



Rx Inform

Bringing You Key Issues in Prescription Benefits Administration



Select \$4 Medications from Wal-Mart

News Flash:

Target announced it will match Wal-Mart's pricing for selected generic medications in the Tampa, FL area. Innoviant's standard pharmacy contracts already ensure plan sponsors and their members will benefit from the lower prices offered by both retailers. No further details regarding Target's announcement were available at press time.

EDITOR:

Erin Klein,
Communications Manager

NETWORKS ADVISOR:

Chris Maahs
Director, Network Services

INNOVARIANT

11 Scott St., Suite 150
Wausau, WI 54403-4808
877-559-2955

Wal-Mart recently announced a pilot program to offer select generic medications at \$4 for up to a 30-day supply. While the program affects a limited number of Wal-Mart pharmacies in the Tampa, FL area, the retailer plans to rollout the program nationwide in 2007. Other large chain pharmacies may follow suit.

The list of medications in Wal-Mart's program includes 291 drugs, but only 139 of them are unique products, because multiple manufacturers and varying dosages of the same medications are included. For example, the antibiotic amoxicillin is listed six times, each a different dosage strength. The list includes generic medications used to treat diabetes, cardiovascular disease, asthma, colds, and infections.

Financial Impact

For Innoviant customers, the bottom line impact of Wal-Mart's program is minimal. Most products on the list were priced at or below \$4 before the program was launched. Our standard pharmacy contracts detail that, between the usual and customary (U&C) price and the maximum allowable cost (MAC), claims pay at the lesser of the two amounts. Each claim automatically represents the lowest cost, so no special action is required for plan sponsors or their members to reap the benefits of the program.

Message for Members

Members who learn of Wal-Mart's \$4 generic program are already asking questions. It's important for them to know they won't pay

more than \$4 for medications on the list when they use their ID cards to have claims processed. However, the program is only available in 65 Wal-Mart retail pharmacies in the Tampa, FL area.

Members in the Tampa area and those affected as the program expands to other states should continue to use their prescription benefits ID cards for every prescription they fill or refill. Without their cards, dollars spent on prescription medications will not apply to out-of-pocket maximums or deductibles. This is especially important for members with Medicare Part D coverage.

Another benefit of making sure claims are submitted for processing is the member's access to drug utilization reviews (DURs) that identify potentially dangerous drug interactions and other health related issues.

Additional Information

"We applaud Wal-Mart's efforts to lower prescription costs for those who don't have prescription coverage," says Chris Maahs, Innoviant's director of network services. "We are also pleased to let our clients know that the new lower dollar prices are automatically passed on to them and their members."

Innoviant will continue monitoring claims affected by the program to ensure our clients receive the lowest net cost for all medications. If you have any questions, please contact your account manager at 866-800-4321.



Innoviant[®]
Prescription Benefits Administrator