

October 22, 2010

Jonathan Blum, Director  
Centers for Medicare  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
Hubert H Humphrey Building  
200 Independence Ave SW  
Washington, D.C. 20201

**Subject: Concerns with Humana-Walmart Preferred Rx Plan (PDP)**

Dear Jon:

The National Community Pharmacists Association (NCPA) is writing to express our concerns with CMS's approval of a new "low-cost" Humana-Walmart Preferred Part D prescription drug plan for 2011. NCPA represents the owners and operators of more than 23,000 independent community pharmacies in the United States. We are a major provider of pharmacy services to Medicare and Medicaid beneficiaries. We work with millions of seniors every day to help them navigate the Medicare Part D program. For that reason, our members have some expertise and experience to offer CMS in the design of Medicare Part D plans.

We believe that CMS should not have approved this Humana-Walmart plan design. In our view, the plan violates the spirit and intent of the rules and regulations surrounding the Part D program. This plan is not in the best interest of patient care or quality of care because of the limited number of medications that are being offered at low co-pays, the complex co-pay plan design, and the limited pharmacy network. We are also very concerned about the ability of dual eligibles to navigate this program, many of whom have the most significant prescription drug monitoring needs among the Medicare population.

It is clear that the low monthly premium charged by this plan could be an attractive lure for many seniors. However, the low premium is far outweighed by the limitations of the plan design. For example, unless Medicare beneficiaries rely solely on a select list of "preferred" generics, they are unlikely to save much money. Many common generics are classified as non-preferred generics and, consequently, patients will pay a higher co-pay. These include amlodipine besylate, metoprolol succinate ER, simvastatin, and omeprazole. Some generics fall into neither category, further complicating the situation. To fully understand the benefits and limitations of this plan, a beneficiary would have to understand the difference between preferred and non-preferred generics. In some cases, Medicare beneficiaries have limited understanding of the difference between a brand-name and generic medication.

The plan's formulary does not cover many of the drugs most utilized by Medicare beneficiaries. Only two of the top 15 medications most frequently prescribed to seniors are in the lowest cost tier. Three of the top 15 medications most frequently prescribed to seniors are not even on the plan's formulary (Celebrex, Nexium, and Aricept).

The plan severely limits access to a patient's pharmacist. For example, to obtain this plan's lowest advertised prices, patients must obtain their medications at Walmart stores or by mail order. Walmart stores make up less than 7 percent of all of community retail pharmacies in the United States, which will severely limit access. Patients who don't live near a Walmart would not benefit from the cost-savings of this plan since they would be forced to pay higher co-pays to have their prescriptions filled at non-Walmart pharmacies or use mail order. Long-term care residents (specifically non-LIS patients) who enroll in this plan will pay higher co-pays to have their prescriptions filled through their long-term care pharmacy than they would through a Walmart pharmacy.

Even though plans are permitted to establish preferred pharmacy networks, the limited nature of the Humana-Walmart plan severely compromises the perceived value of this plan, which would not be readily apparent to the average Medicare beneficiary. We believe the Part D pharmacy network adequacy standards were put in place to encourage patients to continue to use their local community pharmacist, not to disrupt that important relationship. We question whether other Part D plans with such severely limited preferred pharmacy networks have been approved. Moreover, recent evidence suggests that Walmart ranks among the lowest of all pharmacies in terms of customer service. (See: [J.D. Power & Associates 2010 U.S. National Pharmacy Study](#))

Finally, it is a violation of the current marketing guidelines for the prescription benefit card of this program to be co-branded with the Walmart logo. However, replicas of the card we have seen to date include the name "Walmart" on the card. Walmart is a provider under the Part D program, and current Medicare rules prohibit a provider's logo from appearing on the member's identification card. We also believe that any marketing materials developed by either Humana or Walmart must include a phrase prominently indicating that other pharmacy providers are available in the plan's network. We ask that you immediately inform Humana and Walmart that the card should in no way, shape or form include the name Walmart.

We know that CMS takes seriously its responsibility to only approve Part D plans that will be beneficial to seniors. However, we believe that CMS unfortunately erred in approving this plan. We believe that approval of this plan puts the program on a dangerous path to reduced care and impaired quality. We should not let Part D become a "race to the bottom". We urge CMS to reconsider its decision in this matter. Thank you.

Sincerely,



John M. Coster, Ph.D., R.Ph.  
Senior Vice President, Government Affairs