

Wal-Mart Bringing \$4 Generic Prescriptions to Working Families

As part of our **ongoing commitment to bringing affordable health care to America's working families**, Wal-Mart is making **314 generic prescriptions** available to customers and associates for **only \$4 per prescription for up to a 30-day supply at commonly prescribed dosages**. The program – initially launched in Tampa, Florida on September 21, 2006 and expanded across Florida on October 6, 2006 – has now been rolled out to the 1,008 Wal-Mart and Sam's Club pharmacies in Alabama, Georgia, Iowa, Kansas, Maryland, Michigan, Mississippi, Missouri, New Hampshire, Ohio, South Dakota and Virginia, well ahead of initial plans for a 2007 expansion. The program is also available in Alaska, Arizona, Arkansas, Delaware, Illinois, Indiana, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Texas and Vermont. We will continue working to bring this program to as many states as possible as soon as possible.

Key components of the \$4 program:

- The program offers **\$4 pricing to all pharmacy customers and Wal-Mart associates** with a prescription from a doctor that can be filled with a covered generic, **including the uninsured. Insurance plans will be accepted.**
- This low price covers **314 generic prescriptions made up of as many as 143 compounds in 24 therapeutic categories**. The 314 prescriptions account for **more than one in four of the prescriptions filled in Wal-Mart and Sam's Club pharmacies nationwide**. They include medicines in the following categories: cardiac, antibiotic, oncology, cholesterol, gastrointestinal, antidepressant, anti-inflammatory, vitamins, diabetes, antipsychotic, cough and cold, hormone, antifungal, antimicrobial, asthma, analgesic, glaucoma, incontinence, allergy, Parkinson's, antiviral, anxiety, seizure and thyroid. Not all generic drugs in each category are included in the program.
- Some of the top-branded medications covered by generic counterparts under the program are: Glucophage (**diabetes**); Tenormin (**high blood pressure**); Prinivil (**ACE inhibitor**); Zestril (**ACE inhibitor**); Synthroid (**thyroid**) and Lasix (**diuretic**). According to www.rxlist.com, the list includes 14 of the top 20 prescribed drugs in the United States.
- Since the initial launch of the program, we have already added Lovastatin (a commonly prescribed statin), Paroxetine (antidepressant), Levothyroxine (thyroid) and Megestrol (an oncology drug) to the list of covered prescriptions, and we will continue working to expand the list as quickly as possible.
- **We anticipate significant savings for our customers under this program. For example, we have estimated that our \$4 price will lead to the following savings on two prescriptions for our customers in the 27 participating states (compared to the September average retail price on www.myfloridarx.com):**
 - **Fluoxetine (20 mg)**, an antidepressant: nearly **\$1.9 million monthly** and **\$23.2 million annually** on this medication
 - **Amoxicillin (500 mg)**, an antibiotic: about **\$1.3 million monthly** and **\$15.5 million annually** on this medication

Public Impact:

- According to the Kaiser Family Foundation, the 27 states in the \$4 program are home to nearly 29 million uninsured residents. The \$4 program **provides a solution for those nearly 29 million uninsured residents** who may presently avoid filling prescriptions and remain untreated. We estimate that the program will **save state Medicaid programs hundreds of thousands of dollars annually.**
- According to the U.S. Census Bureau, one third of the Hispanic population is uninsured.
- Alabama and Georgia are among the states with the largest Hispanic growth in the nation, while Iowa, Michigan and Missouri are among the states with new and emerging Hispanic populations. According to data compiled by the National Council of La Raza, these states combined are home to more than 4 million uninsured Hispanics. The \$4 program provides a solution to those more than 4 million uninsured Hispanics who might presently avoid filling prescriptions and remain untreated.
- According to the U.S. Census Bureau, one-fifth of the African American population is uninsured.
- Alabama, Georgia, Maryland, Mississippi and Virginia are among the ten states with the largest African American population. According to the Henry J. Kaiser Family Foundation, these states are home to more than 1.4 million non-elderly uninsured African Americans. The \$4 program provides a solution to those more than 1.4 million non-elderly uninsured African Americans who might presently avoid filling prescriptions and remain untreated.
- Especially important to the more than **21 million Medicare recipients in the 27 states**, the \$4 generic prescription program will help **alleviate a major challenge for those who have fallen into the coverage gap in their Medicare Part D prescription drug plans**, also known as the “doughnut hole.” These seniors now find themselves responsible for paying 100 percent of prescription drug costs between \$2,250 and \$5,100.
- **Medicaid patients will see no change with this program.** They have a \$1 co-pay today, and they will have \$1 co-pay with this program. There will be **savings to the state and taxpayers.**
- According to the Kaiser Family Foundation, **American pharmacies filled more than 3 billion prescriptions in 2005** at a retail cost of more than \$170 billion. Generic drugs contain the same active ingredients as their “brand-name” counterparts and are equally effective, but cost significantly less.
- According to the Generic Pharmaceutical Association, **generic medicines account for 56% of all prescriptions dispensed in the United States.** That’s more than one billion generic pharmaceutical products used to fill prescriptions in this country every year.
- By lowering our prices on a number of commonly-prescribed medications to \$4, we can bring **competition to the pharmacy marketplace** and **ease the burden of the high costs of healthcare for our customers and associates**, while at the same time ensuring they get the medicines they need at prices they can afford.

- We will transmit all claims so that **Pharmacy Benefit Managers will have the same ability to monitor claims that they do today.**
- Patients wishing to switch from brand-name to generic prescription medicines should do so only after **consulting their physician or pharmacist first.** Our pharmacists take their role in counseling customers about the safe and effective use of prescription medicines very seriously.
- **Wal-Mart associates will have access to the \$4 medications.** Their 10% associate discount does not apply to drugs paid for by an insurance plan, but does apply to cash-only sales.
- **The \$4 prescription program is an in-store initiative.** As such, it will not be available by mail or online at this time, although customers may order refills online or by telephone to pick up in person in pharmacies in the participating states.

What Others Are Saying:

- Sen. Jack Critcher, D-Batesville, said the announcement “was a ‘historic day.’ **‘This is going to benefit all Arkansans, especially seniors facing the higher costs of prescriptions,’** said Critcher, who will be the Senate’s president pro tempore in next year’s session. **‘All of us who pay taxes will benefit as well.’”** (*Associated Press (AR)*, 10/19/06)
- **“There are a lot of Arizonans who can’t afford to pay for their prescriptions, [State Rep. Linda Lopez, a Tucson Democrat who represents District 29] said. ‘Wal-Mart is stepping up to the plate to meet the needs of folks in the community,’ she said.”** (*Arizona Daily Star*, 10/20/06)
- **“We can make a difference for senior citizens. We can make a difference for those who don’t have insurance. We can make a difference for the state of Indiana as one of the largest purchasers of pharmaceuticals through our state Medicaid program,’ said Rep. Brian Bosma, House Speaker (R-IN).”** (*WISH-TV.com*, 10/19/06)
- **“It’s good to hear that a company like Wal-Mart is taking responsibility for dealing with the high cost of prescription drugs,’** said Tyrone Jones, interim director and chief executive at the Metropolitan Wilmington Urban League. **‘You will get a cross section of people wanting to benefit from this.’”** (*The News Journal (DE)*, 10/20/06)
- **“Andy Martinez, former chief executive officer of the Round Rock Health Clinic, said he regularly saw low-income families who could not afford health care and medications. More than 5.5 million Texans do not have health insurance, according to U.S. census statistics. ‘Many of these families have to make a decision to put food on the table or buy prescriptions,’ said Martinez, now president of the Greater Austin Hispanic Chamber of Commerce. ‘Solutions like this will certainly help out.’”** (*Austin American-Statesman (TX)*, 10/20/06)
- **“Our initial impression is that these kinds of ready-access programs to discount pricing on generic drugs will help an awful lot of families,’** said Ron Cookston, director of Gateway to Care, a coalition of more than 60 health care and social service providers, groups and community organizations in Houston. **‘If nothing else,**

it's bringing to the attention of the general public the cost savings associated with generics.” (*Houston Chronicle*, 10/21/06)

- **“We have a health plan, and it doesn’t cover any medications at all, so I think it would be great if they do lower a lot of the medications, especially for children,”** said Wal-Mart shopper Juliette Law. The last time her son got sick, “the cough medicine cost me about \$45, so [\$4 is] a lot better.” (*WPEC News 12 (FL)*, 10/5/06)
- **“That’s excellent,’ said Steve Rawley, a small-business owner, who paid \$4 instead of \$44 for a 30-day supply of Metformin,** a diabetes medicine, at a Wal-Mart on Tomball Parkway, where it was announced. **‘When you have to struggle to get the prescription every month, if you can get any kind of generic for a discounted price, that’s a great deal.’**” (*Houston Chronicle*, 10/19/06)
- “Wal-Mart brought pharmacy customer Louis Hopkins, 62, of Fairview to the morning announcement at a Plano Supercenter. He said **he takes 12 prescriptions as part of his ongoing treatment from brain surgeries last year, and five of those are on Wal-Mart’s \$4 list.** The former Texas Instruments engineer isn’t eligible for Medicare. ‘When you’re working, you don’t care,’ he said. ‘But when you’re not, and have to pay \$14,000 a year in insurance premiums, **even one dollar’s savings makes a difference.**” (*The Dallas Morning News*, 10/20/06)
- **“Wal-Mart’s steady venture into cheap generic drugs will certainly be a needed boon for many people who don’t have adequate insurance or other means of helping pay for prescribed medications...There have already been reports out of Florida of Wal-Mart pharmacists being hugged when the \$4 prescriptions are filled. Customers like it. And customer satisfaction just might explain why Wal-Mart is the world’s largest retailer. Whatever the motives, this is a welcome, voluntary move at a time when health care costs are such a critical issue facing people today.** We welcome such initiatives in the private sector that supplement ponderous government agencies and programs.” (*Editorial, Yakima Herald-Republic (WA)*, 10/23/06)
- “[T]he program will make available drugs for all customers, including people without insurance. **The fact that the company is able to do so shows that even the pharmaceutical industry is susceptible to the market power of the major players. That is a lesson that ought to be applied more broadly.** Wal-Mart has shown that there is much to be gained by bargaining to secure the lowest prices possible. There is no reason the federal government cannot work to secure low-cost pharmaceuticals for the people dependent on federal programs.” (*Editorial, Rutland Herald (VT)*, 10/22/06)

For further information on the program, customers can call 1-800-WALMART, log on to www.walmart.com/pharmacy, or visit their Wal-Mart or Sam’s Club pharmacy in Alabama, Alaska, Arizona, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Mississippi, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, South Dakota, Texas, Vermont and Virginia.

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