



Lake Snell Perry Mermin Meadow Gotoff Ulibarri

## Memorandum

Celinda Lake  
*President*

To: Interested Parties

Alysia Snell  
*Partner*

From: Celinda Lake, David Mermin, and Marie Frederickson  
Lake Research Partners

Michael Perry  
*Partner*

Subject: Positive Support for Pharmacy Benefit Managers

Date: December 15, 2011

David Mermin  
*Partner*

Lake Research Partners recently conducted a national survey<sup>1</sup> among 1,000 adults to determine their opinions about Pharmacy Benefit Managers (PBMs).

Robert G. Meadow, Ph.D.  
*Partner*

- **Americans view the role PBMs play in driving down drug costs in the health care system as important.** A majority (58%) value the role PBMs' play in providing prescriptions to millions of Americans and ensuring greater affordability by negotiating lower costs.

Daniel R. Gotoff  
*Partner*

- 65% of women and 61% of seniors rank PBMs' role as important (53% very important—women; 50% very important—seniors).

Joshua E. Ulibarri  
*Partner*

Tresa Udem  
*Partner*

- **Overwhelmingly, people say negotiating prices and ensuring safety are important services PBMs provide.** When asked to rate the importance of specific activities PBMs undertake to lower prescription drug costs, three-quarters or more of respondents cited their ability to “negotiate better prices from retail pharmacies” (78%) and “drug manufacturers” (75%); and their work to “ensure the safety of prescription medicines by helping avoiding adverse drug interactions” (75%).

Rick A. Johnson  
*Vice President*

- 71% of respondents view their work to “reduce fraud and waste in the health care system” as important;

Robert X. Hillman  
*Chief Financial Officer*

- 70% say their efforts to “encourage the use of high quality generics over brand name drugs” is an important way to lower costs; and,

- 66% believe their ability to provide the “option of lower cost delivery by mail” is important.

- **Nearly three quarters (72%) of Americans see the services PBMs provide as valuable in lowering prescription drug costs and associated premiums for employers and consumers.** In addition to the importance people say the role PBMs play in the health

<sup>1</sup> These findings are based on a national survey of 1,000 telephone interviews with a random sample of adults. Interviews were conducted from November 28- December 1, 2011. Sampling error is ±3.1% overall, ±4.4% for 500 half sample.

care system lowering drug prices, they also attribute an intrinsic value to the work PBMs do. One-third of all respondents say the work PBMs do is very valuable, and nearly 3 out of 4 women (74%) value the work done by PBMs (36% very valuable).

- **People use a variety of pharmacies types to meet their prescription needs.** Just less than half of respondents (47%) report using big chain or grocery drug stores to fill prescriptions most often, followed by local, independent pharmacies, which account for nearly a third (29%), 14% use mail order-home delivery pharmacies, and the remaining 10% using other options.
- **Nearly 7 in 10 people (68%) take prescriptions on a regular basis.** More than half (53%) of respondents take at least one prescriptions on a regular basis. Thirty-eight percent take 2 to 5 prescriptions regularly and 15% are on 6 or more.
  - Not surprisingly, a majority of people taking multiple prescriptions on a regular basis are more worried about rising prescription drug costs. Only 47% who take no or 1 prescription regularly express worrying costs, versus 58% of those taking 2 to 5 who are worried about rising prices. Nearly three out of four people (73%) taking 6 or more prescription drugs regularly are worried (47% very worried).
  - **The numerous ways PBMs lower costs is extremely important to people who use prescriptions on a regular basis.** Seventy-one percent of people taking 6 or more prescriptions, say PBMs “negotiate(ing) better prices from retail pharmacies for customers” is very important, followed by “ensure(ing) safe administration of prescriptions” (68% very important), and “encourage(ing) generics over brand name drugs” (65% very important).

\*\*\*\*\*

*For more information on this Lake Research Partners survey, contact Celinda Lake in our Washington DC office at 202-776-9066 or David Mermin in our California office at 510-286-2097.*