

AAFP: Limit Scope of Service

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Americans. It's an idea that certainly redefines "retail therapy."

"We now have 76 independently owned clinics in our stores in the U.S. We have a great model. In the next 4 years, we plan 2,000 such clinics. We know customers like and want them. Ninety percent of patients going to these clinics are satisfied or very satisfied with the service. It's fast, easy, and convenient. We can drive effectiveness in these settings," said Mr. Scott.

Wal-Mart's "RediClinics" are owned and operated by an independent company, not by Wal-Mart itself. They are typically staffed by nurse practitioners who have ready access to physician and hospital backup if needed.

Though they are no replacement for comprehensive physician or hospital services, the retail-floor quickie clinics can provide what even many well-run physician offices cannot: instant access walk-in service, without appointments or waiting time, and at affordable and clearly visible prices.

Surveys of customers using the Wal-Mart RediClinics indicate that more than half are uninsured, suggesting that the clinics may be serving as a vital primary care center for many. "Fifteen percent said they would have had to go to the emergency room for care if the store clinic was not there. Twenty percent were parents bringing children in for treatment," said Mr. Scott.

Medical organizations, including the American Medical Association and the American Academy of Family Physicians, have taken relatively soft stance toward the retail clinic trend, acknowledging that the clinics are a reality, while at the same time pushing for standardized operating principles that limit the scope of services provided, and establishing guidelines for referrals to physicians and hospitals.

Mr. Scott stressed that Wal-Mart is not positioning the RediClinics as replacements for mainstream health care facilities. The future evolution of Wal-Mart's model centers on building partnerships between the store-based clinics and local hospitals. "People trust their hospitals, especially their local hospitals," said Mr. Scott. With the right partnerships, the clinic in aisle No. 3 can become an entry point to more comprehensive care.

If the RediClinics raised eyebrows among health care pundits, Mr. Scott's \$4 generic prescription move has them shaking their heads in disbelief. Wal-Mart is now offering shoppers generic forms of many popular medications for \$4 per prescription.

"If you have cardiovascular disease, you will be able to get a regimen of drugs for between \$12 and \$16 per month as opposed to \$300 for the branded drugs," said Ron Winslow, a medical reporter for the Wall Street Journal, who moderated the session at which Mr. Scott spoke. "This has significant implications for health care costs, for drug development, and for drug marketing."

"Response to this has been nothing short of spectacular. We've generated \$290 million in cost savings on drugs for our

customers," said Mr. Scott. In the last year, "35% of all orders we fill are for \$4 prescriptions, and nearly 30% of these are filled without insurance."

"It's about pharmacists and doctors working in new ways. The pharmacists will work with the doctors to determine if generics might be better choices. And we educate consumers about the efficacy of generics. We post full price disclosures. We encourage them to talk to doctors and to learn about generics," Mr. Scott said.

On another front, Wal-Mart is partnering with Pitney-Bowes and other major corporations to launch Dossier, an independent, not-for-profit company that will provide secure personal electronic medical records to employees and retirees who own and control their own records.

"It is safe, secure, always up to date, and doctors can have easy access to up-to-date information on their patients," said Mr. Scott. "If we commit to health care IT we can improve the quality of life for all 300 million Americans."

Echoing what's become something of a mantra among corporate leaders concerned with health care, Mr. Scott argued that better information about health care pricing and quality will lead to more intelligent consumer choices.

"People don't have the tools they need. They're prevented from being good consumers of health care. There's a big disconnect between providers, patients, and the cost-value proposition. People can't compare quality. They don't know if one surgeon or hospital or medication is better than another. Imagine if Wal-Mart ran like U.S. health care, where there were no obvious differences in the products we sold, no pricing information, and the customers only saw a very small fraction of the cost of the items they bought."

Arguably, Mr. Scott's most audacious move in the health care arena was his call, in February, for federally funded universal health insurance coverage. The call, issued jointly by Mr. Scott and Andy Stern, president of the Service Employees International Union, took place in the context of a new coalition called "Better Health Care Together."

In addition to Wal-Mart and SEIU, the coalition's founding organizations include AT&T; the Howard H. Baker Jr. Center for Public Policy; the Center for American Progress; the Committee for Economic Development; the Communications Workers of America; Intel; and Kelly Services.

Mr. Scott said coalition members have set a deadline of 2012 for "major improvements in the health care system."

From RediClinics and the \$4 prescriptions to the call for universal coverage and a shift away from employer-financed health care, nearly everything Mr. Scott has done thus far has attracted its share of ire. But the Wal-Mart CEO seems to have little time for critics.

"It is easier to sit on the sidelines and criticize what others are doing. Those who do so are either stuck in an old debate, or protecting their own parochial interests," he said. ■

POLICY & PRACTICE

Costs Grow for Medicare Drugs

Prices for 10 of the most prescribed brand-name medications have risen nearly 7% since December under Medicare Part D insurance plans, while wholesale prices for the same drugs have risen just 3%, investigators from the House Oversight and Government Reform Committee reported. The increases could indicate that despite initial success in containing drug prices, Part D plans may be losing some leverage over drug makers and drug prices, according to the investigators, who added that Part D premiums have jumped 13% over the past year. Meanwhile, the rebates insurers are getting from drug manufacturers are less than expected. The committee looked at prices for the top 10 drugs of 2004, most of which have no generic alternatives. For example, they found the cost of a month's supply of Lipitor (atorvastatin) had climbed nearly 10% to more than \$84 in mid-April, from about \$77 in mid-December. Wholesale prices climbed 5% in that time. Pharmaceutical industry representatives disputed the panel's conclusions. "There is one big glaring omission in the report: The Medicare prescription drug program continues to provide large cost savings to tens of millions of seniors and disabled Americans," PhRMA Senior Vice President Ken Johnson said in a statement. "Unfortunately, the report focuses on a handful of medicines and tries to draw sweeping conclusions."

Hospital CEOs See MD Shortage

More than two-thirds of hospital CEOs responding to a survey identified physician shortages as a serious problem that must be addressed soon, and more than three-quarters said that the nurse shortage is a serious problem, according to the Council on Physician and Nurse Supply, which commissioned the survey from health care staffing company AMN Healthcare. Almost all of the 400 CEOs responding said recruiting physicians was difficult or challenging, and almost all favored an expansion of physician training. Eighty-six percent said they are recruiting physicians; 80% of those are looking for primary care physicians and 74% are seeking specialists.

Washington, Kansas Pass Reforms

Governors in Washington and Kansas last month signed legislation to expand access to health coverage in their states. In Washington, Gov. Chris Gregoire (D) gave final approval to a new law that includes a plan for covering more children and young adults by requiring that insurance carriers and state employee programs offer enrollees the opportunity to extend coverage for unmarried children up to age 25. The legislation also creates health record banks to improve provider-patient connectivity, and includes measures aimed at managing chronic illness better. In Kansas, Gov. Kathleen Sebelius (D) signed into law a bipartisan measure that falls short of her goal of providing coverage for all state residents, but nonetheless puts the state "on a path toward coverage for all," she

said. The new law provides assistance to low-income uninsured families to help them buy private coverage, and includes grants to small businesses and loan guarantees to clinics that serve the uninsured. The measure also requires the state to develop a plan for full coverage by next year's legislative session.

Gender Differences in Care

Women with heart disease and diabetes are less likely to receive several types of routine outpatient care than are men who have similar health problems, according to a Rand Corporation study published in the May/June edition of the journal *Women's Health Issues*. Researchers studied more than 50,000 men and women, examining 11 different screening tests, treatments, or measurements of health status. Among people in commercial plans, women were significantly less likely than were men to receive the care evaluated in 6 of the 11 measures, while women enrolled in Medicare managed care plans were less likely to receive the care evaluated in 4 of the 11 measures. The largest disparity found by researchers was that women were less likely to lower their cholesterol to recommended levels after suffering a heart attack or other acute cardiac event, or if they had diabetes.

OxyContin Maker Pays Fine

Purdue Pharma and three current and former executives pleaded guilty last month in federal court to criminal charges that they misbranded the company's product, OxyContin (oxycodone). The company agreed to pay about \$600 million in fines and other payments, while three top executives, including the company's president and its top attorney, agreed to pay a total of \$34.5 million in fines. Misbranding involves promoting a drug in unauthorized ways, potentially for unintended and unapproved uses. U.S. Attorney John Brownlee said that Purdue and its executives had deliberately downplayed OxyContin's potential for addiction when promoting it and therefore persuaded physicians to prescribe it.

U.S. Scores Last on Health Care

The United States again ranked last among six nations studied by the Commonwealth Fund on health access, safety, efficiency, and equity measures of health care, the Washington think tank reported. The study, "Mirror, Mirror," draws on survey responses from primary care physicians and from data from the Commonwealth Fund Commission on a High Performance Health System scorecard, and pits the U.S. health system against those in Australia, Canada, Germany, New Zealand, and the United Kingdom. The United States outperformed all other nations on preventive care delivery but lagged behind on health care information technology and on coordinating chronic disease care. In addition, U.S. patients were more likely than were their peers to forgo treatment because of high costs, the study found.

—Jane Anderson