

# High prescription prices - Shop Around

Bruce Mohl, Globe Staff | December 2, 2007

If you use prescription drugs, particularly generics, it may be time to change how you shop for them.

Consumers without health insurance are accustomed to shopping around for the best deal, but those with health insurance often assume their copayment insulates them from the need to compare prices from one pharmacy to the next.

That might no longer be true now that several retailers have slashed their prices for some generic drugs, which account for roughly two-thirds of all prescriptions.

Wal-Mart Stores Inc., the world's largest retailer, began charging \$4 for a month's supply of some generics in September 2006. Target Corp. quickly matched Wal-Mart's prices. Now Kmart is charging \$15 for a three-month supply of some generic drugs, and the Hannaford Bros. supermarket chain is rolling out a similar program at a price of \$11. Even CVS Caremark Corp., the largest US drugstore chain by number of stores, appears to be matching Wal-Mart's prices, at least at one store locally.

Chris Murphy, a spokesman for Blue Cross Blue Shield, the largest health insurance plan in Massachusetts, said his company encourages customers to shop around.

"People assume everyone's got the same price, but they don't," Murphy said. "If one of the drugs you take is one of the generics that cost \$4, you should take advantage of that."

The first thing to do is check your prescriptions, find out the generic names, and determine whether the drugs are carried by a generic discounter near you. Most discounters list their \$4 drugs on their websites; Hannaford offers its list at its pharmacies.

How much the generic programs can save you depend on your situation. I went shopping for a month's supply of 20-milligram strength fluoxetine, a generic version of the depression medication Prozac, and found that cash prices varied dramatically from pharmacy to pharmacy, and sometimes even within the same pharmacy chain.

On one short stretch of Gallivan Boulevard in Dorchester, Walgreens quoted a price of \$33 for fluoxetine, Rite-Aid was charging \$11, and CVS said it was matching the \$4 Wal-Mart price. The CVS also matched Wal-Mart's \$4 price on three of four other generic drugs I checked - the high blood pressure drug lisinopril, the diabetes drug metformin, and the gastrointestinal drug ranitidine.

Curiously, the CVS on Independence Avenue in Quincy, where Wal-Mart has a store, wasn't matching Wal-Mart's prices. It was charging \$19.11 for the fluoxetine

prescription. CVS spokeswoman Carolyn Castel said "broad-scale price matching is not our policy."

While it pays to shop around if you don't have health insurance, the potential savings aren't as great if you do. Still, the dollars can add up for someone with multiple generic prescriptions.

A prescription copayment, the amount a customer has to pay when purchasing a drug, varies depending on the health plan participant's employer. The three biggest health insurance plans in Massachusetts - Blue Cross Blue Shield, Harvard Pilgrim, and Tufts - say their typical copay is \$10 for a one-month generic drug prescription and \$20 for a three-month mail order generic prescription delivery.

For the fluoxetine prescription, someone with health insurance and a \$10 copayment would save \$6 by making their purchase at a pharmacy charging \$4 for a month's supply of the drug. The savings would rise to \$8 or \$9 for someone making a three-month purchase at Wal-Mart or Hannaford, compared to the standard \$20 mail-order copay charged by the major health plans.

Wal-Mart and Hannaford require drug purchases to be made at their stores, so if you're accustomed to arranging prescriptions by mail from home, the discount route could be more inconvenient.

Colman Herman, a Dorchester consumer activist, said he would trade the inconvenience for the savings. Herman, a registered pharmacist, said he pays \$560 a month for health insurance with Blue Cross and was stunned to learn he could save money on some drugs by not using his insurance.

Herman takes lisinopril for high blood pressure. It costs him a \$20 copay now to order a three-month supply by mail, a price scheduled to rise to \$30 next year. He said he could purchase the same amount of drugs for \$12 at Wal-Mart.

"It isn't particularly convenient, but I'd do it," Herman said. "It's important to shop around, especially for people on fixed incomes like senior citizens. At the same time, it puts pressure on pharmacies to lower their prices."

Beatrice Turnbull, a 69-year-old Plymouth resident with insurance coverage, said buying drugs at Wal-Mart is easy since she shops there regularly. She said roughly two-thirds of her 11 medications are on the \$4 list. "It's kept my expenses down quite a bit," she said.

Jane Connolly, the pharmacy manager at the Wal-Mart at the Hanover Mall, said many doctors are starting to prescribe generics on the \$4 list to save patients money. She said she has noticed doctors switching patients from the popular brand-name cholesterol drug Lipitor to the generic drugs lovastatin or pravastatin, which are on the Wal-Mart \$4 list.

Officials at Walgreens and CVS said their businesses haven't been hurt by the generic discounters. Walgreens says its share of the pharmacy market has actually risen to 17 percent. Walgreens spokesman Michael Polzin said the \$4 generic drug programs typically don't offer enough savings to offset the convenience of filling drug prescriptions at a neighborhood pharmacy.

Hannaford has been running its pilot generic discount program in Massachusetts since July and plans to roll it out to all its stores early next year.

John Agwunobi, senior vice president at Wal-Mart in charge of its pharmacies, said demand for the \$4 generics has been overwhelming. He said the list of drugs on the \$4 list keeps growing and estimates the program has saved customers \$710 million. He said 55 percent of the customers purchasing Wal-Mart's \$4 drugs are uninsured.

Asked whether Wal-Mart was selling the drugs below cost to increase customer traffic, Agwunobi scoffed. "We don't give stuff away here," he said. "This is a business."