



October 9, 2009

Re: Prescription Medication Usage Study Committee Request

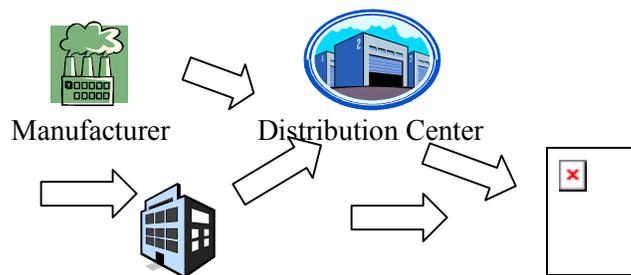
Dear Senator Amanda Ragan and Representative Beth Wessel-Kroeschell:

Walgreen Co. (Walgreens) is committed to providing affordable, accessible, and high-quality prescription drugs to its costumers and makes every effort to ensure that all patients receive the appropriate care.

To meet the goal of making prescription drugs available and affordable to consumers, Walgreens has a prescription savings club program that helps reduce prescription drug costs for people who are uninsured or underinsured. The Savings Club is a formulary-based program that includes both brand and generic medications in all retail therapeutic categories. This formulary includes over 5000 drugs. Over 300 generic drugs have a special price of \$12.99 for a three month supply and \$9.99 for a one month supply in the most commonly prescribed dosage. Patients can enroll in the club at any Walgreens store, even if they have third party insurance, are enrolled in another discount card or pharmaceutical manufacturer discount program. The Savings Club costs \$20 a year for an individual, \$35 for a family (a family can include an individual, spouse, dependents under the age of 21 and family pets). In addition, Walgreens also promotes the use of generic drugs when available. Generic drugs have met the FDA's rigorous approval processes. Generic drugs, on average, cost 1/6 of their brand name equivalent. The Congressional Budget Office estimates that generic drugs save consumers an estimated \$8-\$10 billion a year at retail pharmacies.

To guarantee that all residents of Iowa have access to pharmacies and prescription drugs, Walgreens has nearly 70 stores located throughout the state. These convenient locations make it easy for patients to receive their needed medication and other healthcare services, when appropriate.

To assure the highest quality of care and safe pharmaceuticals, Walgreens employs highly trained professionals and a secure supply-chain. In Iowa, all Walgreens' pharmacists are certified within the state. In addition, Walgreens only uses the "Normal Chain of Distribution" model (illustrated below), which is a vertically integrated supply-chain that ensures patient safety because when a drug moves within this model, risk of counterfeit or adulterated pharmaceuticals is mitigated.



As outlined above, Walgreens is dedicated to the health and wellbeing of the residents of the state of Iowa. We provide affordable, accessible, and safe drugs to all of our customers and will continue to do so.

Very truly yours,

Adam Jaffe
Manager of State Government Relations