

A prediction we got right: Walmart+ goes toe-to- toe with Amazon pharmacy

Article

Walmart [pulled back](#) the curtain on its new discount prescription program, dubbed Walmart+ Rx for less: Walmart+ members can now access select medications at zero cost and

thousands of additional prescriptions at an 85% discount, according to the retail giant. For context, Walmart+ already offers subscribers free two-day shipping on groceries and other items, similar to Amazon Prime.

Here's how it works: Walmart members can [search](#) for their prescription medications on Walmart's website, and choose to use the prescription discount program instead of their health insurance—as long as they have a Walmart pharmacy savings card and a valid prescription from their doctor.

Walmart's announcement confirms our 2021 [prediction](#) that it would go toe to toe with Amazon's PillPack by unveiling its own digital pharmacy platform.

- **Walmart previously offered standard prescription delivery through a mail-in order form—but we posited it could easily pivot to include a digital medication platform on Walmart+.** Walmart is now extending its ecommerce battle with Amazon into the healthcare space—which makes sense, considering Amazon and Walmart both have impressive supply chain infrastructures to dispense medications and become healthcare powerhouses. Plus, they both tout massive customer bases to market their healthcare solutions to: Amazon boasts over [118 million](#) Prime members, and Walmart touts [265 million](#) weekly customers.
- **Both ecommerce giants are taking a similar approach in pharma: appealing to the uninsured or those with high out-of-pocket expenses.** Walmart already boasts the ability to attain low-cost meds through bypassing insurance. But this week, Amazon also [announced](#) it'll begin offering six-month \$6 medications for common conditions, which should give Amazon a competitive edge over traditional insurance companies: Insurers like **Cigna** only [offer](#) members one-month or three-month prescriptions, for instance.

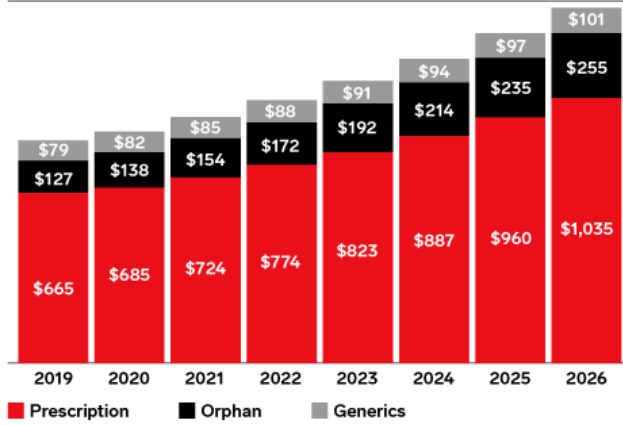
Zooming out on the pharma landscape: Digital pharmacy startups have diversified their portfolios to include offerings like telehealth and at-home diagnostics—but it may not be enough to stand out against massive players like Amazon and Walmart.

- **Entrants like Truepill and Capsule are now offering services like virtual care or at-home testing, likely to cast a wider net than prescriptions alone.** Last month, Truepill [indicated](#) it's launching two businesses for virtual primary care and diagnostics after piloting the services during 2020, for instance.
- **But Amazon has at-home diagnostics in its product pipeline—which could make it difficult for digital pharmacy upstarts to reel in consumers.** A few weeks ago, Insider [reported](#) Amazon was mulling the launch of an at-home medical diagnostics marketplace, likely taking

advantage of the fact that consumers are now more comfortable than ever using home testing kits thanks to the pandemic.

Prescription Drug Sales Worldwide, by Type, 2019-2026

billions



Note: based on leading pharmaceutical and biotech companies worldwide
Source: EvaluatePharma, "World Preview 2020: Outlook to 2026," July 20, 2020

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