**PRESCRIPTION DRUGS**

**Wal-Mart's Rx for health worry: $4 generic drugs**

Wal-Mart will start selling some generic medicines at $4 for a month's supply -- a move that could revolutionize the retail drug business.

**BY JOHN DORSCHNER**

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Wal-Mart announced a dramatic step Thursday to slash drug costs by offering almost 300 generic medicines for $4 a month, starting in Tampa and spreading throughout Florida on Jan. 1.

"Holy moley," exclaimed Barbara Waks, an Aventura resident. "That is phenomenal." For her drugs, she has been insisting on brand names, either begging doctors for samples or purchasing them from Canada. "But now that I hear this I'm going to see if I can substitute generics."

The drugs will be $4 with or without health insurance. That news should be particularly welcome in South Florida, where 26.8 percent of Miami-Dade residents and 16.6 of Broward lack insurance, according to a recent FIU study.

One example of the new savings: Enalapril, a frequently used blood-pressure medication, costs $18.09 at most CVS pharmacies, $19.49 at Target, $21.95 at Publix, $25.99 at many Walgreens and $45.29 at Friendly Drugs of West Hollywood, according to MyFloridaRX.com, a state-operated website.

Wal-Mart's price at a Pompano Beach store is currently listed as $18.54. It will be less than a fourth of that in January. The new $4 enalapril will even be cheaper than the price at CanadianDrugstore.com, which charges $9.36.

"We are helping to ensure that our customers and associates get the medicines they need at a price they can afford," Wal-Mart Stores Chief Executive H. Lee Scott Jr. said in a prepared statement. "That's a real solution for our nation's working families."

**MAY BURNISH IMAGE**

Analysts said the move could improve the image of the company, which has been under heavy criticism for not providing enough health coverage for employees. It will also help drive customers to Wal-Marts, where they can purchase many other items.

"This is a big thing," said Alan Sager, a specialist in drug pricing at Boston University. "Until now, generics haven't been the financial salvation that many thought they would be."

Experts have long known that while prices of branded drugs are carefully watched and tend not to vary much, the prices of generics vary widely. "This is a very imperfect market," Sager said. "People tend to like to buy at the same place," not realizing they could pay less at a different store.

"The price differences in generics can be huge," said Daniella Levine of the Human Services Coalition of Dade. "People know a generic is cheaper than the brand, but they don't ask how much cheaper. [Generics were] supposed to be a way for the public to save money, but pharmacies found it as a way to make money."

Richard D. Hastings, an advisor with the Federation of Credit and Financial Professionals, said, "Wal-Mart's bold leap into generics . . . could improve customer loyalty and foot-traffic trends over the long term. By reducing annual prescription spending on this scale, within their customer base, they could be freeing up some bucks to spend on other general merchandise."

An anti-company action group, WakeUpWalMart.com, was far less enthusiastic. While lowering prescription drug costs is a good thing, Wal-Mart cruelly ignores the fact that it fails to provide company health care to over half (775,000) of its employees which leaves 46 percent of its workers' children uninsured or on public health care," the group said in an e-mail.

Frank Sloan, a health economist at Duke University, said $4 is so low that in many cases it will be lower than the co-payment of those who have insurance.

One example: Medco Health, a pharmacy benefits manager for many larger insurers, frequently demands a $20 co-pay for a three-month supply of enalapril. That prescription will now cost $12 at Wal-Mart.

The 291 generic medications covered by Wal-Mart's move include the broad spectrum of prescriptions.
Metformin, a common drug for diabetics, now costs $33.99 at Drugstore.com. In South Florida, it costs $24.99 at CVS stores for 60 tablets, $25.39 at Walgreens and $68.99 at CC City Pharmacy in Fort Lauderdale, according to MyFloridaRX.com.

Those 60 tablets will cost $8 at Wal-Mart.

Another example: Fluoxetine 20MG capsules, the anti-depressant generic of Prozac, costs $13.95 at most Winn-Dixies, $14.99 at Sedano's, $20.29 at most CVS pharmacies, $26.99 to $33.99 at Walgreens and $137.87 at Stat script Pharmacy in Miami Beach, according to MyFloridaRx.com.

**STATE NEXT, THEN U.S.**

Wal-Mart said that after rolling out the program in Florida in January, it would gradually expand it to stores nationwide.

While Wal-Mart's stock slipped 1 percent Tuesday, to close at $48.46, competitors were hammered by the news. Walgreens stock fell $3.67, or 7 percent, to close at $45.28. CVS was off $2.96, or 8.3 percent, to close at $32.47.

Walgreens spokeswoman Tiffani Bruce said the chain didn't think its business would be affected. "Many people choose us because of the convenience of location, and 95 percent of our patients have insurance with co-pays averaging $8, so they would only be paying $4 more than Wal-Mart. And we sell more than 1,800 generics. Wal-Mart's only offering the $4 price on 291."