



## Topline Report

- Fielded: August 29 to September 14, 2023
- Sample:
  - **Organization characteristics:**
    - 50+ US employees across all locations
    - Offers pharmacy benefits to at least some employees
  - **Respondent characteristics:**
    - Director or higher in HR or Operations
    - Makes or influences decisions about health insurance plan design
    - Demonstrates knowledge of self-insured vs. fully funded & if pharmacy benefits are carved in or out
- N:706
- Data Collection Mode: Internet

### I. SCREENER

(Q1.) How many employees does your organization have at all US locations?

	Total
N =	706
Less than 50 employees	0%
50-99 employees	53%
100-199 employees	25%
200-499 employees	14%
500-999 employees	4%
1,000-4,999 employees	3%
5,000+ employees	1%

(O-REGION) Where is your organization's headquarters?

	Total
N =	706
Northeast	18%
Midwest	19%
South	33%
West	30%

(R-REGION) In what state do you live?

	Total
N =	706
Northeast	18%
Midwest	19%
South	34%
West	30%

(Q3a.) Which industry best describes the type of work your organization does?

	Total
N =	706
Accommodation and Food Services	12%
Administrative and Support and Waste Management and Remediation Services	*%
Agriculture, Forestry, Fishing and Hunting	1%
Arts, Entertainment, and Recreation	9%
Construction	13%
Educational Services	8%
Finance and Insurance	5%
Health Care and Social Assistance	11%
Information	2%
Management of Companies and Enterprises	3%
Manufacturing	10%
Mining	*%
Other Services (except Public Administration)	3%
Professional, Scientific, and Technical Services	9%
Public Administration	*%
Real Estate Rental and Leasing	1%
Retail Trade	6%
Transportation and Warehousing	4%
Utilities	1%
Wholesale Trade	2%
<b>Categories</b>	
<b>Agriculture/Mining/Construction</b>	<b>13%</b>
<b>Manufacturing</b>	<b>10%</b>
<b>Transportation/Communications/Utilities</b>	<b>6%</b>
<b>Wholesale Retail</b>	<b>8%</b>
<b>Finance</b>	<b>6%</b>
<b>Service</b>	<b>36%</b>
<b>State/Local Government</b>	<b>*%</b>
<b>Education</b>	<b>8%</b>
<b>Health Care</b>	<b>11%</b>

**[ASK IF Q3a:Health care]**

(Q3b.) Do you work for a/an...?

	Total
N =	78
Pharmaceutical or biotech organization/manufacturer	6%
Health Care System	45%
Insurer or health plan	1%
Hospital or hospital system	30%
Other	18%

(Q4.) Which of the following best describes your role?

	Total
N =	706
Business owner or partner	15%
Senior-level Human Resources professional (VP or higher)	16%
Mid-level Human Resources professional (Director)	38%
Junior-level Human Resources professional (Senior Manager/Manager, Specialist, Coordinator)	0%
Chief Operating Officer	3%
Senior-level Operations professional (VP or higher)	11%
Mid-level Operations professional (Director)	17%
Junior Level Operations professional (Senior Manager/Manager, Specialist, Coordinator, or Engineer)	0%
Other	0%

(Q5.) Which of the following best describes the role you play when making decisions about your organization's ...?

	N=	Decision Maker Level			
		I am sole/ final	I share decisions	I have an influence	Others decide
Recruiting and hiring strategies	706	62%	30%	6%	2%
Training and talent development plans	706	56%	33%	8%	3%
Employee health benefits plan design	706	53%	31%	15%	-
Diversity, equity, and inclusion practices and policies	706	50%	36%	10%	4%

(Q6.) Does your organization offer a health insurance program as a benefit to at least some of your employees?

	Total
N =	706
Yes	100%
No	0%
Unsure	0%

(Q7.) Does your organization purchase health insurance from an insured underwriter or does it self-insure?

	Total
N =	706
<b>Purchased from an insurance underwriter</b> (Fully-insured): Coverage is purchased from an insurance company or other underwriter who assumes the risk for the enrollees' medical expenses.	83%
<b>Self-insured:</b> Your organization assumes the risk for the enrollees' medical expenses and may charge a premium to employees. This plan may be administered by a third party and may employ supplemental stop-loss insurance to limit unanticipated losses.	17%
Unsure	0%

(Q8.) Do any of your organization's health insurance plans also include pharmacy benefits coverage?

	Total
N =	706
Yes	100%
No	0%
Unsure	0%

**[ASK IF Q7:Fully Insured]**

(Q9.) Is your organization's drug benefit carved-in or carved-out of the medical benefit?

	Total
N =	587
<b>Carved-in:</b> Management of the drug benefit is included in management of the medical benefit (using a single entity and contract to administer both medical and pharmacy benefits)	86%
<b>Carved-out:</b> Management of the drug benefit is separate from management of the medical benefit, (using different entities or separate contracts to administer medical and pharmacy benefits)	14%
Unsure	0%

**II. NAVIGATING EMPLOYEE BENEFITS ENVIRONMENT**

(Q10.) How well, if at all, would you say you understand what the following types of companies do?

	Very well	Somewhat well	Not too well	Not well at all	Total Well	Total Not Well	Mean
Health Insurance Companies	70%	28%	2%	*%	<b>98%</b>	<b>2%</b>	3.68
Payroll Administration Companies	61%	36%	3%	0%	<b>97%</b>	<b>3%</b>	3.58
401k Providers	66%	29%	4%	1%	<b>96%</b>	<b>4%</b>	3.62
Life Insurance Companies	65%	29%	5%	1%	<b>94%</b>	<b>6%</b>	3.59
Insurance Brokers	53%	41%	6%	1%	<b>94%</b>	<b>6%</b>	3.45
Pharmacy Benefit Companies (PBMs)	51%	39%	10%	1%	<b>89%</b>	<b>11%</b>	3.39

(Q11.) How valuable, if at all, are the following types of companies to helping your organization offer affordable benefits to employees?

	Very valuable	Somewhat valuable	Not too valuable	Not at all valuable	Total Valuable	Total Not Valuable	Mean
401k Providers	68%	29%	2%	2%	<b>97%</b>	<b>3%</b>	3.63
Health Insurance Companies	70%	25%	4%	1%	<b>95%</b>	<b>5%</b>	3.64
Insurance Brokers	50%	42%	7%	1%	<b>92%</b>	<b>8%</b>	3.40
Payroll Administration Companies	58%	33%	6%	3%	<b>91%</b>	<b>9%</b>	3.47
Life Insurance Companies	56%	34%	8%	3%	<b>90%</b>	<b>10%</b>	3.42
Pharmacy Benefit Companies (PBMs)	54%	35%	7%	3%	<b>89%</b>	<b>11%</b>	3.40

(Q12.) Without consulting experts outside your organization, how easy or difficult is it for you personally to evaluate the different choices you have as an employer have when it comes to designing employee benefits?

	Total
N =	706
Very easy	33%
Somewhat easy	48%
Somewhat difficult	17%
Very difficult	3%
<b>Categories</b>	
<b>Total Easy</b>	<b>80%</b>
<b>Total Difficult</b>	<b>20%</b>
Mean	3.10

(Q13.) Thinking specifically about different aspects of your organization's employee benefit offerings, how easy or hard do you find it (without the consultation of outside experts), to evaluate the options available in the following areas?

	Very easy	Somewhat easy	Somewhat difficult	Very difficult	Not applicable	Total Easy	Total Difficult	Mean
Medical benefits	40%	39%	15%	5%	-	79%	21%	3.15
Leave benefits	36%	42%	14%	3%	4%	79%	17%	3.16
Vision benefits	40%	39%	17%	3%	1%	79%	20%	3.16
Prescription drug benefits	38%	40%	17%	5%	-	78%	22%	3.10
Retirement savings and planning benefits	34%	41%	19%	5%	2%	75%	24%	3.05

(Q14.) In order for your organization to offer employee benefit packages suited to your organization's needs, how essential is it for you to have flexibility and a range of choices in what and how your organization offers the following types of benefits?

	Very essential	Somewhat essential	Not too essential	Not essential at all	Not applicable	Total Essential	Total Not Essential	Mean
Medical benefits	67%	29%	3%	*%	-	96%	4%	3.63
Prescription drug benefits	53%	40%	6%	1%	*%	93%	7%	3.46
Retirement savings and planning benefits	58%	35%	4%	1%	2%	93%	5%	3.53
Vision benefits	43%	42%	12%	2%	1%	85%	14%	3.28
Leave benefits	43%	41%	10%	3%	3%	84%	13%	3.27

(Q15.) Thinking specifically about the prescription drug benefits your organization offers, how important, or unimportant, are each of the following for your organization?

	Very important	Somewhat important	Somewhat unimportant	Very unimportant	Not applicable	Total Important	Total Unimportant	Mean
Having a range of options in how drug benefits are designed, including which drugs are on the formulary and where drugs are placed on different drug tiers	50%	41%	7%	2%	1%	90%	9%	3.40
Having a range of options for how and what employees pay for prescription drugs	47%	39%	11%	2%	1%	86%	13%	3.32
Flexibility in how your organization manages financial risk related to prescription drug spending	45%	41%	10%	3%	1%	86%	13%	3.30
Having a range of options for how your organization pays PBMs for their services and expertise	40%	46%	8%	2%	3%	86%	11%	3.27
Flexibility in the type and level of data your organization receives from your PBM about your drug plan performance	39%	46%	10%	2%	3%	85%	11%	3.27
Flexibility and choice in how your organization uses rebate dollars	38%	39%	15%	3%	5%	77%	18%	3.18



(Q16.) Which topics related to PBMs do you wish you personally knew more about? *Please select all that apply.*

	Total
N =	706
Having a range of choices and flexibility when designing your organization's prescription drug benefit	56%
Contracting options that could enable your organization to better manage and predict prescription drug spending	48%
Clinical services that PBMs offer that can support your employees' health and lead to lower overall medical costs for your organization	42%
How to understand your organization's drug spending and the cost savings PBMs provides	40%
Other (please specify)	1%
None of these	6%

(Q17.) Do you know what "spread pricing" is?

	Total
N =	706
Yes	45%
No	37%
Unsure	19%
<b>Categories</b>	
<b>Total Yes</b>	<b>45%</b>
<b>Total No/Unsure</b>	<b>55%</b>

### III. REBATES

(Q18.) Does your organization receive rebates from a PBM?

	Total
N =	706
Yes	33%
No	57%
Unsure	10%
<b>Categories</b>	
<b>Total Yes</b>	<b>33%</b>
<b>Total No/Unsure</b>	<b>67%</b>

**[ASK IF Q18:Yes]**

(Q19.) Which type of rebate arrangement does your organization have with your PBM?

	Total
N =	231
Flat dollar guaranteed amount	20%
Percentage share of rebates, no guarantee	29%
Percentage share of rebates, minimum guarantee	34%
100% of rebates, no guarantee	9%
100% of rebates, minimum guarantee	7%
Not sure	*%

**[ASK IF Q18:Yes]**

(Q20.) How did your organization use the rebates passed back from your PBM last year? *Please select all that apply.*

	Total
N =	231
<b>NET: Employee Benefit</b>	<b>90%</b>
Lowered what <u>employees</u> pay for prescription drug benefits and/or health care coverage	53%
Enhanced prescription drug benefit and/or overall health care insurance coverage offered to employees	52%
Enhanced health and wellness offerings for employees (e.g. gym memberships, yoga, smoking cessation programs, etc.)	44%
Reduced the <u>organization's</u> cost burden of offering prescription drug benefits and/or health care coverage to employees	50%
Used to fund other business priorities outside of health insurance or health and wellness benefits	12%
Other (please specify)	0%

**[ASK IF Q18:Yes]**

(Q21.) To what extent, if at all, have rebates contributed to each of the following?

	Great deal	Moderate amount	A little bit	Not at all	Great Deal / Moderate	Little / None	Mean
Enable our organization to make improvements in overall employee compensation packages	40%	48%	9%	4%	<b>88%</b>	<b>12%</b>	3.24
Make it more affordable for the organization to offer benefits for employees	48%	38%	10%	4%	<b>86%</b>	<b>14%</b>	3.29
Enable our organization to offer additional health and wellness benefits offerings beyond health insurance	42%	43%	10%	5%	<b>85%</b>	<b>15%</b>	3.23
Lower health care costs for employees	46%	39%	13%	2%	<b>85%</b>	<b>15%</b>	3.29
Ability to offer more comprehensive health care or drug benefits to employees	46%	35%	16%	4%	<b>80%</b>	<b>20%</b>	3.22

**[ASK IF Q18:Yes]**

(Q22.) What, if anything, would change at your organization if your organization no longer had the ability to receive prescription drug rebates?

	Total
N =	231
Increase costs to employees	21%
Reduce or re-assess benefits	14%
Cause harm to business	9%
Negotiate self / other provider or plan	9%
Increase costs to business	5%
Increase costs (general)	4%
Lower costs of drugs/premiums	2%
Improvement (other)	2%
Other	17%
Nothing	19%
Don't know	2%

[ASK IF Q18:Yes]

(Q23.) If your organization was no longer able to receive prescription drug rebates, to what extent would it hinder your company's ability to offer prescription drug benefits to employees?

	Total
N =	231
A great deal	37%
A moderate amount	44%
A little bit	14%
Not at all	6%
<b>Categories</b>	
<b>Great Deal/Moderate</b>	<b>81%</b>
<b>Little/None</b>	<b>19%</b>
Mean	3.12

#### IV. CONTRACTING WITH PBMS

[ASK IF Q7:Self-insured OR Q9:Carved-out]

(Q24.) Which pharmacy benefit management (PBM) company administers your prescription drug program. If your organization uses more than one PBM, please select the one that serves the greatest number of lives and answer all questions based on this PBM.

*PBMs are listed in alphabetical order. If your PBM is not listed, please select "Other" and enter the name of the PBM you currently use.*

	Total
N =	200
CVS Caremark	47%
Humana Pharmacy Solutions	8%
OptumRx/UnitedHealthcare	7%
Express Scripts/Cigna	6%
Envolve Pharmacy Solutions	4%
MagellanRx Management	3%
RxAdvance	3%
Elixir (EnvisionRx/MedtrakRx)	3%
Capital Rx	3%
PerformRx	2%
Navitus	1%
Abarca Health	1%
Prime Therapeutics	*%
BeneCard BPF	*%
MC-Rx (aka ProCare Rx)	*%
MedImpact	*%
CarelonRx (formerly IngenioRx)	*%
Kroger Prescription Plans	*%
Maxor Plus	0%
ProAct	0%
WellDyneRx	0%
Our organization doesn't use a PBM	5%
Other PBM (please specify)	1%
Unsure	4%

**[ASK IF Q24:Answer 2-23]**

(Q25.) How much knowledge do you personally have about the terms of your organization's contract with its PBM?

	Total
N =	181
A lot	35%
Some	43%
A little bit	18%
Almost none	2%
None	3%
<b>Categories</b>	
<b>A Lot/Some</b>	<b>78%</b>
<b>A Little</b>	<b>18%</b>
<b>Almost None/None</b>	<b>4%</b>
Mean	4.06

**[ASK IF Q24:Answer 2-23]**

(Q26.) Who at your organization knows the most about the terms of your PBM contract? *Please select all that apply.*

	Total
N =	181
Chief Executive Officer (CEO) / Company owner	29%
Chief Operating Officer (COO)	25%
A member of the Operations team	15%
Head of HR	53%
A member of the HR team	25%
Chief Financial Operator (CFO)	13%
A member of the Finance team	8%
Other (please specify)	2%

[ASK IF Q24:Answer 2-23]

(Q27.) How satisfied or dissatisfied are you with your current PBM?

	Total
N =	181
Very satisfied	46%
Somewhat satisfied	51%
Somewhat dissatisfied	2%
Very dissatisfied	1%
<b>Categories</b>	
<b>Total Satisfied</b>	<b>97%</b>
<b>Total Dissatisfied</b>	<b>3%</b>
Mean	3.42

[ASK IF Q24:Answer 2-23]

(Q28.) How transparent or untransparent do you feel your contract is with your PBM?

	Total
N =	181
Very transparent	43%
Somewhat transparent	47%
Somewhat untransparent	6%
Very untransparent	4%
<b>Categories</b>	
<b>Total Transparent</b>	<b>89%</b>
<b>Total Untransparent</b>	<b>11%</b>
Mean	3.27

**[ASK IF Q24:Answer 2-23]**

(Q29.) How much do you value the following aspects when designing and choosing a prescription drug benefit plan for your employees?

	Great deal	Somewhat	Not too much	Not at all	Great Deal / Somewhat	Not Much / Not At All	Mean
Employee satisfaction with prescription drug plan	62%	36%	2%	*%	98%	2%	3.60
Clinical services offered to our employees	53%	43%	4%	*%	96%	4%	3.48
Flexibility to adjust the formulary as needed	40%	54%	6%	1%	94%	6%	3.33
Predictability in our organization's prescription drug costs	49%	45%	6%	*%	94%	6%	3.42
Rebates and other cost savings the PBM secures for our organization	37%	56%	5%	1%	93%	7%	3.29
Level and quality of data provided on plan performance	47%	44%	9%	*%	91%	9%	3.38

**[ASK IF Q24:Answer 2-23]**

(Q30.) How would you characterize the current pricing environment?

	Total
N =	181
PBMs are being more competitive / offering more price concessions	55%
PBMs are being less competitive / offering fewer price concessions	34%
Unchanged	11%



**[ASK IF Q24:Answer 2-23]**

(Q31.) How important are each of the following qualities to your organization when choosing which PBM to contract with?

	Very important	Somewhat important	Not too important	Not important at all	Total Important	Total Not Important	Mean
Ability to negotiate price concessions from pharmacies and establish pharmacy networks	56%	41%	2%	1%	97%	3%	3.53
Ability to manage risk and be able to better predict our organization's prescription drug benefit costs	46%	52%	3%	-	97%	3%	3.43
Ability to choose from different drug formulary arrangements	54%	41%	5%	-	95%	5%	3.49
Being able to choose from a range of options for employee cost sharing (e.g. copays, coinsurance, coinsurance maximums/minimums, no cost sharing for generics)	57%	37%	7%	-	93%	7%	3.50
Expertise on pharmacy benefit design	42%	48%	9%	1%	90%	10%	3.32
Mail service and specialty pharmacy offerings and savings	39%	49%	10%	2%	88%	12%	3.25
Ability to negotiate cost savings on prescription drug coverage in the form of rebates from manufacturers	54%	33%	13%	-	87%	13%	3.42

**[ASK IF Q24:Answer 2-23]**

(Q32.) Thinking about your experience with PBMs over the past two years, please rate how well PBMs do the following things?

	Very good	Somewhat good	Somewhat poor	Very poor	Total Good	Total Poor	Mean
Provide expertise on pharmacy benefit design	41%	54%	5%	*%	95%	5%	3.36
Negotiate cost savings on prescription drug coverage in the form of rebates from manufacturers	40%	53%	7%	*%	93%	7%	3.33
Provide employee cost sharing arrangements that suit your organization's needs	45%	47%	8%	*%	92%	8%	3.37
Provide mail service and specialty pharmacy offerings and savings	55%	37%	7%	1%	92%	8%	3.46
Provide drug formularies that suit unique needs of your employee base	34%	57%	8%	1%	91%	9%	3.24
Help organizations manage risk and predict our organization's prescription drug benefit	39%	51%	9%	1%	90%	10%	3.28
Negotiate price concessions from pharmacies and establish pharmacy networks	33%	55%	12%	*%	88%	12%	3.21

**[ASK IF Q24:Answer 2-23]**

(Q33.) Do you agree or disagree with the following statement? *Your organization receives adequate data on the performance of your prescription drug benefit programs to allow you to assess if the benefit is being managed in a cost-effective manner for your organization and enrollees.*

	Total
N =	181
Strongly agree	33%
Somewhat agree	59%
Somewhat disagree	8%
Strongly disagree	*%
<b>Categories</b>	
<b>Total Agree</b>	<b>92%</b>
<b>Total Disagree</b>	<b>8%</b>
Mean	3.25

**[ASK IF Q24:Answer 2-23]**

(Q34.) Were you aware that in your contract with a PBM you have the ability to require specific reporting and data sharing requirements, beyond what is required by law?

	Total
N =	181
Yes, very aware	53%
Yes, somewhat aware	34%
No, not aware	12%
<b>Categories</b>	
<b>Total Aware</b>	<b>88%</b>
<b>Total Not Aware</b>	<b>12%</b>

**[ASK IF Q24:Answer 2-23]**

(Q35.) Which of the following describes the cost versus value your organization gets through its relationship with your PBM?

	Total
N =	181
We pay our PBM more than the amount our organization saves from working with our PBM.	43%
We pay our PBM less than the amount our organization saves as a result of working with our PBM.	34%
The amount we pay our PBM equals the amount we save by working with our	23%

**[ASK IF Q24:Answer 2-23]**

(Q36.) It has been reported that recently some employers have made the strategic decision to allow their PBM to retain a larger share of total rebate dollars secured from drug companies as payment for certain PBM services. Is this form of payment something your organization has implemented or considered?

	Total
N =	181
My organization has implemented this	43%
My organization has considered this but not yet implemented	38%
My organization has neither considered nor implemented this	19%

**[ASK IF Q24:Answer 2-23]**

(Q37.) What benefits might an organization like yours derive from choosing to pay for PBM services by allowing the PBM to retain some rebate dollars? *Please select all that apply.*

	Total
N =	181
To encourage the PBM to optimize its performance / To make sure good performance is rewarded.	62%
This option requires less administrative work on the part of my organization.	57%
To better manage cash flow.	40%
Other (please specify)	0%
None - there are no benefits to the organization	4%
Don't know / Unsure	*%

**[EMBARGOED FOR INTERNAL USE]**

## VI. FIRMOGRAPHICS AND DEMOGRAPHICS

(F1.) Which best describes your organization?

	Total
N =	706
Public/Governmental Organization	3%
Private not for profit	14%
Private for profit	84%

(F2.) Does your organization have any unionized employees?

	Total
N =	706
Yes	28%
No	72%

(F3.) Does your organization have employees in more than one state?

	Total
N =	706
Yes	31%
No	69%

(D1.) What is your gender?

	Total
N =	706
Male	68%
Female	32%
Other	*%
Prefer not to answer	*%

(D2.) What is your age?

	Total
N =	706
Mean	45.36

(D3a.) Are you Hispanic or Latino?

	Total
N =	706
Yes, Hispanic or Latino	16%
No, not Hispanic or Latino	83%
Prefer not to answer	*%

(D3b.) Which of the following best describes your race?

	Total
N =	706
White (Non-Hispanic), Caucasian, or Euro-American	82%
Black, Afro-Caribbean, or African American	8%
Latino or Hispanic American	6%
East Asian, Pacific Islander, or Asian American	3%
South Asian or Indian American	1%
Middle Eastern or Arab American	0%
Native American or Alaskan Native	*%
Other / Several backgrounds (please specify)	*%
Mean	1.33

(D3.) Are you Hispanic or Latino? / Which of the following best describes your race?

	Total
N =	706
White (Non-Hispanic), Caucasian, or Euro-American	73%
Black, Afro-Caribbean, or African American	7%
Latino or Hispanic American	16%
East Asian, Pacific Islander, or Asian American	3%
South Asian or Indian American	1%
Middle Eastern or Arab American	0%
Native American or Alaskan Native	*%
Other / Several backgrounds (please specify)	*%
Mean	1.52

(D5.) How long have you been employed in your current profession?

	Total
N =	706
Less than 3 years	2%
3 to 5 years	15%
6 to 10 years	42%
11 to 20 years	41%

(D6.) Are you currently, or have you been, a member of any of the following organizations?

	N=	Currently	Former	Never
Society of Human Resources Management (SHRM)	706	20%	10%	70%
National Human Resources Association	706	16%	9%	75%
North American Human Resource Management Association	706	15%	12%	74%
Association of Talent Development	706	13%	8%	79%
American Council on International Personnel	706	9%	7%	84%