



## WAL-MART'S NEW HEALTH PLAN: MEDICAID

*In the most recent report from Policy Matters Ohio, Wal-Mart tops the list of Ohio employers with the most employees receiving government health care assistance. According to Wal-Mart, these rankings are “notoriously unreliable” and hard to verify.<sup>1</sup> However, when you consider that Wal-Mart tops the list in every state where the information is available, they start to look reliable. Why do taxpayers have to pick up Wal-Mart’s health care tab?*

### With high deductibles and coverage limitations, Wal-Mart’s health care is inadequate

**Wal-Mart health insurance coverage lags far behind the national average.** Nationally, 64% of workers in very large firms (5,000 employees or more) receive their benefits from their employer. Wal-Mart covers around 50% of its employees. [Employer Health Benefits 2007 Annual Survey, The Kaiser Family Foundation and Health Research and Educational Trust; Wal-Mart press release, 1/22/08].

**Wal-Mart employees still wait twice as long for health care coverage than workers at other retailers.** The Wal-Mart average for full-time workers to qualify for benefits is six months, compared to the retail average of three months. Part-time employees must wait a full year before receiving benefits. Since the majority of workers do not stay a year, the majority never get health care. [Wal-Mart 2008 Associate Benefits Book, Pages 10 and 13; Employer Health Benefits 2007 Annual Survey, The Kaiser Family Foundation and Health Research and Educational Trust]

**Wal-Mart charges extra for ambulance usage and emergency room visits.** Wal-Mart charges an additional deductible of \$100 for the use of an ambulance, both land and air, as well as \$100 for emergency room visits. This reoccurring cost on top of the already high deductible devalues the effectiveness of insurance and punishes employees for severe illness and injury. [Wal-Mart 2008 Associate Benefits Book, Page 58]

**Employees with pre-existing conditions must wait at least one year for treatment.** After finally reaching eligibility after six months or one year, depending on employment status, an employee must wait an *additional* year to receive full coverage for a pre-existing condition. If an employee enrolls late, he or she must wait 18 months. [Wal-Mart 2008 Associate Benefits Book, Page 53]

**Wal-Mart fails to cover preventive care.** According to Wal-Mart’s most recent health plan, preventive care (except for mammograms, pap smears, and well child visits) is not available to associates. This provision seems to fly in the face of Wal-Mart’s “personal sustainability” program. [Wal-Mart 2008 Associate Benefits Book, Page 71]

### Wal-Mart workers often earn too little to afford health care

**Wal-Mart offers poverty level wages.** Using Wal-Mart’s figures, a “full-time” employee at 34 hours per week, making the Wal-Mart average wage of \$10.86 per hour, will earn \$19,200.48 per year. The federal government’s definition of poverty for a family of four in the contiguous United States is \$21,200. [2008 Wal-Mart Employee Handbook; 2008 HHS Poverty Guidelines]

Hourly Wages for Full-time Employees:		Adjusted Wage in 2004 Dollars:	
2004	\$9.68		\$9.68
2005	10.15		9.82
2006	10.40		9.74
2007	10.83		9.87
2008	10.86		9.55

Sources: Wal-Mart Economic Opportunities Fact Sheet; CPI Inflation calculator

**Wal-Mart's health plan options are unaffordable for its employees.** To get a plan with a \$700 deductible and \$4000 out-of-pocket medical expenses still costs \$7000 a year and the average Wal-Mart employee makes approximately \$20,000 a year. [Wal-Mart 2008 Associate Benefits Book]

## Ohio is not unique; Wal-Mart workers in other states must use public assistance programs to meet their health care needs

**In states that have released data on companies with employees receiving state-funded health care, Wal-Mart tops the list.** Twenty-four states have tracked and reported the number of employees and dependants that the largest employers within their borders have enrolled in state-funded health care programs, and in those states, Wal-Mart is at the head of the line for public assistance. In all states that have released such data - Alabama, Arizona, Arkansas, California, Connecticut, Florida, Georgia, Illinois, Iowa, Maine, Massachusetts, Montana, Nebraska, New Hampshire, New Jersey, Ohio, Pennsylvania, Tennessee, Texas, Utah, Vermont, Washington, West Virginia and Wisconsin - Wal-Mart tops the list.<sup>2</sup>

**Wal-Mart's Medicaid numbers are flat.** After a year of touting health plan improvements, Wal-Mart still has the same percentage of employees using Medicaid as the year before. During the 2006 enrollment period, almost 2 percent of employees were on Medicaid. In 2007, it was around 2 percent again. [Wal-Mart Press Release, 1/11/07; Wal-Mart Press Release, 1/22/08]

**Wal-Mart misleads legislators about pushing employees to public assistance.** In a letter to state legislators, Wal-Mart wrote that they "provide the mechanism for associates to remove themselves from public assistance" and that they "certainly don't encourage our associates to apply for public health benefits." Documents bearing the Wal-Mart logo, however, revealed that Wal-Mart printed and provided "Instructions for Associates" regarding public assistance enrollment. Wal-Mart CEO Lee Scott has said: "There are government assistance programs out there that are so lucrative it's hard to be competitive, and it's expensive to be competitive." [Wal-Mart Letter to State Legislators, 6/20/05; Wal-Mart Social Services Documents; *St. Louis Post Dispatch*, 4/6/05]

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<sup>1</sup> "Report: Ohio spent \$111M to insure workers," Associate Press, 1 September 2008.

<sup>2</sup> [Decatur (Ala.) Daily, 2/23/05; Arkansas Democrat-Gazette, 3/17/05; Arizona Republic, 7/30/05 and 1/01/05; UC Berkeley Labor Center, 8/2/04; Federal Register Source; Associated Press, 3/3/05; St. Petersburg Times, 3/25/05; Georgia Department of Community Health, 9/10/07; Associated Press, 3/4/05; Institute for Local Self-Reliance 6/28/05; Great Falls Tribune, 6/26/05; Montana Department of Public Health and Human Services, 1/16/07; Omaha World-Herald, 10/19/05; Chicago Tribune, 10/07/06; Associated Press, 5/12/05; New Jersey Policy Perspective 08/05; Ohio Dept. of Job and Family Services 3/1/06; Philadelphia Inquirer, 3/2/06; Chattanooga Times Free Press, 1/20/05; Salt Lake Tribune, 2/5/06; Vermont Guardian, 4/18/05; Seattle Times, 1/24/06; Charleston Gazette, 12/26/04; The Capital Times, 11/4/04; Milwaukee Journal-Sentinel, 5/24/05; Associated Press (via Boston Globe), 2/1/06; The Use of Public Health Assistance in Massachusetts in FY06; Texas HHSC Center for Strategic Decision Support 8/3/07]