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Corporate benefit executives identify ways to curb prescription drug prices

Annual Arxcel study reveals that corporate benefit executives blame high prescription costs on drug manufacturers

WILLIAMSVILLE, NY (December 13, 2007) — Corporate benefit executives identified ways to curb high prescription drug costs in the 2007 Arxcel Prescription Benefit Research Survey. And, drug manufacturers are to blame for the high cost of prescription benefit programs, according to 70 percent of survey respondents.

Each year, prescription benefit management consultancy Arxcel (www.arxcel.com) commissions its annual Prescription Benefit Research Survey, gathering perceptions from leading benefit managers and HR executives nationwide regarding factors contributing to skyrocketing drug costs and possible solutions for impeding inflation. This year's sixth annual survey also measured the perceptions of Pharmacy Benefit Managers (PBM) for the first time.

Three out of every four respondents listed patient education about the cost effective use of a medicine as a method to lower costs. About 65 percent said educating physicians about the costs associated with prescription benefit plans would help.

"Patients and physicians can help reduce the cost of prescription benefits by constantly seeking more information on the appropriate drugs for certain health conditions. Getting the right drug to the right patient for the right condition is key to developing long term-cost control," Arxcel CEO Chris Robbins said.

Continuing to get a strong rating, 69 percent favored mail-order pharmacies as a solution for rising costs. Clinical oversight also ranked high as a possible solution, garnering support by 66 percent of those surveyed.

When respondents were asked to name the most significant cause of rising prescription costs, direct-to-consumer (DTC) advertising ranked first with 45.5 percent. Research and development (R&D) ranked second with 24.6 percent. When combined, these numbers reveal 70.1 percent of those surveyed blamed drug manufacturers for the high cost of prescription benefit programs. An aging population ranked third, with 16.8 percent.

Sixty percent of respondents said they expect an increase in prescription plan costs of up to 15 percent in the coming year. Almost half expect to pass at least part of the increase to employees.

The survey showed a split perception of the PBM industry. Half of the respondents rated the industry as "positive" or "very positive" while the other half rated it "neutral" to "very negative." While the industry received mixed reviews, individual PBMs fared somewhat better. Nearly two-thirds rated their PBM favorably with 52 percent trusting their PBM is operating in their company's best interest.

Headquartered in Williamsville, N.Y., Arxcel is a national pharmacy benefit consulting group that provides expert counsel and support in the areas of pharmacy benefits program operation and management; strategic analysis; and sales and marketing. Arxcel partners with providers of prescription drug programs to manage quality and control costs.

View the full 2007 Arxcel Prescription Benefit Research Survey at: www.arxcel.com/research/overview.html