

## Opinion Poll

### Small Business Owners Concerned with Rising Cost of Prescription Drugs

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**Small Business Majority**

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## Executive Summary

Historically, small businesses have faced punitive healthcare costs, paying on average 18% more than their large business counterparts. This places an economic burden on small business owners and their employees that has led to distressingly high numbers of uninsured or underinsured workers. New scientific polling shows the rising cost of prescription drugs also are becoming a major concern for our nation's small business owners.

A national scientific opinion poll conducted for Small Business Majority by Lake Research Partners shows that an overwhelming majority (88%) of small business owners who provide health insurance benefits to employees believe prescription drug costs are too high, and many feel that drug costs are impacting their bottom line.

Most small business owners (72%) include prescription drug coverage in the plans they offer, and half say drug costs are a consideration when selecting a plan. These small employers find themselves struggling to afford prescription drug costs and believe that these costs are burdensome to small businesses. In many cases, small business owners are either absorbing these costs themselves (31%) or passing them on to their employees (39%). Among employers who shifted the higher costs to employees, over half say they shifted at least 50% of the copay costs to employees in order to continue offering coverage.

More than 7 in 10 small business owners believe that drug companies are to blame for the high cost of drugs, and nearly two-thirds (63%) think the prescription drug market is in need of a major overhaul. In their view, drug companies are making record profits every year, while they are having to resort to undesirable options in order to maintain health benefits for their employees. Believing that drug companies are unfairly profiting from the way the current market is structured, small business owners overwhelmingly support taking action to address rising prescription drug prices, including signing a petition and backing a series of proposed policies that would diminish the power drug companies have and make medication more affordable to small businesses and consumers.

Small business owners widely support a set of proposed solutions for addressing the rising costs of prescription drugs, including making it illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug, and that prescription drugs that are developed with taxpayer dollars should be made affordable to every American. Small business owners also agree that Americans should be able to purchase prescription drugs from Canada and that the federal government should be allowed to negotiate lower Medicare drug prices.

Small business owners want to offer quality health coverage to their employees, but the high cost of prescription drugs is making it more difficult for them to do so. As these results make clear, our nation's small employers believe it's time to address this issue and rein in rising prices on prescription drugs.

## Main findings

**Vast majority of small business owners feel prescription drug prices are too high:** Nearly 9 out of 10 small business owners (88%) think prescription drug prices in America are too high. They also believe the prices of specialty or lifesaving drugs are too high (84%). Far more employers think drug companies (72%) are responsible for these high prescription drug prices than health insurance companies (20%).

**Prescription drug coverage is a concern when selecting a plan:** A large segment of the small business owner population (72%) provides their employees with some kind of coverage for prescription drugs costs. More than half (52%) of these employers consider prescription drug prices when choosing the best health insurance plan for their business.

**Small employers and employees are absorbing increased drug costs:** More than 8 in 10 small business owners say their prescription drug copays have increased in recent years. Their primary strategies for managing those increasing drug copay costs are to shift some of the higher costs to employees (39%) or absorb the higher costs and maintain the same health insurance benefits (31%). Among employers who shifted the higher costs to employees, over half say they shifted at least 50% of the copay costs to employees in order to continue offering coverage.

**Most believe drug market is in need of change:** Nearly two-thirds (63%) of small employers think the prescription drug market is not working at all and is in need of a major overhaul, while 28% think the market has some problems, but only needs minor changes. Just 6% believe the market is working as it should. What's more, nearly 9 in 10 small business owners agree (88%) that prescription drug prices in the U.S. are higher than in Canada, Mexico, and Western Europe. Small business owners also agree that drug companies have spent millions on lobbying to increase their profits and that there is a lack of transparency around the process used to determine prices. More than 8 in 10 agree (83%) that drug companies are unfairly profiting off of life-saving drugs.

**Small business owners are willing to act to lower drug prices:** A vast majority (85%) of small business owners are likely to sign a petition to address rising prescription drug prices, with 51% very likely to sign. Owners of every small business size including 81% of very small employers (1-4 employees), 90% of medium employers (5-19 employees), and 86% of large employers (20-99 employees) say they are likely to sign such a petition.

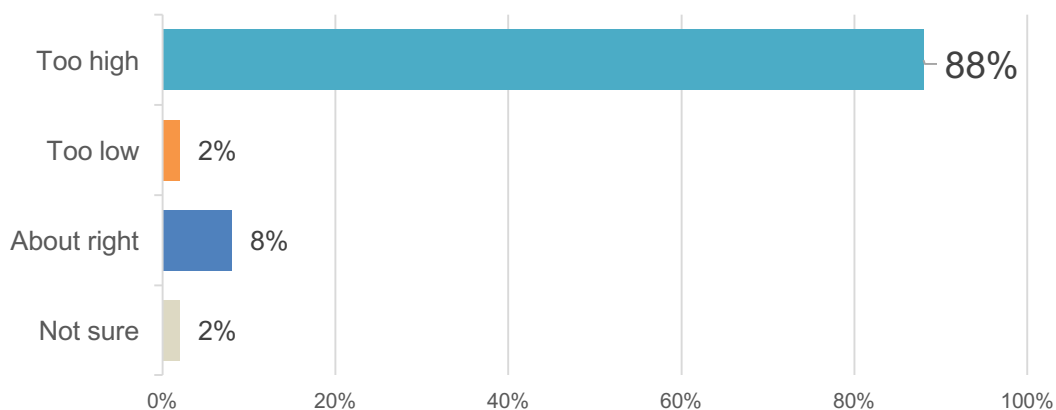
**Vast support for range of policy proposals to address rising cost of drugs:** Small business owners widely and intensely support a set of proposed solutions for addressing the rising costs of prescription drugs. The top-performing policy is making it illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug, with 88% saying they agree (56% strongly agree), followed by a policy that prescription drugs that are developed with taxpayer dollars should be made affordable to every American, with 90% saying they agree (54% strongly agree). Many small business owners (85%) also agree that Americans should be able to purchase prescription drugs from Canada and that the federal government should be allowed to negotiate lower Medicare drug prices.

## Vast Majority of Small Businesses Believe Drug Prices too High

Polling shows that an overwhelming majority (88%) of small business owners who provide health insurance benefits to employees believe prescription drug costs are too high, and most (72%) think drug companies are responsible. They also believe the prices of specialty or lifesaving drugs are too high (84%).

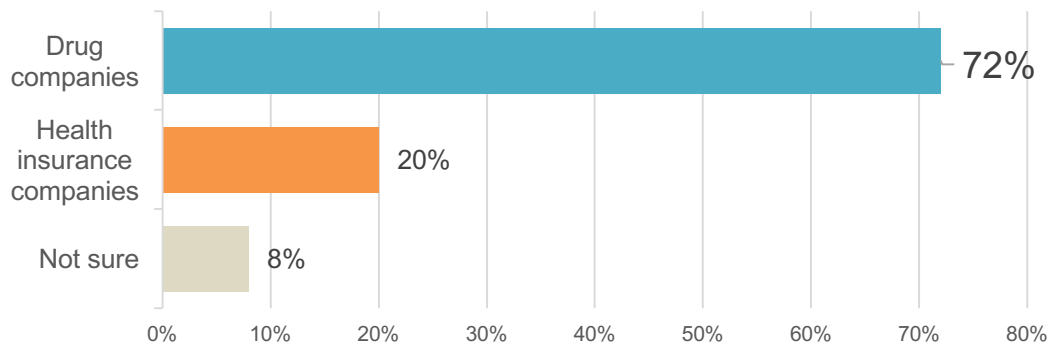
**Figure 1: Nearly 9 in 10 small business owners who provide health insurance to their employees think the cost of prescription drugs is too high.**

Overall, do you think prescription drug prices in America are too high, too low, or about right?



**Figure 2: Most small business owners believe drug companies are to blame for the high cost of drugs.**

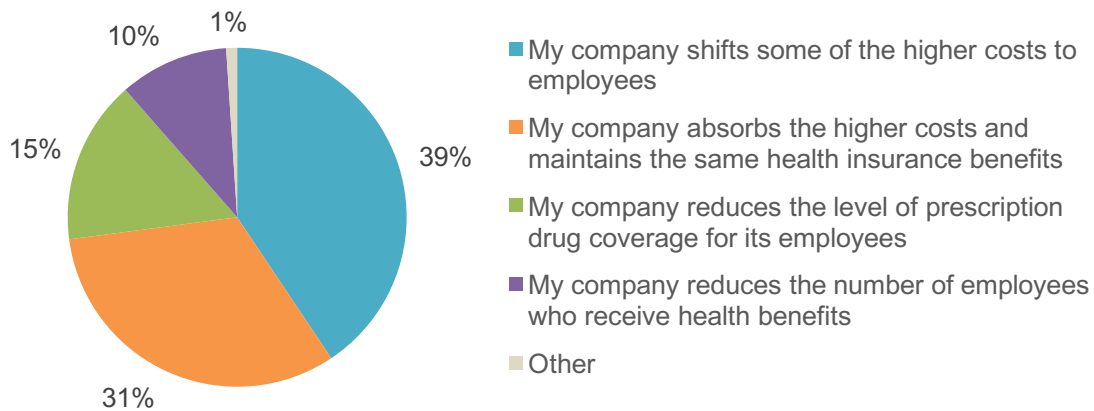
Based on what you know, who is more responsible for high prescription drug prices—drug companies or health insurance companies?



More than 8 in 10 small business owners say their prescription drug copays have increased in recent years. Their primary strategies for managing those increasing drug copay costs are to shift some of the higher costs to employees (39%) or absorb the higher costs and maintain the same health insurance benefits (31%). Among employers who shifted the higher costs to employees, over half say they shifted at least 50% of the copay costs to employees in order to continue offering coverage.

**Figure 3: How small business owners are absorbing increased drug copays**

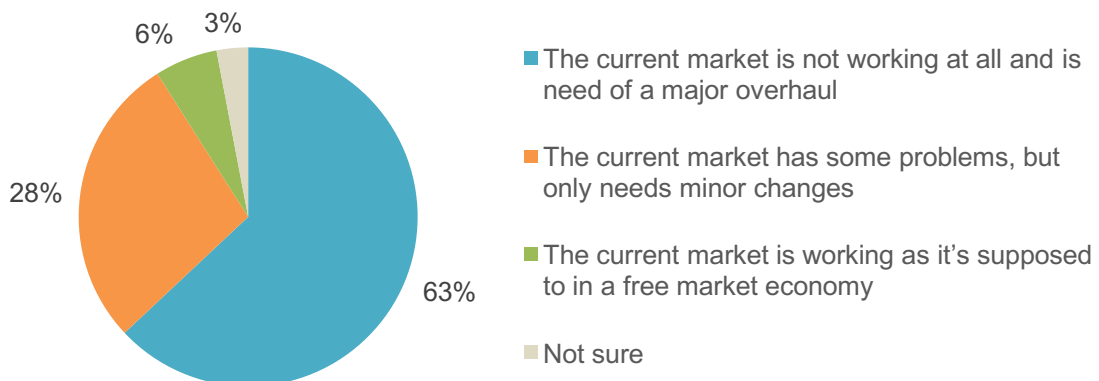
Which of the following options comes closest to the way your company typically manages increasing costs from prescription copays?



Nearly two-thirds (63%) of small employers think the prescription drug market is not working at all and is in need of a major overhaul. Just 6% believe the market is working as it should. What’s more, nearly 9 in 10 small business owners agree (88%) that prescription drug prices in the U.S. are higher than in Canada, Mexico, and Western Europe. Small business owners also agree that drug companies have spent millions on lobbying to increase their profits and that there is a lack of transparency around the process used to determine prices. More than 8 in 10 agree (83%) that drug companies are unfairly profiting off of life-saving drugs.

**Figure 4: Small business owners’ views on how drug market is working**

Generally speaking, which of the following statements is closest to how you feel about the way the current market is pricing prescription drugs?

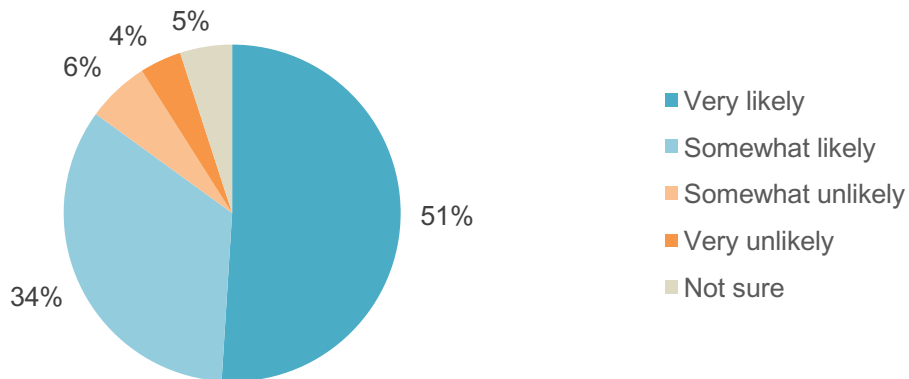


## Small Business Owners Support Solutions to the High Cost of Prescription Drugs

A vast majority (85%) of small business owners are likely to sign a petition to address rising prescription drug prices, with 51% very likely to sign. Owners of every small business size including 81% of very small employers (1-4 employees), 90% of medium employers (5-19 employees), and 86% of large employers (20-99 employees) say they are likely to sign such a petition.

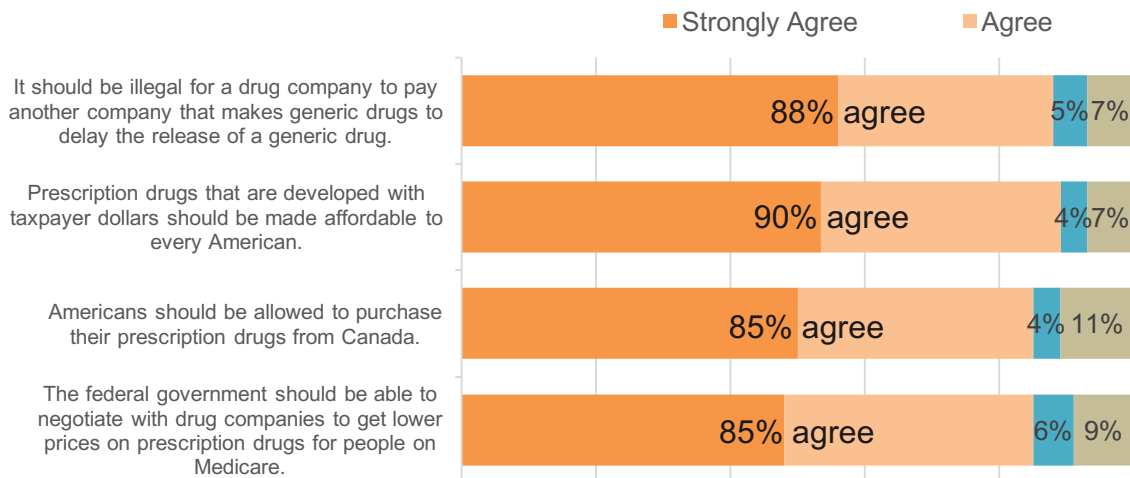
**Figure 5: Likelihood of signing a petition to address rising cost of drugs**

If you were shown a petition to your state or federal government to address the rising prices of prescription drugs for small business employers who provide health insurance benefits, how likely would you be to sign?



Small business owners widely and intensely support a set of proposed solutions for addressing the rising costs of prescription drugs. The top-performing policy is making it illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug, with 88% saying they agree (56% strongly agree), followed by a policy that prescription drugs that are developed with taxpayer dollars should be made affordable to every American, with 90% saying they agree (54% strongly agree). Many small business owners (85%) also agree that Americans should be able to purchase prescription drugs from Canada and that the federal government should be allowed to negotiate lower Medicare drug prices.

**Figure 6: Support for policy solutions**



## **Conclusion**

As these results make clear, the rising cost of prescription drugs is becoming a major concern for small employers, with many being forced to absorb these increased costs or pass them off to their employees. Small business owners strongly believe it's time to reform the drug market, and they show strong support for an array of policy solutions that would address the rising cost of prescription drugs.

## **Methodology**

This poll reflects a national telephone survey of 504 small business owners. The poll was conducted by Lake Research Partners for Small Business Majority with a margin of error of +/-4.4%. The survey was conducted from September 28-October 5, 2016.



# Poll Toplines

Survey 504 small business owners nationwide (online) with up to 100 employees who offer health coverage to their employees.

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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**Q1.** Please indicate your gender.

Male .....	64	57	70	73
Female .....	36	43	30	27

**Q2.** What is your race - white, black/African American, Latino/Hispanic, Asian, Native American, or some other race?

White/Caucasian .....	76	82	71	69
Black/African American .....	7	5	6	15
Latino/Hispanic .....	10	6	16	9
Asian/Pacific Islander .....	5	5	4	8
Native American .....	0	0	1	0
Other race .....	0	0	0	0
Mixed race .....	1	1	0	0

**Q3.** Just to confirm, are you the owner of a for-profit small business, who handles operations of the business and manages employees?

Yes.....	100	100	100	100
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**Q4.** Approximately how many people work 30 or more hours per week at your company, including yourself? Please don't include contractors.

1 employee .....	20	40	0	0
2-4 employees.....	31	60	0	0
5-9 employees.....	21	0	60	0
10-19 employees .....	14	0	40	0
20-49 employees .....	9	0	0	63
50-99 employees.....	5	0	0	37

**Q5.** What state does your business primarily operate in? Where is it headquartered or founded?

New England .....	5	3	8	7
Middle Atlantic .....	14	14	14	15
East North Central.....	14	13	17	12
West North Central.....	10	10	11	10
South Atlantic .....	17	17	17	17
East South Central.....	4	4	2	8
West South Central.....	11	13	8	12
Mountain .....	8	9	7	8
Pacific.....	16	17	17	11

**Q6.** Does your company provide health insurance benefits to any of its employees? Or if you are self-employed, do you pay for your health insurance benefits through your business?

Yes.....	100	100	100	100
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	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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**Q7.** Does your company provide any coverage to employees for prescription drug costs?

Yes.....	72	68	73	82
No.....	26	30	26	10
Not sure .....	3	2	0	8

**Q8.** Which of the following categories best describes your business?

Other non-retail services .....	15	17	15	9
Retail.....	12	14	9	10
Information Technology.....	10	8	11	17
Real Estate .....	7	6	9	4
Manufacturing .....	7	3	7	18
Construction .....	6	4	8	9
Medical or legal services.....	5	3	5	8
Restaurant .....	2	1	3	4
Other .....	36	43	31	20
Not sure .....	0	0	0	0
Prefer not to answer .....	1	1	0	0

**Q9.** Does your company purchase health insurance for its employees directly from a private company or from a federal or state exchange, like healthcare.gov, or from another source?

Private company .....	83	77	89	86
Federal or state exchange.....	13	18	9	10
Other:.....	3	3	3	1
Not sure .....	1	2	0	3

**Q10.** Thinking about the process for finding the right health insurance plan for your business, do you think small and large businesses face the same challenges equally, or do you think small businesses are at a disadvantage compared to large businesses?

Equal challenges .....	16	10	16	38
Small businesses are at a disadvantage .....	79	83	82	58
Not sure .....	5	7	2	5

**Q11.** Overall, do you think prescription drug prices in America are too high, too low, or about right?

Too high .....	88	90	89	77
Too low.....	2	1	3	4
About right.....	8	6	7	18
Not sure .....	2	2	1	1

	<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
	<b>504</b>	<b>255</b>	<b>177</b>	<b>73</b>

**Q12.** Based on what you know, who is more responsible for high prescription drug prices – drug companies or health insurance companies?

Drug companies.....	72	72	72	76
Health insurance companies.....	20	19	22	18
Not sure .....	8	9	7	5

**Q13.** Overall, do you think the prices of specialty or life-saving drugs, which are medications that require special handling, administration or monitoring and are used to treat complex, chronic and often costly conditions, are too high, too low, or about right?

Too high .....	84	86	85	72
Too low.....	4	3	4	7
About right.....	8	6	7	18
Not sure .....	4	5	4	4

**Q14.** As a small business employer, do you find that prescription drug copays have been increasing a lot, increasing a little, decreasing a lot, decreasing a little, or staying the same in recent years as you contract with health insurers?

Increasing a lot .....	46	48	43	50
Increasing a little .....	36	31	43	34
Decreasing a little .....	4	4	4	5
Decreasing a lot .....	0	0	0	0
Staying the same.....	8	9	7	8
Not sure .....	5	8	3	3
Increasing .....	82	79	86	84
Decreasing .....	4	4	4	5

**Q15. [IF Q15=1,2 (INCREASING)]** Which of the following options comes closest to the way your company typically manages increasing costs from prescription copays?

	<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
	<b>414</b>	<b>202</b>	<b>151</b>	<b>61</b>

My company shifts some of the higher costs to Employees .....	39	34	49	33
My company absorbs the higher costs and maintains the same health insurance benefits ...	31	33	32	25
My company reduces the level of prescription drug coverage for its employees .....	15	15	11	22
My company reduces the number of employees who receive health benefits .....	10	11	5	18
Other .....	1	2	0	0
Not sure .....	3	5	2	1

**Q16. [IF Q15=2]** From 0 to 100 percent, about how much of the prescription drug copay costs did your company shift to employees in order to continue offering coverage? Just estimate if you are not exactly sure.

	<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
	<b>164</b>	<b>69</b>	<b>75</b>	<b>20</b>
Mean .....	46.8	49.3	45.3	43.9
100% .....	15	22	12	6
51 - 99%.....	15	8	17	32
50% .....	24	25	28	9
26 - 49%.....	9	10	8	11
25% .....	9	8	10	14
1 - 24% .....	27	28	25	28
0% .....	0	0	0	0

<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
<b>504</b>	<b>255</b>	<b>177</b>	<b>73</b>

**Q17.** Generally speaking, which of the following statements is closest to how you feel about the way the current market is pricing prescription drugs?

The current market is not working at all and is in need of a major overhaul .....	63	68	61	52
The current market has some problems, but only needs minor changes.....	28	23	33	35
The current market is operating as it's supposed to in a free market economy.....	6	5	5	9
Not sure .....	3	4	1	4

**Q18.** If you were shown a petition to your state or federal government to address the rising prices of prescription drugs for small business employers who provide health insurance benefits, how likely would you be to sign such a petition?

Very likely .....	51	48	53	58
Somewhat likely.....	34	33	37	28
Somewhat unlikely .....	6	5	5	10
Very unlikely .....	4	6	3	1
Not sure .....	5	8	1	3
Likely.....	85	81	90	86
Unlikely.....	10	11	9	11

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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**Q19** Now you are going to see a series of statements about prescription drugs. Please indicate if you agree or disagree with each one on a scale of 0 to 10 where 0 means you strongly disagree and 10 means you strongly agree. You can use any number between 0 and 10.

**Sorted by “10 – Strongly agree”**

20e.Prescription drug prices in the U.S. are higher than they are in Canada, Mexico, and Western Europe.....	52	56	52	36
20d.Drug companies have spent millions on lobbying to increase their profits and keep prescription drug prices high.....	45	46	45	40
20a.There is a lack of transparency around the process to determine prescription drugs prices .	44	47	43	37
20b.Drug companies are unfairly profiting off of life-saving drugs.....	41	43	37	45
20f.Drug companies have not faced new regulations under the Affordable Care Act the way small employers and insurance companies have had to .....	34	34	36	30
20c.Prescription drug prices are high because drug companies are covering their own costs for research and development.....	23	23	18	35

a. There is a lack of transparency around the process to determine prescription drugs prices.

Mean .....	8.5	8.5	8.5	8.4
10 – Strongly agree .....	44	47	43	37
8 – 9 .....	33	31	35	37
6 – 7 .....	11	12	10	10
5 – Neutral.....	5	6	5	5
1 – 4 .....	4	2	5	6
0 – Strongly disagree.....	1	1	1	0
(Don't know).....	2	1	2	6
6 – 10 – Agree.....	88	90	87	84
5 /DK – Neutral.....	7	6	7	10
0 -4 – Disagree .....	5	4	6	6

b. Drug companies are unfairly profiting off of life-saving drugs.

Mean .....	8.0	8.1	7.7	8.4
10 – Strongly agree .....	41	43	37	45
8 – 9 .....	28	27	29	30
6 - 7 .....	14	15	15	8
5 – Neutral.....	7	5	9	7
1 – 4 .....	5	4	5	4
0 – Strongly disagree.....	4	4	4	1
(Don't know).....	2	2	1	4
6 – 10 – Agree.....	83	85	81	83
5 /DK – Neutral.....	9	7	9	11
0 -4 – Disagree .....	8	8	10	5

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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c. Prescription drug prices are high because drug companies are covering their own costs for research and development.

Mean .....	6.9	6.9	6.7	7.2
10 – Strongly agree .....	23	23	18	35
8 – 9 .....	22	18	29	20
6 – 7 .....	22	25	23	11
5 – Neutral.....	12	14	9	14
1 – 4 .....	12	11	14	11
0 – Strongly disagree.....	4	4	5	5
(Don't know).....	4	5	2	4
6 – 10 – Agree.....	68	66	70	67
5 /DK – Neutral.....	16	19	12	17
0 -4 – Disagree .....	16	15	18	16

d. Drug companies have spent millions on lobbying to increase their profits and keep prescription drug prices high.

Mean .....	8.4	8.4	8.6	8.3
10 – Strongly agree .....	45	46	45	40
8 – 9 .....	27	25	30	27
6 - 7 .....	14	14	16	12
5 – Neutral.....	6	7	4	8
1 – 4.....	3	3	2	6
0 – Strongly disagree.....	1	2	1	0
(Don't know).....	3	3	2	7
6 – 10 – Agree.....	86	85	91	79
5 /DK – Neutral.....	10	10	6	15
0 -4 – Disagree .....	4	5	3	6

e. Prescription drug prices in the U.S. are higher than they are in Canada, Mexico, and Western Europe.

Mean .....	8.8	8.9	8.8	8.4
10 – Strongly agree .....	52	56	52	36
8 – 9 .....	25	21	27	31
6 - 7 .....	11	13	11	9
5 – Neutral.....	5	5	5	5
1 – 4.....	1	1	0	5
0 – Strongly disagree.....	0	0	1	0
(Don't know).....	6	4	4	14
6 – 10 – Agree.....	88	90	90	76
5 /DK – Neutral.....	11	10	9	19
0 -4 – Disagree .....	1	1	1	5

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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f. Drug companies have not faced new regulations under the Affordable Care Act the way small employers and insurance companies have had to.

Mean .....	8.0	8.0	8.0	8.0
10 – Strongly agree .....	34	34	36	30
8 – 9 .....	25	24	26	29
6 – 7 .....	16	15	14	21
5 – Neutral.....	9	9	12	4
1 – 4 .....	3	4	2	5
0 – Strongly disagree.....	2	2	3	1
(Don't know).....	10	12	8	9
6 – 10 – Agree.....	75	73	76	80
5 /DK – Neutral.....	19	21	20	13
0 -4 – Disagree .....	6	6	5	6

**[PROPOSED SOLUTIONS]**

**Q20.** Now you are going to see a series of proposals for addressing the rising cost of prescription drugs. Please indicate if you agree or disagree with each one on a scale of 0 to 10 where 0 means you strongly disagree and 10 means you strongly agree. You can use any number between 0 and 10.

**Sorted by “10 – Strongly agree”**

21i.Paying for delays .....	56	61	54	45
21e.Taxes pay for R&D .....	54	58	53	44
21c.Reimportation .....	50	52	50	46
21a.Negotiate .....	48	52	46	41
21b.Transparency .....	41	44	35	41
21g.Limits .....	40	43	37	40
21d.Patents .....	38	42	31	39
21h.ACA model for insurers .....	33	36	31	30
21f.Pay for value model .....	23	21	19	36

a. The federal government should be able to negotiate with drug companies to get lower prices on prescription drugs for people on Medicare.

Mean .....	8.3	8.4	8.3	8.1
10 – Strongly agree .....	48	52	46	41
8 – 9 .....	25	22	26	32
6 – 7 .....	12	12	14	8
5 – Neutral.....	7	7	7	4
1 – 4.....	3	3	2	8
0 – Strongly disagree.....	2	2	3	2
(Don't know).....	2	2	2	4
6 – 10 – Agree.....	85	85	86	82
5 /DK – Neutral.....	9	9	9	8
0 -4 – Disagree .....	6	5	5	10

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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b. Drug companies should be required to justify their prices by disclosing how much they spend on research, manufacturing, and marketing.

Mean .....	7.9	8.0	7.8	8.2
10 – Strongly agree .....	41	44	35	41
8 – 9 .....	25	22	29	29
6 - 7 .....	16	15	17	13
5 – Neutral.....	7	7	8	5
1 – 4.....	5	4	5	8
0 – Strongly disagree.....	4	5	3	0
(Don't know).....	2	2	1	4
6 – 10 – Agree.....	82	81	82	83
5 /DK – Neutral.....	10	10	10	9
0 -4 – Disagree .....	8	9	8	8

c. Americans should be allowed to purchase their prescription drugs from Canada.

Mean .....	8.6	8.5	8.7	8.6
10 – Strongly agree .....	50	52	50	46
8 – 9 .....	20	17	25	20
6 - 7 .....	14	14	12	21
5 – Neutral.....	6	6	8	3
1 – 4 .....	2	3	0	3
0 – Strongly disagree.....	1	2	1	0
(Don't know).....	5	6	3	6
6 – 10 – Agree.....	85	82	88	88
5 /DK – Neutral.....	11	13	11	9
0 -4 – Disagree .....	4	5	1	3

d. The length of the monopoly granted to drug companies on new prescription drug should be shortened so that less expensive generic drugs are available sooner.

Mean .....	7.7	7.8	7.4	7.9
10 – Strongly agree .....	38	42	31	39
8 – 9 .....	24	21	29	24
6 – 7 .....	14	13	16	9
5 – Neutral.....	7	8	6	6
1 – 4 .....	9	7	8	14
0 – Strongly disagree.....	4	4	6	0
(Don't know).....	4	4	3	7
6 – 10 – Agree.....	76	77	76	72
5 /DK – Neutral.....	11	12	10	14
0 -4 – Disagree .....	13	11	14	14



	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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e. Prescription drugs that are developed with taxpayer dollars should be made affordable to every American.

Mean .....	8.7	8.7	8.7	8.5
10 – Strongly agree .....	54	58	53	44
8 – 9 .....	25	22	28	31
6 – 7 .....	10	10	9	10
5 – Neutral .....	6	5	7	6
1 – 4 .....	3	2	2	5
0 – Strongly disagree.....	1	2	1	0
(Don't know).....	1	1	0	4
6 – 10 – Agree.....	90	90	91	85
5 /DK – Neutral.....	7	6	7	11
0 -4 – Disagree .....	4	4	3	5

f. Drugs should be priced on how effective they are in improving health, rather than how much research and development was spent to develop them.

Mean .....	6.6	6.4	6.5	7.6
10 – Strongly agree .....	23	21	19	36
8 – 9 .....	21	19	24	20
6 – 7 .....	19	18	21	20
5 – Neutral .....	12	14	11	9
1 – 4.....	13	11	14	13
0 – Strongly disagree.....	7	8	7	1
(Don't know).....	6	8	4	1
6 – 10 – Agree.....	63	58	64	76
5 /DK – Neutral.....	18	22	15	10
0 -4 – Disagree .....	19	20	21	14

g. There should be a limit to the amount drug companies can charge for high-cost life-saving drugs for illnesses like hepatitis or cancer.

Mean .....	7.8	7.8	7.8	7.9
10 – Strongly agree .....	40	43	37	40
8 – 9 .....	21	17	27	22
6 – 7 .....	16	16	16	15
5 – Neutral .....	9	10	10	7
1 – 4 .....	7	6	5	11
0 – Strongly disagree.....	3	3	4	0
(Don't know).....	3	4	1	4
6 – 10 – Agree.....	78	76	80	77
5 /DK – Neutral.....	13	14	11	11
0 -4 – Disagree .....	10	10	9	11

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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h. Drug companies should have a similar policy to the one placed on health insurance companies, requiring them to invest a minimum percentage of their revenues in research and development or contribute the shortfall to the National Institutes of Health.

Mean .....	7.6	7.7	7.5	8.0
10 – Strongly agree .....	33	36	31	30
8 – 9 .....	27	24	29	36
6 – 7 .....	16	17	16	12
5 – Neutral .....	7	7	8	5
1 – 4 .....	7	5	9	9
0 – Strongly disagree.....	4	5	4	0
(Don't know).....	5	7	2	7
6 – 10 – Agree.....	77	76	76	79
5 /DK – Neutral.....	12	14	10	12
0 -4 – Disagree .....	11	10	14	9

i. It should be illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug.

Mean .....	8.7	8.8	8.6	8.4
10 – Strongly agree .....	56	61	54	45
8 – 9 .....	21	17	25	24
6 - 7 .....	11	10	11	13
5 – Neutral .....	5	6	3	4
1 – 4 .....	3	2	3	7
0 – Strongly disagree.....	2	2	2	0
(Don't know).....	2	1	1	7
6 – 10 – Agree.....	88	89	90	82
5 /DK – Neutral.....	7	7	4	11
0 -4 – Disagree .....	5	4	5	7

**Q21.** Which one of the proposals that you just saw do you think will be the most effective in bringing down the price of prescription drugs?

Taxes pay for R&D.....	15	16	17	9
Reimportation .....	13	11	18	8
Negotiate.....	13	16	12	7
Paying for delays.....	11	12	12	8
Patents .....	11	11	10	13
Transparency .....	10	11	8	14
Limits.....	9	10	5	12
ACA model for insurers .....	7	2	10	14
Pay for value model .....	5	5	4	10
Not sure .....	5	5	4	4

<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
<b>504</b>	<b>255</b>	<b>177</b>	<b>73</b>

**Q22.** Now you are going to see a series of statements about prescription drug prices. Please indicate whether each statement is a VERY convincing, SOMEWHAT convincing, NOT TOO convincing, or NOT AT ALL convincing reason to take action to regulate prescription drug prices.

**Sorted by “Very convincing”**

23d.Patents .....	48	51	50	31
23b.Not a real market.....	47	50	45	45
23c.Increased costs.....	46	48	43	42
23g.No ACA regulation.....	45	50	39	44
23a.Medicare .....	44	45	43	43
23h.Equality .....	39	36	40	46
23f.FDA backlog .....	39	39	40	36
23e.Lobbying .....	38	41	37	30

- a. The current system allows price gouging because Medicare must cover all FDA approved drugs regardless of cost and is not allowed to negotiate to lower prices. This makes drugs more expensive for everyone because the federal government cannot negotiate the cost of those drugs, which creates a monopoly and leads to even higher drug costs for small businesses as well as patients.

Very convincing .....	44	45	43	43
Somewhat convincing.....	32	32	31	36
Not too convincing .....	11	8	15	11
Not at all convincing.....	5	7	3	0
Not sure .....	8	7	8	11
Convincing.....	76	77	74	78
Not convincing.....	16	16	18	11

- b. Prescription drugs are in a market that treats them as a commodity rather than a public good. Drug companies have shocked the public with astronomical prices for drugs that are deemed essential and lifesaving. It’s no wonder drug companies have record profit margins every year while customers are struggling to pay for their medication.

Very convincing .....	47	50	45	45
Somewhat convincing.....	30	24	37	31
Not too convincing .....	11	12	7	15
Not at all convincing.....	6	9	5	0
Not sure .....	6	5	7	9
Convincing.....	77	74	82	76
Not convincing.....	17	21	11	15

	<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
	<b>504</b>	<b>255</b>	<b>177</b>	<b>73</b>

- c. Drugs don't operate in a normal market, allowing companies to charge exorbitant prices for their medications. At this pace, prescription drugs will outpace the growth of other types of health care spending, driving up premiums for everyone and contributing to the financial squeeze on middle class families and small businesses.

Very convincing .....	46	48	43	42
Somewhat convincing.....	34	32	38	30
Not too convincing .....	10	8	11	15
Not at all convincing.....	4	5	3	4
Not sure .....	6	6	5	9
Convincing.....	79	80	81	72
Not convincing.....	14	13	14	19

- d. The U.S. gives drug companies patent monopolies on essential life-saving drugs and then allows them to charge whatever they want. Other countries have systems of price controls or negotiated prices. This is why Americans pay twice as much for drugs than the average for other wealthy countries. This additional cost is not giving us better care; we are just paying more for the same drugs.

Very convincing .....	48	51	50	31
Somewhat convincing.....	33	31	35	39
Not too convincing .....	7	7	6	11
Not at all convincing.....	5	6	3	7
Not sure .....	7	6	6	13
Convincing.....	81	82	85	70
Not convincing.....	12	13	9	17

- e. Drug companies routinely mislead doctors and the public about the safety and effectiveness of their drugs to increase sales. The cost in terms of bad health outcomes and avoidable deaths runs into the tens of billions of dollars every year. Drug companies also spend tens of millions on campaign contributions and lobbying to get even longer and stronger patent protections.

Very convincing .....	38	41	37	30
Somewhat convincing.....	36	32	37	46
Not too convincing .....	14	12	15	15
Not at all convincing.....	6	8	5	2
Not sure .....	6	6	6	7
Convincing.....	74	73	74	76
Not convincing.....	20	20	20	17

- f. One problem suppressing competition in the generic-drug is the slow pace of action by the FDA, which must validate manufacturing quality and certify generics as "bioequivalent" to their branded versions. The FDA's years-long backlog of approvals now runs to thousands of drugs. Because of the backlog from previous years, hundreds of submitted applications for new generic drugs go unapproved each year.

Very convincing .....	39	39	40	36
Somewhat convincing.....	38	38	38	39
Not too convincing .....	13	14	11	12
Not at all convincing.....	2	2	4	0
Not sure .....	7	7	6	12
Convincing.....	77	77	79	76
Not convincing.....	15	16	15	12

	<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
	<b>504</b>	<b>255</b>	<b>177</b>	<b>73</b>

- g. Drug companies are not nearly as regulated as other businesses who had to make major changes under Affordable Care Act. Small business and health insurance companies have to comply with the new law, while drug companies continue to operate as before and keep revising the cost of prescription drugs. It is unfair that drug companies do not have to play by the rules.

Very convincing .....	45	50	39	44
Somewhat convincing.....	32	27	38	33
Not too convincing .....	10	9	10	10
Not at all convincing.....	6	8	5	1
Not sure .....	7	6	7	12
Convincing.....	77	77	77	77
Not convincing.....	16	17	16	11

- h. America was founded on the idea that people are created equal. But today, a person's health can be predicted by his or her zip code. Access to medicines we need to live should be equally available to all, and no one should go into debt to get well. By curbing excess profits, we could benefit from the vast public investment we already make in drug development, and provide medicines to anyone who needs them.

Very convincing .....	39	36	40	46
Somewhat convincing.....	33	32	35	36
Not too convincing .....	16	17	16	11
Not at all convincing.....	6	9	4	3
Not sure .....	5	6	5	5
Convincing.....	72	68	75	82
Not convincing.....	22	26	20	14

**Q23.** Now you are going to see a series of statements about prescription drug prices. Please indicate whether each statement is a VERY convincing, SOMEWHAT convincing, NOT TOO convincing, or NOT AT ALL convincing reason to avoid any regulation of prescription drug prices.

**Sorted by “Very convincing”**

24d.Free riders .....	23	23	21	30
24e.Worth the cost .....	22	19	23	29
24a.Price reflects development .....	21	19	18	34
24c.Controls stifle innovation .....	21	18	20	31
24b.Overspending myth.....	18	15	20	26

- a. High prices are a reflection of the research and development costs it takes to bring a drug to market. On average, it takes more than 10 years and \$2.6 billion dollars to bring a drug to market. In addition, for every successful drug, there are handfuls of drugs that never make it to market. Drug companies are simply charging based on what it costs to develop a new drug.

Very convincing .....	21	19	18	34
Somewhat convincing.....	35	30	45	26
Not too convincing .....	25	30	20	19
Not at all convincing.....	13	14	13	10
Not sure .....	6	7	4	10
Convincing.....	55	49	63	61
Not convincing.....	38	44	33	29

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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b. The idea that we “overspend” on drugs is misleading. In 2014, drug spending accounted for just 10 percent of U.S. health care spending, and according to government actuaries, spending will increase by small increments over the next decade. Hospitals, by comparison, account for more than 30 percent of total health care spending. Countries that use price controls actually spend a larger share on drugs and use fewer cost-saving generics than the United States does.

Very convincing .....	18	15	20	26
Somewhat convincing.....	35	31	40	33
Not too convincing .....	26	29	24	21
Not at all convincing.....	14	16	12	11
Not sure .....	8	9	5	8
Convincing.....	52	46	59	59
Not convincing.....	40	45	36	33

c. Nobody wins from introducing drug price controls. Controls would stifle the introduction of valuable new drugs, because innovators will spend less pursuing new drugs if they expect to earn fewer rewards from discovering them. If the U.S. government started negotiating drug prices the way other governments do, drug prices could fall by about 20 percent, but innovation would fall by even more. Patients would see their lives cut short by delayed or absent drug launches.

Very convincing .....	21	18	20	31
Somewhat convincing.....	34	34	33	37
Not too convincing .....	23	22	26	14
Not at all convincing.....	16	18	17	8
Not sure .....	7	7	4	10
Convincing.....	55	52	53	67
Not convincing.....	39	41	43	23

d. Low prices abroad are a result of foreign governments with socialized medicine being the sole bargaining agent in dealing with drug companies, often setting prices that are low by U.S. standards. Governments will also threaten drug companies with breaking a patent to get a low price, violating intellectual property rights. If the U.S. follows in their footsteps, drug companies will have no incentive to innovate and do research on new drugs.

Very convincing .....	23	23	21	30
Somewhat convincing.....	37	30	45	41
Not too convincing .....	20	24	15	18
Not at all convincing.....	12	13	14	4
Not sure .....	8	9	5	8
Convincing.....	60	53	66	70
Not convincing.....	32	38	29	22

e. Drug prices are regularly attacked as “too high.” Yet, cheaper over-the-counter drugs, natural medicines, and generic drugs are easy to find, and many health plans encourage patients to use them. Studies show that newer, more expensive drugs are usually more effective and reduce overall health costs. One study showed that each dollar spent on vaccines reduced other health care costs by \$10. Aggressive regulation of drug prices will end up costing more.

Very convincing .....	22	19	23	29
Somewhat convincing.....	33	34	33	32
Not too convincing .....	26	26	25	27
Not at all convincing.....	13	14	13	5
Not sure .....	6	7	6	7
Convincing.....	55	53	57	61
Not convincing.....	38	41	38	32

	<b>Total 504</b>	<b>1-4 EMP 255</b>	<b>5-9 EMP 177</b>	<b>20+ EMP 73</b>
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**Q24.** Sometimes in a survey like this, people change their minds. Thinking about the arguments you just saw, if you were shown a petition to your state or federal government to address the rising prices of prescription drugs for small business employers who provide health insurance benefits, how likely would you be to sign such a petition?

Very likely .....	48	46	52	48
Somewhat likely.....	34	33	35	36
Somewhat unlikely .....	8	8	7	10
Very unlikely .....	5	6	5	2
Not sure .....	4	7	1	4
Likely.....	83	79	87	84
Unlikely.....	13	14	12	12

**The following questions are for statistical purposes only.**

**Q25.** Generally speaking, do you think of yourself as a Republican, a Democrat, an independent, or something else?

[IF REPUBLICAN/DEMOCRAT:] Do you consider yourself a strong or a not-so-strong (Republican/Democrat)?

[IF INDEPENDENT:] Would you say you lean more towards the Republicans or more towards the Democrats?

Strong Democrat .....	15	14	12	24
Not-so-strong Democrat .....	11	10	10	19
Independent - lean Democrat .....	16	15	19	9
Democrat .....	26	24	22	43
Independent /Leaners.....	35	38	38	17
Republican.....	35	32	37	40
Independent - lean Republican.....	19	22	19	8
Not-so-strong Republican .....	16	14	19	17
Strong Republican .....	19	18	18	23
Prefer not to answer .....	0	0	0	0
Other:.....	4	6	2	0

**Q26.** How many years has your company been in business?

Less than 5 years.....	10	10	5	21
5-10 years.....	20	18	26	15
10-15 years.....	14	14	10	22
15-20 years.....	14	16	14	8
20-25 years .....	11	14	8	5
25+ years.....	31	28	36	29

**Q27.** For statistical purposes only, which of these categories best describes the gross revenue of your business in 2015?

Less than \$100,000.....	18	32	2	4
\$100,000 to under \$250,000 .....	18	32	5	5
\$250,000 to under \$500,000.....	17	18	15	17
\$500,000 to under \$1 million.....	17	8	30	17
\$1 million to under \$2 million .....	14	4	28	18
\$2 million or more.....	12	3	19	29
Not sure .....	3	2	1	9

	<b>Total</b>	<b>1-4 EMP</b>	<b>5-9 EMP</b>	<b>20+ EMP</b>
	<b>504</b>	<b>255</b>	<b>177</b>	<b>73</b>
<b>Q28. What is your age?</b>				
Under 30 years .....	5	1	6	18
30-39 years .....	16	10	21	24
40-49 years .....	19	19	14	29
50-64 years .....	48	52	49	27
65+ years.....	13	17	10	3