Wal-Mart CEO Hard Selling Health Care Reform

WASHINGTON — Wal-Mart Chief Executive Officer Lee Scott isn’t waiting around for Washington’s power elite to re-form health care. He’s taking on the job himself, one gigantic retail store at a time.

In the past 2 years, Wal-Mart has established on-site medical clinics in 76 of its stores, and plans to open thousands more of the clinics in the near future. Last year, the company began offering $4 generic prescriptions, a move hailed by some as a major step forward in reducing drug costs for millions of Americans but scorned by others as a marketing ploy.

Under Mr. Scott’s leadership, Wal-Mart is forming alliances with other major corporations to push the federal government to establish universal health insurance coverage and transportable, patient-owned electronic medical records.

Welcome to health reform, Wal-Mart style. “The time for politics in health care is over. We need action to create affordable accessible and high-quality health care. I believe American business can lead and we should lead. We must be a catalyst for positive change,” said Mr. Scott, speaking at the fourth annual World Health Care Congress, sponsored by the Wall Street Journal and CNBC.

Revered by some, reviled by others, Mr. Scott is unquestionably one of the most active corporate leaders on health care issues. He seems determined to make the Wal-Mart stores a locus of affordable basic health care for millions of Americans. It’s an idea that certainly redefines “retail therapy.”

“We now have 76 independently owned clinics in our stores in the U.S. We have a great model. In the next 4 years, we plan 2,000 such clinics. We know customers like and want them. Ninety percent of patients going to these clinics are very satisfied with the service. It’s fast, easy, and convenient. We can drive effectiveness in these settings,” said Mr. Scott.

Wal-Mart’s “RedClinics” are owned and operated by an independent company, not by Wal-Mart itself. They are typically staffed by nurse practitioners who have ready access to physician and hospital backup if needed.

Wal-Mart is not the only retail chain to get into the health care services game. Walgreen’s, CVS, Target, and Kroger all have or are exploring some form of quickie clinic and have not become the norm in health care. There’s a big disconnect between providers, patients, and the cost-value proposition. People can’t compare quality. They don’t know if one surgeon or hospital or medication is better than another. Imagine if Wal-Mart ran like U.S. health care, where there were no obvious differences in the products we sold, no pricing information, and the customers only saw a very small fraction of the cost of the products they bought.

Arguably, Mr. Scott’s most audacious move in the health care arena was his recent call for federally funded universal health insurance coverage. The call, issued jointly by Mr. Scott and Andy Stern, president of the Service Employees International Union, was in the context of a new coalition called “Better Health Care Together.”

In addition to Wal-Mart and SEIU, the coalition’s founding organizations include AT&T; the Howard H. Baker Jr. Center for Public Policy; the Center for American Progress; the Committee for Economic Development; the Communications Workers of America; Intel; and Kelly Services. Its four “common sense” principles are:

- We believe every person in America must have quality, affordable health insurance coverage.
- We believe individuals have a responsibility to maintain and protect their health.
- We believe that America must dramatically improve the efficiency it receives for every health care dollar.
- We believe that businesses, governments, and individuals all should contribute to managing and financing a new American health care system.

Mr. Scott said coalition members have set a deadline of 2012 for “major improvements in the health care system.”