



benefitNEWS

Copayments and Deductibles Up Sharply for High-Cost Drugs

According to a new report issued by United Benefits Advisors, a national advocacy organization for benefit advisory firms, the median pharmacy retail copayments for expensive fourth-tier drugs increased by 25% — up from \$80 in 2012 to \$100 in 2013—and many employer plans are charging between 10% and 30% of the cost of fourth-tier drugs. The fourth tier generally pays for expensive biotech or other high-cost specialty drugs. This plan design enables employers to pass along the cost of the most expensive drugs to employees by segmenting these medications into another category with significantly higher copayments. The number of employers offering four-tier drug plans increased 11.5% from 2012 to 2013, with 28% of employers now using this pharmacy plan design element, the survey found.

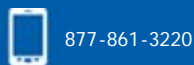
According to the report, on average, the tier-four median copayment was:

- For small employers (less than 100 employees): \$52 per prescription
- For mid-size employers (100-499): from \$45 to \$60
- For large employers (500+): from \$80 to \$100

The number of prescription plans subject to a major medical deductible increased by 3.5%, while the presence of a co-pay and/or co-insurance after the major medical deductible also increased by 5%, from 68% to 73% in 2013, the survey found.

The data in the 2013 UBA Health Plan Survey are based on responses from 10,551 employers sponsoring 16,928 health plans across the U.S.

Should you have any questions about this information please contact your Conner Strong & Buckelew account representative. Click [here](#) to learn more about our Preferred Client Pharmacy Coalition.



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