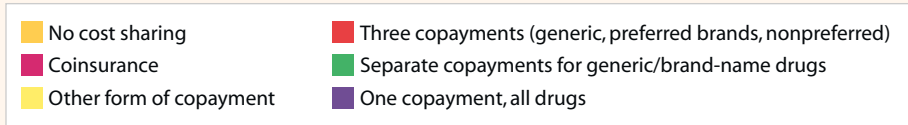


MANAGED CARE OUTLOOK

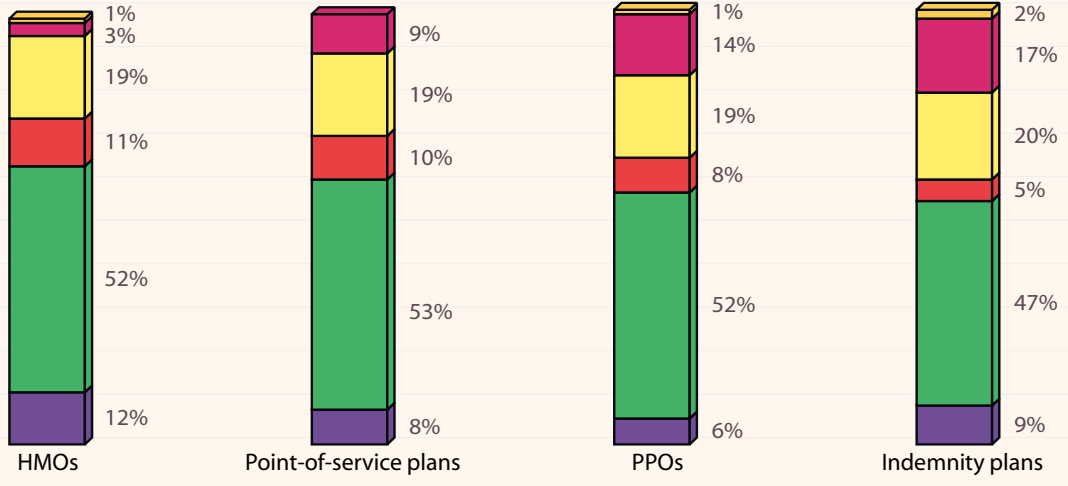
Similarity seen in prescription cost-sharing

The cost-sharing techniques that employers use in prescription drug benefit designs vary, but across types of health plans, there is remarkable similarity. For instance: Separate copayment levels for brand-name and generic drugs is the most common technique that employers use, but it's not necessarily seen more often in an HMO than in, say, a PPO. Even when comparing mail order benefit structures with those that apply when people buy prescriptions at the pharmacy counter, there is general uniformity across plans. The only form of cost sharing where some variance is evident is coinsurance, which is used more often in less-managed plans.

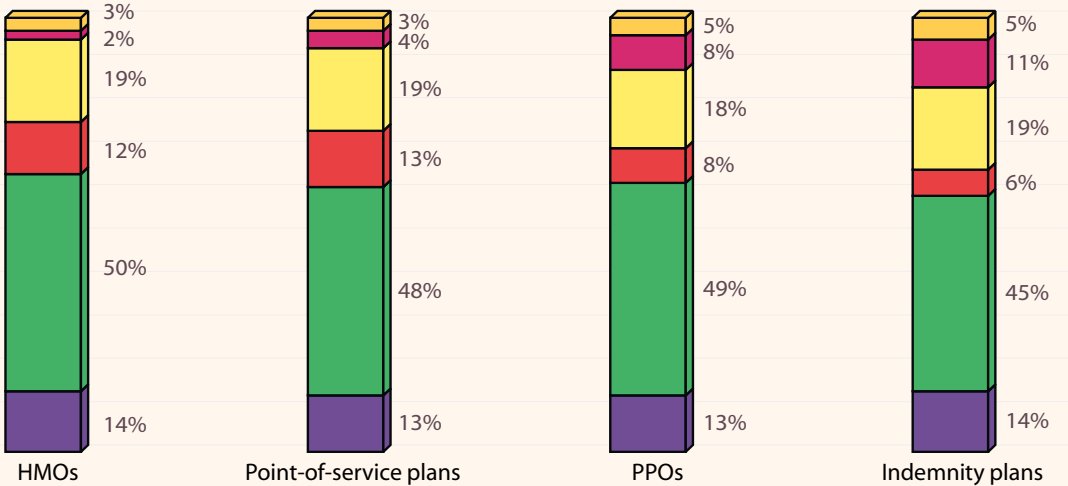


Use of employee cost-sharing techniques...

... at the pharmacy counter:



... and by mail:



SOURCE: 1999 MERCER/FOSTER HIGGINS NATIONAL SURVEY OF EMPLOYER-SPONSORED HEALTH PLANS. Some columns do not add to 100 percent because of rounding.