

## Main findings

**Vast majority of small business owners feel prescription drug prices are too high:** Nearly 9 out of 10 small business owners (88%) think prescription drug prices in America are too high. They also believe the prices of specialty or lifesaving drugs are too high (84%). Far more employers think drug companies (72%) are responsible for these high prescription drug prices than health insurance companies (20%).

**Prescription drug coverage is a concern when selecting a plan:** A large segment of the small business owner population (72%) provides their employees with some kind of coverage for prescription drugs costs. More than half (52%) of these employers consider prescription drug prices when choosing the best health insurance plan for their business.

**Small employers and employees are absorbing increased drug costs:** More than 8 in 10 small business owners say their prescription drug copays have increased in recent years. Their primary strategies for managing those increasing drug copay costs are to shift some of the higher costs to employees (39%) or absorb the higher costs and maintain the same health insurance benefits (31%). Among employers who shifted the higher costs to employees, over half say they shifted at least 50% of the copay costs to employees in order to continue offering coverage.

**Most believe drug market is in need of change:** Nearly two-thirds (63%) of small employers think the prescription drug market is not working at all and is in need of a major overhaul, while 28% think the market has some problems, but only needs minor changes. Just 6% believe the market is working as it should. What's more, nearly 9 in 10 small business owners agree (88%) that prescription drug prices in the U.S. are higher than in Canada, Mexico, and Western Europe. Small business owners also agree that drug companies have spent millions on lobbying to increase their profits and that there is a lack of transparency around the process used to determine prices. More than 8 in 10 agree (83%) that drug companies are unfairly profiting off of life-saving drugs.

**Small business owners are willing to act to lower drug prices:** A vast majority (85%) of small business owners are likely to sign a petition to address rising prescription drug prices, with 51% very likely to sign. Owners of every small business size including 81% of very small employers (1-4 employees), 90% of medium employers (5-19 employees), and 86% of large employers (20-99 employees) say they are likely to sign such a petition.

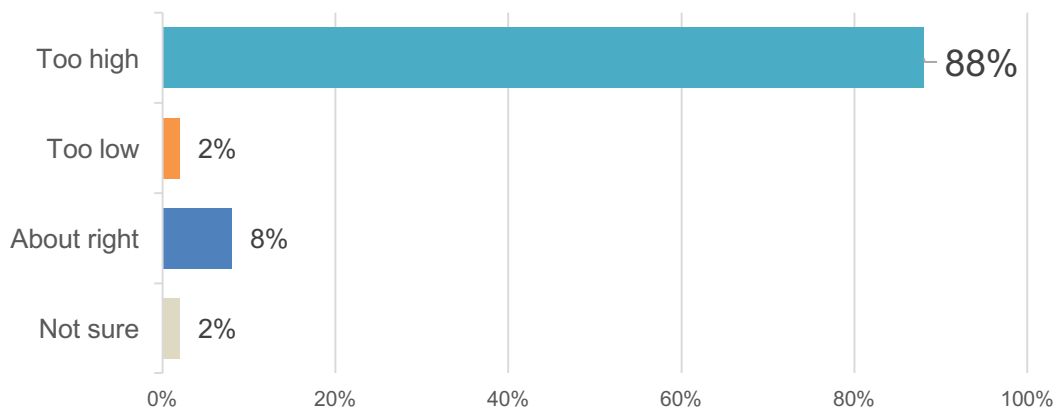
**Vast support for range of policy proposals to address rising cost of drugs:** Small business owners widely and intensely support a set of proposed solutions for addressing the rising costs of prescription drugs. The top-performing policy is making it illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug, with 88% saying they agree (56% strongly agree), followed by a policy that prescription drugs that are developed with taxpayer dollars should be made affordable to every American, with 90% saying they agree (54% strongly agree). Many small business owners (85%) also agree that Americans should be able to purchase prescription drugs from Canada and that the federal government should be allowed to negotiate lower Medicare drug prices.

## Vast Majority of Small Businesses Believe Drug Prices too High

Polling shows that an overwhelming majority (88%) of small business owners who provide health insurance benefits to employees believe prescription drug costs are too high, and most (72%) think drug companies are responsible. They also believe the prices of specialty or lifesaving drugs are too high (84%).

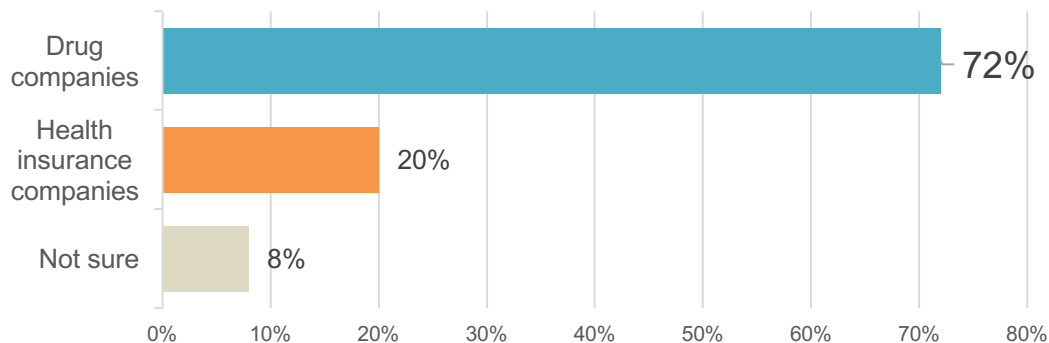
**Figure 1: Nearly 9 in 10 small business owners who provide health insurance to their employees think the cost of prescription drugs is too high.**

Overall, do you think prescription drug prices in America are too high, too low, or about right?



**Figure 2: Most small business owners believe drug companies are to blame for the high cost of drugs.**

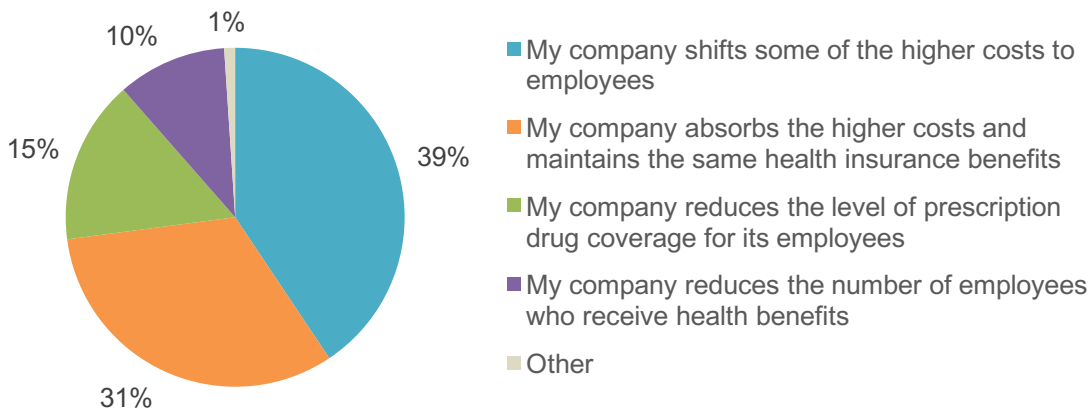
Based on what you know, who is more responsible for high prescription drug prices—drug companies or health insurance companies?



More than 8 in 10 small business owners say their prescription drug copays have increased in recent years. Their primary strategies for managing those increasing drug copay costs are to shift some of the higher costs to employees (39%) or absorb the higher costs and maintain the same health insurance benefits (31%). Among employers who shifted the higher costs to employees, over half say they shifted at least 50% of the copay costs to employees in order to continue offering coverage.

**Figure 3: How small business owners are absorbing increased drug copays**

Which of the following options comes closest to the way your company typically manages increasing costs from prescription copays?



Nearly two-thirds (63%) of small employers think the prescription drug market is not working at all and is in need of a major overhaul. Just 6% believe the market is working as it should. What’s more, nearly 9 in 10 small business owners agree (88%) that prescription drug prices in the U.S. are higher than in Canada, Mexico, and Western Europe. Small business owners also agree that drug companies have spent millions on lobbying to increase their profits and that there is a lack of transparency around the process used to determine prices. More than 8 in 10 agree (83%) that drug companies are unfairly profiting off of life-saving drugs.

**Figure 4: Small business owners’ views on how drug market is working**

Generally speaking, which of the following statements is closest to how you feel about the way the current market is pricing prescription drugs?

