

"Life without Walgreens"

As employees in the UofL Health Plan are aware, Express Scripts is the University's pharmacy benefit manager. Walgreens announced in September that it would withdraw from the Express Scripts network nationwide effective January 1, 2012. As I briefed the Faculty and Staff Senates during Open Enrollment presentations, I have been hopeful that Walgreens would ultimately decide to remain in the Express Scripts network. Contract discussions appear to be an impasse, so it is time for us to begin to plan for "life without Walgreens" beginning January 1.

While Walgreens' decision is disappointing and will be disruptive for many employees, it is important to recognize that this is Walgreens' decision and is beyond the ability of the University to control. According to Express Scripts' attorneys, the impasse in contract discussions regarded Walgreens' insistence that it be permitted to continue to charge brand name prices for drugs going off patent for six months or until multiple generic providers were available and, more critically, that Walgreens be able to "re-brand" over 100 current generic drugs and charge brand name prices for them. Taken together, these would cost the UofL Health Plan approximately \$400,000 over the next three years and potentially as much as \$2.4 million per year if these changes spread throughout the retail pharmacy market place. It would also result in employees paying \$8 to \$42 more out of pocket for re-branded generic drugs.

In the next few days, employees who have prescriptions with Walgreens pharmacies will receive an individual letter at home from Express Scripts confirming that Walgreens will no longer be in network as of January 1. In addition to Walgreens, a limited number of other retail outlets will no longer be in-network due to our network management decision July 1, 2011. **The UofL pharmacy network will continue to include CVS, Kroger, K-Mart, Meijer, Rite-Aid, Sam's Club, Target, & Wal-Mart.**

A complete network inventory of pharmacies in the Louisville Metro area is also posted under HR Items of Interest at <http://louisville.edu/hr/itemsofinterest>. Four 24-hr pharmacies are included (and are highlighted in red). In other geographical areas, you may also go to www.express-scripts.com, register or log-in, then select "Find a Pharmacy" under "My Benefit."

Employee letters will include the names and locations of the three in-network pharmacies closest to the drugstore you are currently using and instructions on how to transfer your prescriptions. In most instances, employees will be able to transfer prescriptions by telephone or on-line and should not need to make a physician appointment to obtain new prescriptions. If you have questions during this period, feel free to contact Jenny Beckham at 852-6543 or any of our benefit counselors.

Employees who prefer to continue to do business with Walgreens are at liberty to do so on an out-of-network basis. Walgreens will require you to pay up front, then you can submit a paper reimbursement claim to Express Scripts through the mail. Express Scripts will reimburse you the same amount they would otherwise pay to an in-network pharmacy, but you will be responsible for any difference in Walgreens' prices. Thank you.

Sam Connally