

## Walmart drug plan for seniors may not be best deal

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A June 23, 2010 file photograph, shows an Amish buggy driving away from the Walmart store in Middlefield, Ohio. Medicare's 2010 open enrollment season just started, and the plan from insurer Humana and retail giant Walmart is getting attention. (AP Photo/Amy Sancetta)

(AP) -- Consumer alert: A new Medicare drug plan with the lowest upfront cost in the country may not be for everyone, experts say.

Medicare's open enrollment season just started, and the plan from insurer Humana and retail giant [Walmart](#) is getting attention. At \$14.80, the monthly premium is the lowest of any national plan, about half the average. And Humana and Walmart are advertising savings of more than \$450 a year for the typical Medicare recipient.

But experts say if you can't get to a Walmart easily and need costly,

cutting-edge medications, it could be a disappointment. You could face copayments as high as 50 percent for drugs purchased at local independent drugstores, "non-preferred" pharmacies as far as the plan goes.

"It may well be a good bargain, but people have to do the research," said Jack Hoadley, a research professor at the Georgetown Health Policy Institute. "It's not just the premiums. It's the premiums plus the drugs they take, and then they have to take into account the pharmacy: Is it practical for them to use the Walmart pharmacy?"

Plan members can choose to fill their prescriptions at more than 60,000 pharmacies nationwide, but only about 4,000 - Walmart, Sam's Club or Neighborhood Market stores - are "preferred," and offer the lowest copayments.

Hoadley, who in an earlier government career helped lay the groundwork for the Medicare drug benefit, said he believes regulators should take a second look at the network. Residents of metro areas, for example, may have to drive miles to find a preferred drugstore. Consumer advocates say that's unusual.

Representing both companies, Humana spokesman Tom Noland said Medicare officials undertook a "rigorous review" of the plan before approving it and concluded it met or exceeded the government's consumer protection standards.

"Overall, the Humana Walmart plan is an innovative solution in a competitive market," said Noland. "It is one of more than 1,000 Medicare (prescription) options available to eligible participants nationwide." Seniors can avoid higher copayments and trekking to the pharmacy by using the plan's mail-order service, he noted.

About 27 million seniors and disabled people are signed up for the [Medicare prescription](#) benefit, offered through private insurance companies. There may be more plan-switching than usual this year, because about 3 million recipients will see their current plan discontinued in 2011 under a reorganization. Government officials say all but 300,000 are being seamlessly switched to another plan offered by the same insurer. But many are facing higher premiums that could prompt them to shop around.

At the Medicare Rights Center, seniors are calling the consumer hotline with questions about the Walmart plan.

"They are asking why it is so much cheaper," said Joe Baker, president of the New York-based advocacy group. "One reason is this limited pharmacy network, and that's one thing they should think carefully about."

Seniors and family members using Medicare's online Plan Finder to see if the Humana Walmart plan is a good deal need to remember to enter their drugstore as well as their medications, said Hoadley. Otherwise, the Plan Finder will compute costs based on prices at a preferred pharmacy, which could be considerably lower than what consumers would face locally.

"For many people, there are probably plans with higher premiums that are a better deal, because their drug is included, and their pharmacy is included, and they face fewer restrictions," said Vicki Gottlich, a senior policy analyst with the Center for Medicare Advocacy in Washington.

The loudest complaints are coming from local pharmacists, who see the Humana Walmart plan as unfair competition. The National Community Pharmacists Association says it violates the "spirit and intent" of Medicare rules.

"It's kind of like a beginning of a race to the bottom," said John Coster, a pharmacist turned lobbyist for the group. [Medicare](#) "is sending a signal to other plans that severe restrictions on covered drugs and severe restrictions on access to pharmacies are acceptable. And we think that will put us on a slippery slope to a lower-quality pharmacy benefit."

The pharmacists also say the plan either does not cover many of the drugs most commonly used by seniors, or charges a higher copayment. Humana spokesman Noland disputes that, saying that the plan's list is "comprehensive and robust."

Medicare's analysis found that the number of drugs covered exceeds the average for all prescription plans, said spokesman Peter Ashkenaz. But the list of preferred pharmacies is limited.

"For some beneficiaries who don't have access to a Walmart, or don't go to Walmart, this may not be the best plan for them," said Ashkenaz. Open enrollment started Monday and runs through Dec. 31.

**More information:** Medicare: <http://www.medicare.gov>

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