

What to Know About Wal-Mart's \$4 Prescription Program

Wal-Mart customers have saved more than \$2 billion since program's launch

As part of its commitment to bring affordable health care to Americans, in May 2008 Wal-Mart launched phase three of its \$4 Prescription Program. Expected to save Wal-Mart customers millions annually, the program now covers a 90-day prescription for \$10, additional women's health medications and a new \$4 over-the-counter (OTC) offer. The 90-day option gives more choices to customers and physicians who may have been limited to mail order prescriptions in the past.

Key Additions to the \$4 Prescription Program:

- ✓ Since the launch of Wal-Mart's \$4 Prescription Program in September 2006, Wal-Mart, Sam's Club and Neighborhood Market pharmacy customers have saved more than \$2 billion dollars (\$2,044,656,560 as of March 31, 2009).
- ✓ Through the program, the company has provided customers in 10 states alone with nearly \$997 million in savings, this includes Texas (\$258,378,149), Florida (\$138,488,454), North Carolina (\$97,588,138), Georgia (\$82,853,135), Missouri (\$76,636,224), Illinois (\$75,176,614), Ohio (\$73,384,523), Indiana (\$65,100,659), Louisiana (\$65,089,520) and Tennessee (\$64,805,881). A complete state-by-state breakdown is available at www.livebetterindex.com.
- ✓ In May 2008, Wal-Mart expanded the \$4 Prescription Program in three key ways:
 - **Wal-Mart, Neighborhood Market and Sam's Club pharmacies will fill prescriptions for up to 350 generic medications at \$10 for a 90-day supply.** This option will give customers an additional choice and save them time and money without the hassle of purchasing or signing-up for a pharmacy discount card. The full prescription list is available at www.walmart.com/pharmacy.
 - **Expanding on the women's medicines** added to Wal-Mart's prescription program in September 2007, Alendronate, the recently introduced generic version of Fosamax® used to treat osteoporosis, is now available at Wal-Mart, Neighborhood Market and Sam's Club pharmacies for \$9 for up to a 30-day supply or \$24 for a 90-day supply. In addition, medications to treat breast cancer (tamoxifen), menopause and hormone deficiency (combination estrogen/methyltestosterone tablets) were also added to the growing list of \$9 women's medications.
 - **Wal-Mart Stores and Neighborhood Markets offer a \$4 OTC program**, bringing customers more than 1,000 OTC items priced at \$4 or less without a prescription. Wal-Mart has rolled back prices on key OTC items to ensure that almost one-third of its OTC medicines are now \$4 or lower.

Enhanced \$4 Prescription Program Components:

- ✓ Up to 95 percent of the prescriptions written in the majority of therapeutic categories are included in the \$4 Prescription Program available at Wal-Mart, Neighborhood Market and Sam's Club pharmacies nationwide. The affordable prices for these prescriptions are available for commonly prescribed dosages for up to 30-days or 90-days respectively.
- ✓ The program offers pricing to all pharmacy customers, including the uninsured, who have a prescription from a doctor that can be filled with a covered generic. Insurance plans will be accepted, and customers do not need to fill out any additional paperwork. Certain drugs are priced higher than \$4 (for 30-day supplies) and \$10 (for 90-day supplies) in California, Colorado, Hawaii, Minnesota, Montana, Pennsylvania, Tennessee, Wisconsin and Wyoming.
- ✓ The program launched in Tampa, Florida in September, 2006, and expanded to 49 states by November 2006 (Wal-Mart does not operate in-store pharmacies in its North Dakota stores). Wal-Mart has also introduced a similar discount program in Puerto Rico, Mexico and Brazil, bringing significant savings to customers in those markets.
- ✓ The full prescription list is available at www.walmart.com/pharmacy.

Key Women's Health Components:

- ✓ In May 2008, Wal-Mart announced additional women's health offerings to their discount prescription program – now those suffering with osteoporosis and breast cancer can find a low-cost medicine that doesn't break their budget. By 2010, the National Osteoporosis Foundation estimates that more than 9 million women in the United States will suffer from osteoporosis. The American Cancer Society estimates that there will be over 180,000 new female breast cancer cases in America in 2008.
- ✓ Alendronate, the recently introduced generic version of Fosamax® used to treat osteoporosis, is available at Wal-Mart, Neighborhood Market and Sam's Club pharmacies for \$9 for a 30-day supply or \$24 for a 90-day supply. Compared to the \$54 women previously paid for the same 30-day generic supply or \$102 for a 30-day branded supply, Wal-Mart could save osteoporosis patients between \$45 and \$93 per month or up to \$1,116 per year.
- ✓ Combined, Wal-Mart estimates that this women's health expansion alone will save women more than \$100 million annually.
- ✓ In September of 2007, Wal-Mart began offering \$9 women's medications – including a generic birth control for Ortho Cyclen® and Ortho Tri-Cyclen®, and a fertility product, clomiphene. Compared to national average prices which range from \$24 to \$30 per month, these drugs are saving women an estimated \$15 to \$21 per month, or \$180 to \$250 annually.
- ✓ In May 2008, women's health products like Wal-Mart's Spring Valley-branded prenatal vitamins were also lowered to \$4 as part of the \$4 OTC program now available at Wal-Mart Stores and Neighborhood Markets.

Key OTC Components:

- ✓ Wal-Mart has rolled back prices on key OTC items to ensure that almost one-third of its OTC medicines are now \$4 or lower. Now, many commonly used OTC medicines such as Equate-brand versions of popular drugs like Zantac®, Pepcid® and Claritin® are priced at \$4, approximately 50 percent lower than many national chain drugstores and grocers based on Wal-Mart's internal research.
- ✓ For a sampling of the OTC products included in Wal-Mart's \$4 OTC offering, visit www.walmart.com/pharmacy.

Public Impact:

- ✓ Wal-Mart's expanded prescription drug program will continue to provide an affordable solution for those without health insurance. The latest U.S. Census Bureau report (Income, Poverty and Health Insurance in the United States: 2006, Aug. 2007) counts 47 million uninsured Americans and found that 20.5 percent of African-Americans and 34.1 percent of Hispanics are uninsured.
- ✓ Wal-Mart's \$4 Prescription Program is especially important to Medicare beneficiaries – seniors and the disabled – by giving them a lower-cost option if they reach the "doughnut hole" in their Medicare Part D coverage. Medicare beneficiaries have to pay 100 percent of their costs in that coverage gap, which occurs after their annual drug spending hits \$2,400 and continues until total expenses hit \$5,421.25.
- ✓ According to the Kaiser Family Foundation, American pharmacies filled more than 3.3 billion prescriptions in 2006 at a retail cost of more than \$192 billion. Additionally, Kaiser Family Foundation says the average brand name prescription price was over 3 times the average generic price in 2006 (\$111.02 vs. \$32.23).

- ✓ Generic drugs contain the same active ingredients as their "brand-name" counterparts and are equally effective, but cost significantly less. Generic medicines make up 65 percent of all prescriptions dispensed in the United States, but only account for 20.5 percent of all dollars spent on prescriptions, according to the Generic Pharmaceutical Association.
- ✓ Based on a National Poll on Children's Health from the University of Michigan C.S. Mott Children's Hospital released in February 2008 nearly 70 million Americans have used discount generic prescription drug programs offered at major retail stores across the country.

What Others Are Saying:

- ✓ "Access to affordable prescription medicines is vitally important to the health and well-being of Texans. I applaud Wal-Mart's efforts to make this a reality through their \$4 Program." (Texas Governor Rick Perry, 5/5/08)
- ✓ "...it's clear Wal-Mart's generic discount program has benefited consumers with low incomes or without insurance; forced some competitors to respond with similar discount plans; and has been a factor in the overall trend toward increased usage of cheaper generic drugs." (*The Star-Ledger*, 4/22/08)
- ✓ "A \$4 prescription drug program launched in September 2006 by Wal-Mart Stores Inc. has saved Missouri customers more than \$40.2 million, and more than \$1 billion nationwide...Only four states had more savings than Missouri: Texas, \$132.6 million; Florida, \$72.4 million; North Carolina, \$48.2 million; and Georgia, \$42.3 million. Illinois customers saved \$37.7 million." (*St. Louis Business Journal*, 3/17/08)
- ✓ "It's a needed message to consumers that they do have drug choices and that there are some options for getting access to certain affordable medications," explained Gail Shearer, Director, Consumer Reports Best Buy Drugs. (*Reuters*, 9/27/07)
- ✓ "Annual inflation in drug costs is at the lowest rate in the three decades since the Labor Department began using its current method of tracking prescription prices...Economists say the slowdown has come about because more people are turning to generics and because generic versions of some of the most common drugs have recently come on the market...Another factor could be the so-called Wal-Mart effect. Last fall, Wal-Mart began offering many generic prescriptions at \$4 a month....Other retailers have followed with their variations." (*The New York Times*, 9/21/07)
- ✓ "One customer who was drawn to Wal-Mart by the generic promotion is Bernadine Peterson, a nurse who lives in Westbury, N.Y. Ms. Peterson said she started using the Wal-Mart pharmacy four or five months ago because of the \$4 generics. As a result, she said, she was saving \$100 a month, reducing her monthly prescription bill to \$200." (*The New York Times*, 9/21/07)
- ✓ "The \$4 prescription plan Wal-Mart has started is a major help. No matter what the reader may think of Wal-Mart...I think it has helped the Free Clinic patients more than any single organization," said volunteer doctor Jud Kilgore in a guest column about the Ithaca Free Clinic. (*Ithaca Journal (NY)*, 8/2/07)
- ✓ "Last fall, Wal-Mart launched a discount prescription program for more than 300 medications, and the other retailers followed suit...Making medicine affordable is critical to most families. It can mean the difference between living healthy lives and struggling to survive. At many pharmacies, reasonably priced generic drugs are just what the doctor ordered," wrote retired columnist Claude Lewis in an op-ed about drug costs. (*Philadelphia Inquirer*, 7/18/07)

For further information on the program, customers can call 1-800-WALMART,
log-on to www.walmart.com/pharmacy, or visit their local Wal-Mart, Neighborhood Market or Sam's Club pharmacy.

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