



Medco Fact Sheet: One Client's Choice for Branded over Generic

On November 12, 2011, The New York Times published a story incorrectly reporting that Medco has forged an agreement with Pfizer ordering retail pharmacies to continue dispensing branded Lipitor instead of generics – which, the story asserts, will raise costs for plan sponsors, member, taxpayers and Medicare recipients. **Nothing could be further from the actual facts.**

- The Times story references a client-specific notice sent by Medco to retail pharmacies on behalf of **a single health plan** client that has chosen to work with Pfizer directly to continue using branded Lipitor rather than the generic product during the generic exclusivity period.
- This is a **client specific decision** that Medco is administering at its direction.
- All rebates generated by this specific client's program are retained by that client. **Medco retains no rebates.**
- The story also failed to note that **members of this health plan will pay the generic co-payment for the branded Lipitor.**

The Times story does not reflect Medco's generic strategy related to Lipitor, which delivers to our clients and members the option that maximizes value through the exclusivity period and reinforces our commitment to generics as a means of lowering costs of providing high-quality care. Medco's Lipitor strategy, which will be adopted by more than 99 percent of its clients, provides that:

- Retail pharmacies will be able to dispense generic Lipitor and will not be restricted from dispensing the generic.
- To ensure adequate supplies immediately upon patent expiration, Medco will use Lipitor as its "house generic" (e.g., branded Lipitor will be dispensed as the generic product)
- In all cases, members with prescriptions that allow for generic substitution will pay the generic co-payments and clients will pay the same amount as specified by their contracts, independent of whether the generic or the branded Lipitor used as the "house generic" is dispensed.

The New York Times quoted sources that are long-time PBM adversaries who provided misleading, inaccurate and/or incomplete information to create a negative perception.