

Wal-Mart expands \$4 generic drugs program

Retailer says 24 new prescriptions will now be covered, including treatments for glaucoma and attention deficit disorder; birth control covered at \$9.

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NEW YORK (CNNMoney.com) -- Wal-Mart announced Thursday that it has extended its year-long \$4 generic prescription drugs program to include 24 new prescriptions.

The company said the program will now cover more categories to include glaucoma, attention deficit disorder/attention deficit hyperactivity disorder (ADD/ADHD), fungal infections and acne.

Fertility and prescription birth control will also be included at \$9. The retailer said that its prices for these medications will save women an estimated \$15 to \$21 a month, or \$180 to \$250 annually.

"The savings were a big deal 12 months ago and an even bigger deal today for customers struggling with spiraling healthcare costs," Dr. John Agwunobi, Wal-Mart senior vice president and president for the professional services division, said in a statement.

Wal-Mart, the world's largest retailer, launched its \$4 generic drugs initiative a year ago in all its Wal-Mart and Sam's Club locations. During that period, Wal-Mart claims that it has saved customers a total of \$613 million.

In a conference call with reporters and analysts, Wal-Mart Stores chief operating officer Bill Simon said it calculated the total savings by calculating the price difference between the branded drugs and the \$4 generic versions and multiplying it with the number of prescriptions.

"While we will continue to improve and expand our generic drugs program, we call on government, businesses and medical establishments to find a viable solution to the healthcare crisis in the country," Simon said.

The company said generic drugs prescriptions for a 30-day supply now account for about 40 percent of all prescriptions filled in Wal-Mart, Sam's Club and its Wal-Mart Neighborhood Market pharmacies.

Generic prescriptions for diabetes, blood pressure and heart disease accounted for the biggest portion of generic drugs sales, Simon said.

The first phase of the program covered more than 300 generic prescriptions. Wal-Mart said the program now will cover 361 products, or 24 new \$4 prescriptions.

These include timolol maleate (to treat glaucoma), terbinafine (antifungal medication), carvedilol (cardiac medication), and generic birth control for Ortho Cyclen and Ortho Tri-Cyclen, and a fertility product, Clomiphene.

Simon said Wal-Mart priced the fertility and birth control drugs at \$9 because the company was unable to get generic versions for as low as \$4.

Simon also denied that the \$4 prescriptions drugs were "loss leaders" for the retailer. It's a practice that retailers use whereby they price some products at steep discounts in order to attract new customers to the stores.

"Even at \$4, we are making more money on the generic prescription drugs than we did last year. Each and every one of these products is very profitable for us," Simon said.

He also said Wal-Mart was looking at offering customers a 90-day supply of generic drugs for \$10. "If demand is such that a 90-day supply is important, we will bring it into the program," Simon said.