



EMBARGOED UNTIL 4:30 P.M. EST ON TUE. APRIL, 24, 2007

**Closing Keynote Address: Health Care in America
2007 World Health Care Congress**

Presented by Lee Scott,
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April 24, 2007

Thank you. I appreciate the opportunity to talk with you this afternoon. This is the largest gathering of health care providers, thinkers and experts anywhere in the world. And I am glad that you all have hung in here until the very end. It means a lot to our company that you are interested in what we are saying, thinking and, above all, doing in health care.

The last time I was in Washington was early February. I made the trip up here to help launch the Better Health Care Together Coalition.

For those of you who have not heard about the Coalition, it is a very diverse group. The founding members include companies such as Wal-Mart and AT&T; labor unions like SEIU and CWA; and public policy groups such as Center for American Progress and the Howard Baker Center.

This group came together and agreed on the nature and the seriousness of America's health care crisis. We signed our names to four common sense principles that we believe should guide health care reform in this country. And we set a deadline -- the year 2012 - - for major improvements to have been made to our health care system.

We are all very happy with how the Coalition has been received in the health care community and among the elected leaders we talked to. Actually, I do not think we could have asked for a warmer reception -- from leaders in both parties -- on Capitol Hill. The White House is also enthusiastic and encouraging of our efforts.

Of course there are commentators who would rather sit on the sidelines and criticize. I just think they are stuck in a debate that is 10 to 15 years old, or they are more concerned about their own short-term, parochial interests.

The fact is the time for politics in our nation's debate on health care is long past. The time for real and meaningful change has come.

We think the country agrees that health care needs to be affordable. It needs to be accessible. And it needs to be high quality. Let me also say this: our goal should be for

every man, woman and child in this country to have health insurance. The \$2 trillion question, literally, is: How do we get there?

The answer is we all have a unique role to play. And that includes business. I believe that American business can lead. And we should. Business has a greater opportunity now than ever before to be a catalyst for positive change. That is a major difference in today's debate.

Today I want to talk with you about what business can do to build a better health care system in this country. At Wal-Mart, we see an opportunity to deliver expertise in three areas -- empowering consumers, applying technology, and increasing efficiencies and effectiveness.

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First, we need to empower the American people to be better health care consumers. I do not say that to be critical of anyone. People just do not have the tools and information they need to make the best possible health care decisions. The American people are prevented from being good health care consumers.

As you all know, there is a huge disconnect between the consumer -- the patient -- and the transaction. Patients do not know the cost of a particular test, treatment, procedure or even office visit. All they know is the cost of their co-pay, their premiums or their out-of-pocket expenses.

They also cannot compare the quality of the care or treatment that they are receiving. They do not know if one surgeon or hospital or medication is more effective than another.

Think about that. Can you imagine if a Wal-Mart store operated like America's health care system? You would walk into the store and there would be a huge array of merchandise. But you would not be able to tell the products apart. You would not know how much they cost. And in the end, you would not know the total bill -- just a pre-determined fraction of it.

You cannot expect consumers to make the best decisions in an environment like that.

I think the American people want to make better health care decisions. But most importantly, I think Americans -- with the help of their doctors and the right tools and information -- are ready to make better health care decisions.

Our company saw this with our \$4 prescription drug program. It was one of the most exciting things we have done in a long time -- for a lot of reasons.

It reaffirmed that Wal-Mart is the unbeatable price leader. It energized our associates. They saw yet again the power of our company's purpose -- to save people money so they can live better.

There were a lot of great stories about seniors not having to cut their pills in half, or parents being able to do something extra for their families. The \$4 program made -- and continues to make -- a difference in the lives and the health of the American people.

We also saw pharmacists and doctors working together in new ways on behalf of their patients. When patients had prescriptions that might cost hundreds of dollars, our pharmacists reached out and worked with their doctors to determine if a generic might be a better alternative.

But you know what else it did -- on a more systemic level? It empowered consumers.

We educated consumers about the efficacy of generics. We gave them complete price transparency. We posted the list of prescriptions and the price -- \$4. We encouraged them to talk to their doctors and learn about generics. And you know what happened? They acted like consumers. They started making more informed and better decisions.

The response has been nothing short of spectacular. Since we launched the program, our customers have saved about \$290 million dollars on their prescription drugs -- that is \$290 million removed from the cost of health care in this country. \$4 prescriptions now account for more than 35 percent of all the orders we fill -- and that percentage is growing. And listen to this: nearly 30 percent of the \$4 prescriptions are filled without insurance.

Within days of announcing our \$4 program, countless other discounters, drug stores and supermarkets dropped their prices on generic prescriptions. That has surely saved our health care system millions more.

So let there be no doubt that the private sector can lead. The private sector can make a difference.

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This brings me to my second point -- the need to invest in technology and apply it to the health care system.

At Wal-Mart, we have always been a leader in technology. If we want to track a shipment of tennis shoes on its way to a store in Brazil, we can do that. If a store in upstate New York needs another shipment of organic milk, we can deliver it. Over the years, our integration of technology has lowered our costs. It has streamlined our operations. And in the end, it has improved the quality of life for our customers.

I wish I could say the same about information technology in health care. I wish I could say it is as easy for a doctor to pull a medical chart in an emergency, as it is for a Wal-Mart associate to pinpoint a pallet of detergent in our supply chain. But as you all know, that is not the case.

Today, doctors and nurses have to use manila folders and stacks of paper, when they should be able to locate a chart with the click of a mouse. And patients go from the registration desk, to an x-ray, to pre-op, and to check-out being asked the same questions over and over again.

We are caught in between two worlds: we have 21st century providers, devices and treatments, but a record-keeping system that is mid-20th century. While virtually every industry has invested heavily in information technology and reaped the benefits, the health care industry -- which is more than 16 percent of our national economy -- has not.

So why is that? Some say it is too expensive. And I understand that. It is hard for a doctor's office to invest tens of thousands of dollars in a system that may be obsolete in just a couple of years. Others say there are no standards -- and right now, that is true.

But we should not just accept these obstacles and do nothing. We need to challenge ourselves and overcome them. And places that are doing that -- like the VA -- are seeing results. And their doctors, nurses and patients are starting to understand the value of health IT.

Several companies -- of which Wal-Mart is one -- are doing something exciting, specifically with electronic medical records.

Last fall we partnered with Intel, BP, Pitney Bowes, Applied Materials and Cardinal Health to launch "Dossia." It is an independent, non-profit group that will provide safe and secure electronic medical records to our employees and retirees. These consumers will now have a lifelong personal health record that they can own and control.

Again, it is safe. It is secure. And it will always be up-to-date, so doctors and nurses can have real-time information when they need it.

At Wal-Mart, we are not saying this is the only solution -- or even that health IT should be limited to record-keeping.

For instance, Wal-Mart uses RFID to track merchandise and shipments all around the world. Hospitals can use RFID to track equipment in their systems. Bar coding revolutionized the retailing industry. It is hard to find a store that doesn't use it. But only 5 percent of hospitals are using bar code technology to help track medications or patient samples.

There are a number of opportunities out there. That is why last month we joined with the University of Arkansas and Blue Cross-Blue Shield and created the Center for Innovation in Health Care Logistics. Its primary mission will be to look at ways to improve health care delivery through information technology. And it will not just focus on research, but on real projects.

When we integrate new technology into Wal-Mart, it lowers prices, streamlines our operations and improves the quality of life for the 127 million customers who shop our U.S. stores every week. If we all work together, if we truly commit to information technology in health care, I believe we can help improve the quality of life for all 300 million Americans.

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Health IT is perhaps the single largest opportunity to drive costs out of the health care system. But we need to find ways -- across the board -- to be more efficient and effective.

We all know there is too much cost in health care today. Businesses are bearing a disproportionate share of that cost. And so are working families. We see it every day in our stores -- people literally weighing the decision of buying the prescriptions they need to live healthier or the food they need to put dinner on the table.

Now what I am not talking about is shifting costs. If a business makes a commitment to their employees, they need to keep that commitment.

We are at Wal-Mart. 90 percent of our associates have health coverage. All together, our company insures more than 1 million American lives. And we have made a lot of improvements over the last couple of years -- such as affordable health plans that have \$23 per month premiums and reduced waiting periods for part-time associates.

And those are on top of the many positive parts of our previous plans, such as no lifetime maximums and our part-time associates not having a minimum hourly work requirement to get health insurance.

The fact is cost-shifting is the easy road that will take our country nowhere. But unfortunately, it is already happening too much. All of us -- consumers, businesses, labor unions and the government -- pay the costs of the uninsured when they end up in the emergency room. This is a threat to our national economy and our ability to compete around the world.

We do not think the answer to this problem is to point a finger and say that any one group or entity should pay more. We think the solution is to try to find ways to bring greater efficiency and effectiveness to the health care market. The answer is to lower costs for the entire system.

Last year, when I spoke to the National Governors Association, I made a commitment that Wal-Mart would open 50 independently-operated clinics in the coming months. We now have 76 independently-operated clinics in our stores.

We have learned a lot from this experiment. We believe we have a model that will be great for our customers and for the communities that we serve.

Over the next 2 to 3 years, Wal-Mart will open as many as 400 additional clinics in our stores across the country. And we believe that over the next 5 to 7 years, there is room for 2,000 such clinics in our Wal-Mart stores, if current consumer and market forces continue.

We know that customers like and want these clinics. At existing clinics, about 90 percent of the patients report being satisfied or very satisfied. They appreciate the fast, easy and convenient experience.

And we believe we can use these clinics to drive efficiency and effectiveness into the system. We are asking a lot of questions right now. What if we provided these clinics with secure and robust information technology to support patient visits? What if we leveraged our brand equity to attract people to the clinics and help them take a first step into the health care system?

We also think there is tremendous potential with local hospitals as partners for some or all of these clinics. Patients trust the role that hospitals play in providing quality medical care. They have medical experience and expertise -- and the larger network if more serious treatment is needed. And quite frankly, they know how to run a health clinic. Indeed, we have already heard from a number of hospitals who are interested in our model.

With this model, we believe we can deliver effective and efficient health care at a local level. And there will be tremendous benefits to those communities and to the country. According to our surveys at existing clinics in our stores, more than half of patients are uninsured. Nearly 15 percent would have gone to the emergency room, if the clinic had not been in our store. And 20 percent of visits were parents bringing their children in for treatment.

At Wal-Mart, we are excited about these clinics. We think they will be a great opportunity for our business. But most importantly, they will provide something our customers and communities desperately need -- affordable access at the local level to quality health care.

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I have given you an idea of what Wal-Mart and businesses in general can do -- and are doing -- to build a better health care system for America. But there is not a person or group anywhere in this country that cannot play a role. We can all contribute -- whether it is by taking better care of our own health, giving our employees the option of owning an electronic medical record, or simply talking to our leaders on Capitol Hill and in State Capitols.

In the states in particular, we are seeing a lot of positive steps. Leaders in Tennessee, Massachusetts, Pennsylvania and California, among others, are showing a real willingness to take on this issue. We can all work together.

So I ask you to join with me and with other businesses. If you are an employer and want to offer your employees safe and secure electronic medical records, then join "Dossia." Or join with Wal-Mart, AT&T, the Howard Baker Center, the Center for American Progress, the Committee for Economic Development, the Communications Workers of America, Intel, Kelly Services, and the Service Employees International Union. Come to the summit we will be holding next month in New York and be a part of the Better Health Care Together Coalition.

Because at the end of the day, we all know this is too important for our country to be divided into two camps. We have too much in common in what we want from our health care system. And this is too important for anyone to be sitting on the sidelines. Yes, this is about economics. But above all, it is about our health. It is about all of us -- all 300 million Americans -- living the fullest and the best lives that we can.
