



RETAILERS AND OTHER CHAIN STORES OFFER A PRESCRIPTION FOR SAVINGS

February 2010

AS THE NATIONAL HEALTH CARE REFORM DEBATE CONTINUES IN WASHINGTON, ALL OF US CONTINUE TO STRUGGLE WITH EVER INCREASING HEALTH CARE COSTS. ONE POSSIBILITY IS TO LOOK NO FURTHER THAN OUR "OWN BACKYARD" AND NEIGHBORHOOD SHOPPING CENTERS FOR A COST-SAVING ALTERNATIVE WHEN PURCHASING CERTAIN PRESCRIPTION MEDICATION.

Many pharmacy chains, large retailers and even supermarkets are now offering certain generic drugs and selected antibiotics at discounted prices, and in some instances, at no cost to consumers. This *Insights* will briefly examine some different discount drug programs being offered, how these arrangements could impact employer plans and how employers can educate employees about these local cost-saving arrangements.

THE GROWTH OF LOW-COST DRUG PROGRAMS

It all started with Wal-Mart. In 1996 the giant retailer introduced a program that offered certain generic drugs for \$4 (30-day supply) to insured as well as uninsured customers. Today, not only has Wal-Mart expanded the program across the country, but other major retailers such as Target and K-Mart have created similar low-cost programs; pharmacy chains such as Walgreens offer savings to members (and their pets) who sign up and pay an annual fee for their Savings Club; and the grocery chain, Stop & Shop, currently dispenses 18 common antibiotics at no cost to their cardholders.

HOW DO THESE PROGRAMS WORK?

There is no single answer to this question. What all these programs have in common is the ability to save the member, and possibly the plan sponsor money. Some discount programs require a member to enroll and pay an annual fee, while other programs are available to everyone at no cost. Some coordinate benefits with an employer's insurance plan while other stand-alone discount drug programs will not balance bill an individual's insurance. While plan sponsors could potentially save money when claims are not coordinated

with employer-provided insurance, the downside is the inability to capture the prescription and disease-related data dispensed in this manner.

AN EMPLOYER'S ROLE

Raising awareness about these discount programs using a variety of communication techniques such as payroll stuffers, posting information and links on the company website, as well as reminding employees about the program benefits in open enrollment materials and meetings are all ways to help raise awareness about these cost-saving drug programs. Each employee should be encouraged to explore these options in order to save themselves money. Specific steps include:

- ◆ Research and identify the various discount programs that are available and review the eligibility criteria (such as having to join the Company's card program and whether there is a fee for membership),
- ◆ Review the list of drugs that are covered. This information is generally found on the chain-store websites, and
- ◆ Compare the out-of-pocket cost to what the required copayment or coinsurance would be under the employer's plan.

SOME WEBSITES WITH MORE INFORMATION

Wal-Mart

<http://www.walmart.com/cp/4-Prescriptions-Program/546834>

Target

<http://sites.target.com/site/en/health/page.jsp?contentId=PRD03-004319>

Walgreens

<https://webapp.walgreens.com/MYWCARDWeb/servlet/walgreens.wcard.proxy.WCardInternetProxy/RxSavingsRH>

Stop & Shop

<http://stopandshop.com/antibiotics>

Insights

ADDITIONAL INFORMATION

For specific questions concerning information contained in this *Insights*, please contact your Chernoff Diamond consultant.

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