

Walmart's Medicare Drug Plan: A Bait-and-Switch?

Walmart Stores, Inc. announced a Medicare prescription drug plan that imposes higher co-payments on seniors who choose to continue using their trusted local, community pharmacy. The plan will offer a \$14.80/month premium and some \$2 generics, which will make this option appear attractive for many patients. However, here are some important facts that patients should know when considering this plan:

Important Facts about the Humana-Walmart Medicare Prescription Drug Plan

Walmart Has Low Customer Service Ratings. Walmart received an industry-low customer satisfaction rating for both its retail and mail order pharmacies from J.D. Power and Associates in 2010. Many community pharmacists see patients return to their pharmacies once they experience Walmart's wait times and assembly-line service first-hand.

Humana Has Historically Had Huge Premium Increases. The average premium for the Humana Enhanced PDP plan more than tripled from \$14.73 in 2006 to \$43.73 in 2011, among the highest premium spikes of any plan.

The Walmart Plan's 'Savings' Disappear as Health Needs Arise. Unless patients rely solely on a select list of "preferred" generics, they are unlikely to save much money.

- Many common generics are classified as non-preferred generics and consequently, patients will pay a higher co-pay. These include amlodipine besylate, metoprolol succinate ER, simvastatin, and omeprazole.

Inadequate Coverage of Drugs Most Utilized by Medicare Population. The plan's formulary does not cover many of the drugs most utilized by Medicare beneficiaries.

- Only **two of the top 15 medications** most frequently prescribed to seniors are in the lowest cost tier.
- **Three of the top 15 medications** most frequently prescribed to seniors are not even on the plan's formulary (Celebrex, Nexium, and Aricept).

Limited Access. To get this plan's lowest advertised prices, patients **must** purchase their medications at Walmart stores, which **make up less than 7%** of all of the retail pharmacies in the U.S. and must take medications that appear on one of the lowest of the plan's four formulary tiers.

- Patients who do not live near a Walmart would be forced to use the plan's mail order service in order to benefit from any of the "cost-savings" alleged by Humana and Walmart.
- Additionally, patients unable to use a Walmart pharmacy or unwilling to give up the personal service and medication counseling provided by their local community pharmacist would be subjected to substantially higher co-pays at their local pharmacy, again negating any suggested "cost-savings."
- Long-term care residents (specifically non-LIS patients) who enroll in this plan will pay higher co-pays to have their prescriptions filled through their long-term care pharmacy than they would through a Walmart pharmacy.

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