



## FOR IMMEDIATE RELEASE

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## Drug Cost Increases are Slowing, New Buck Consultants Survey Finds

**NEW YORK:** February 23, 2006 – Although employers' health care costs will continue to increase at a double-digit pace through 2006, the increases for prescription drug programs are slowing. These are among the results of a national survey of health insurers, HMOs and third-party administrators released today by Buck Consultants, an ACS company and one of the world's leading human resource and benefits consulting firms.

In its 15<sup>th</sup> National Health Care Trend Survey, conducted in the fourth quarter of 2005, Buck analyzed the responses from more than 80 insurers and administrators to determine the projected increase in employer-provided health care benefit costs for 2006. As the chart below indicates, survey results showed that trends for the most popular plans are expected to remain about the same when compared to trends reported in Buck's previous survey, conducted in the third quarter of 2005.

Type of Plan	Buck National Health Care Trend Data		
	<u>15<sup>th</sup> Survey</u>	<u>14<sup>th</sup> Survey</u>	<u>Difference</u>
Preferred Provider Organization (PPO)	12.7%	12.4%	+0.3%
Point-of-service (POS)	12.0	12.3	-0.3
Health Maintenance Organization (HMO)	11.8	11.3	+0.5
High Deductible	12.3	12.5	-0.2

However, trends for prescription drug programs continue to decline from those reported in the prior survey as follows:

<b>Respondent</b>	<b>Buck National Health Care Trend Data</b>		
	<b><u>15<sup>th</sup> Survey</u></b>	<b><u>14<sup>th</sup> Survey</u></b>	<b><u>Difference</u></b>
Pharmacy Benefit Managers	9.8%	11.6%	-1.8%
Insurers	13.5	14.4	-0.9
Combined	11.1	12.8	-1.7

“The survey shows a gradual decrease in drug trends that began about four years ago,” said Michael Jacobs, Buck Consultants’ National Pharmacy Practice Leader. “Drug trends, which have traditionally been higher than medical trends, are now almost the same. However, we anticipate drug trends to grow again in the next several years, due to the introduction of new innovative therapies into the marketplace.”

Harvey Sobel, FSA, a Buck Principal and Consulting Actuary, who directed the survey, commented on the trends across all coverages. “Some insurers cite reduced utilization and improved provider contracting as the main reason for declines in their trends,” said Mr. Sobel. “This is good news, considering that there are inflationary pressures as a result of the increase in energy prices that will affect hospitals and doctors.”

Health insurers use trend factors by coverage – such as medical, prescription drugs, dental and vision care — to calculate their premium rates, and large self-funded employers use these trend factors to budget their future health care costs. In general, trend factors provide for price increases that may result from such variables as inflation, utilization of services, technology, changes in the mix of services and mandated benefits.

Buck Consultants, an ACS company, is a leader in human resource and benefits consulting with more than 1,500 professionals worldwide. Founded in 1916 to advise clients in establishing and funding some of the nation’s first public and private retirement programs, Buck is an innovator in the areas of retirement benefits, health and welfare programs, human resource management, compensation and employee communication. News and other information about Buck Consultants is available at [www.buckconsultants.com](http://www.buckconsultants.com). Buck is an independent subsidiary of Affiliated Computer Services, Inc.

ACS, a FORTUNE 500 company with more than 55,000 people supporting client operations in nearly 100 countries, provides business process outsourcing and information technology solutions to world-class commercial and government clients. The Company's Class A common stock trades on the New York Stock

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Buck's 15th "National Health Care Trend Survey" is available to the media by contacting Ed Gadowski at 201.902.2825. It is available to other interested parties for \$100 from Buck's Survey Department, 500 Plaza Drive, Secaucus, NJ, 07096-1533. Telephone 201.553.6400.