead of brand name drugs.** Respondents say it is a good idea to “*allow employers to choose lower cost plans that cover generics instead of brand name drugs*” by an 81 to 16 percent margin.
8. **Small businesses think plans should be free to audit drugstores that appear to be over-charging consumers.** These respondents say it is a good idea to “*allow plans to audit drugstores that appear to be over-charging*” by an 88 to 9 percent margin.
9. **Small businesses that provide drug benefits are overwhelmingly satisfied with the benefits that they are able to offer.** By an 86 to 11 percent margin, small businesses that provide drug benefits are satisfied with those benefits.

Methodology

Respondents were selected randomly from a list of benefits managers for companies identified as having up to 100 employees. The margin of error for responses with an even split – 50 percent for one response and 50 percent for another response – is plus or minus 4.90 percent. The margin of error is smaller when one response receives a higher level of support. For example, the margin of error is plus or minus 4.24 percent when 75 percent of respondents choose one response and 25 percent choose another response.