

January 2025

Small Business Bulletin

Provided by Franconia Insurance & Financial Services

Survey: Employees Struggling With Drug Prescription Costs

The latest [Patient Experience Survey](#) by Pharmaceutical Research and Manufacturers of America (PhRMA) revealed that more than half (51%) of Americans with health insurance can't anticipate what they'll pay for prescription medications. Meanwhile, 38% of patients reported increasing out-of-pocket costs for these medicines. This means that employees are struggling to pay for prescriptions, even when they are covered by group health insurance. These costs directly impact workers covered under employer-sponsored plans of small businesses.

"If facing a major medical event or chronic condition, many insured Americans report that their out-of-pocket costs would be expensive or more than they could afford—even with insurance."

- PhRMA Patient Experience Survey

Rising health care costs have left a significant number of insured Americans struggling to afford out-of-pocket expenses, with nearly half (46%) finding their out-of-pocket costs either expensive or unaffordable. Key contributors to this strain include high deductibles, as cited by nearly half (43%) of respondents, with another 20% saying they can't afford copays. Moreover, 19% said their insurer won't cover necessary services or medicines, while 16% cited unaffordable coinsurance.

According to the survey, 1 in 3 patients reported difficulty adhering to prescriptions because they could not afford drug costs. Many resorted to skipping doses, delaying taking medicines or cutting pills in half to save on costs. Some did not complete the full prescribed course, while others avoided taking the medicine altogether.

The report highlighted other widespread challenges insured Americans face in navigating health care coverage and affordability:

- Only about a quarter of Americans (28%) believe that insurance currently provides everyone with affordable access to health care when it's needed.
- More than half (52%) worry about their ability to pay for out-of-pocket costs and insurance premiums over the next 12 months.

Takeaway

The PhRMA survey showed that health care costs remain a top concern for workers. Small businesses should stay informed about the evolving prescription drug market and evaluate how their health care plan design choices might affect their workforce. Contact us today for more resources.

5 Insurance Policies for Small Businesses


With so many different types of insurance to choose from, it can be overwhelming to determine what type is best for your small business. Understanding the following five insurance policies can help your business make decisions to financially protect employees and the business's bottom line.

1. Commercial Property Insurance

In the case of a catastrophic event such as a fire, explosion, burst pipe, storm or theft, commercial property insurance may compensate you for losses or damage to your building, leased or owned equipment, and other property on the premises. In fact, commercial property insurance can cover items such as furniture, inventory, computers and anything that would be considered necessary for performing normal business operations.

Commercial property insurance is typically purchased as a stand-alone policy or as part of a commercial package policy that includes business owner's liability, general liability, and





Commercial property insurance is offered on either a replacement cost or actual cash value basis:

- **Replacement cost:** Pays the cost to replace or repair the damaged property with materials of like kind and quality without any deduction for depreciation.
- **Actual cash value:** Pays the cost to repair or replace the damaged property minus depreciation.

2. Employment Practices Liability

Employment practices liability insurance (EPLI) is a form of insurance that covers wrongful acts that occur during the employment process. The most frequent types of claims covered under an EPLI policy include claims of discrimination, wrongful termination, sexual harassment and retaliation.

These policies may reimburse your company against the costs of defending a lawsuit in court and for judgments and settlements. EPLI may cover legal costs, regardless of whether your company wins or loses the suit. However, these policies typically do not pay for punitive damages or civil or criminal fines.

3. Workers' Compensation

Workers' compensation is important in the event that an employee suffers a work-related injury or illness. This type of insurance is required in most states and is used to cover medical bills or wage replacements for employees who experience a work-related injury.

For example, if a worker pulls a back muscle at work and is unable to perform their duties, workers' compensation may help cover any physical therapy costs as well as compensate the employee for any lost wages.

Having workers' compensation insurance can also protect your business from civil suits made by employees against your company related to their injuries.

4. Commercial Auto

Commercial auto insurance helps cover the costs of an auto accident if you or an employee is at fault. This

coverage can help pay for damaged property and medical expenses.

Your business should consider a commercial auto policy if any of the following are true:

- Your business owns, leases or rents vehicles such as cars, trucks or vans.
- Your business has employees who drive their own vehicles to conduct business.
- Your business has employees who operate leased, rented or owned company vehicles.

5. Professional Liability Insurance

Professional liability insurance, also known as errors and omissions insurance, can protect your business against claims that a service you provided caused a client to suffer due to a mistake on your part or because you failed to perform a service.

Professional liability insurance can cover the cost of defending your business in a civil lawsuit for an alleged error or omission. Depending on your industry, professional liability insurance may be required by law.

While many types of businesses need professional liability insurance, you should especially consider this type of insurance if your business works directly with customers to provide services.

More Information

Contact us today to help you analyze your needs and decide on the right coverage for you and your growing business.