

The Impact of Rising Prescription Drug Costs

Global spending on prescription drugs will reach nearly **\$1.8 trillion** by 2026—and the United States alone will spend up to \$715 billion, according to the IQVIA Institute for Human Data Science. Furthermore, the global medicine market is expected to grow at a 3% to 6% compound annual growth rate through 2026.

As prescription drug costs continue to increase, it's important to understand the trends behind them and how to manage your organization's healthcare expenses better.

WHY ARE PRESCRIPTION DRUG PRICES ON THE RISE?

Skyrocketing specialty drug costs have significantly contributed to the price of prescription drugs overall. Additionally, as the patient population expands and people age into chronic, complex diseases, increased utilization has contributed to rising costs. Other factors include:

- + Growth in the production of specialty drugs as the pipeline advances and expands to meet complex market needs.
- + Failure to follow physician orders, which leads to more costly medical problems down the road.

A 2023 survey from the Business Group on Health found that prescription drugs were a significant driver of healthcare costs in recent years. Based on their findings, prescription drugs accounted for 21% of employers' healthcare costs, and 56% of pharmacy costs were spent on specialty medications.

CONSIDER THESE SIX STRATEGIES TO MITIGATE THE FINANCIAL BURDEN OF RISING PRESCRIPTION DRUGS COSTS:

1. Manage usage with drug formularies.
2. Demand price transparency instead of using rebates.
3. Create prescription drug purchasing tools.
4. Support chronic disease management programs.
5. Encourage employee preventive care.
6. Foster employee health literacy to make wiser choices.

Our in-house solution addresses the rising costs of medications, resulting in an average yearly savings of \$9,900 per participant and a 50% reduction in their overall pharmacy spend. **To date in 2023, we have successfully saved our clients over \$5.4 million!**

CONTACT US TODAY TO LEARN HOW TO MANAGE YOUR RISING PRESCRIPTION DRUG COSTS.