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health systemsSM

**Benefits of a
Healthy
Workforce:**

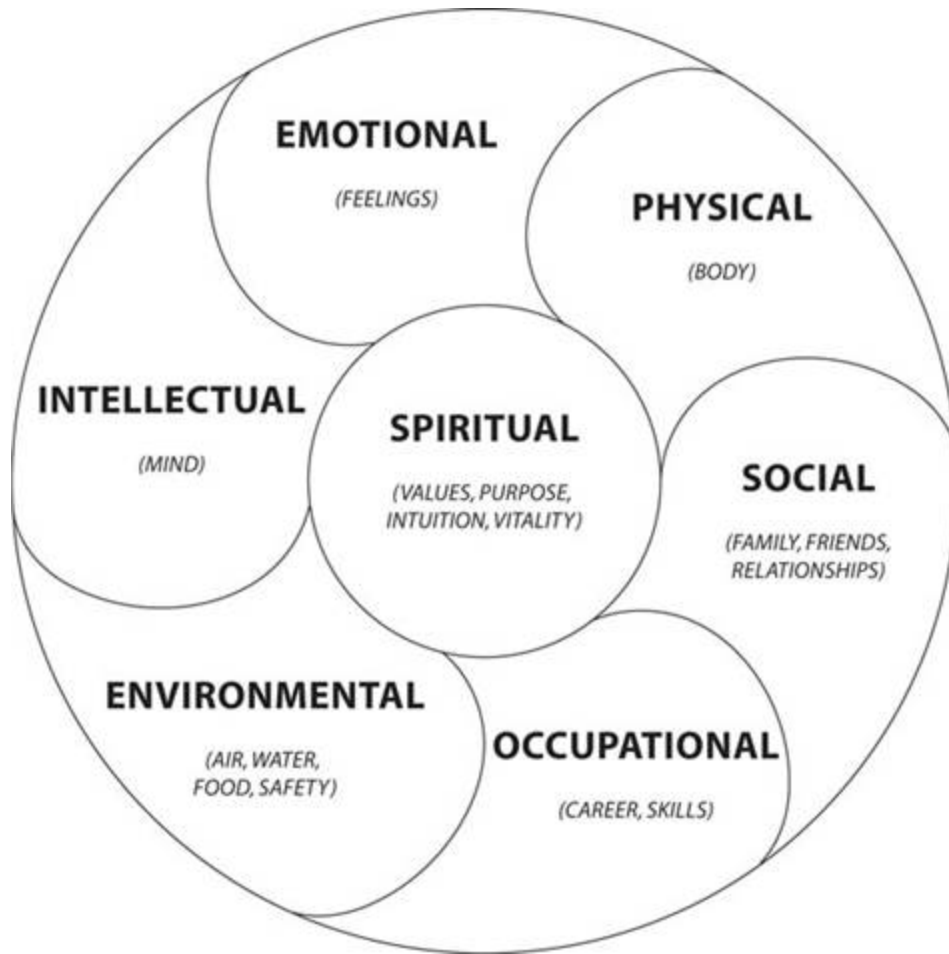
**The Promise
of Wellness**

Today's Discussion

- What is Wellness?
- The Power of the Trusted Clinician
 - Engagement & Retention
 - Navigating the System for/with Consumers
- Two Advantaged Settings:
 - Retail-based
 - Workplace Health Centers
- Moving to Population Health Excellence™



Seven Dimensions of Wellness



Source: <http://www.undstudenthealth.com>
Swenson, John A., M.D.

Social
Physical
Emotional
Career
Intellectual
Environmental
Spiritual



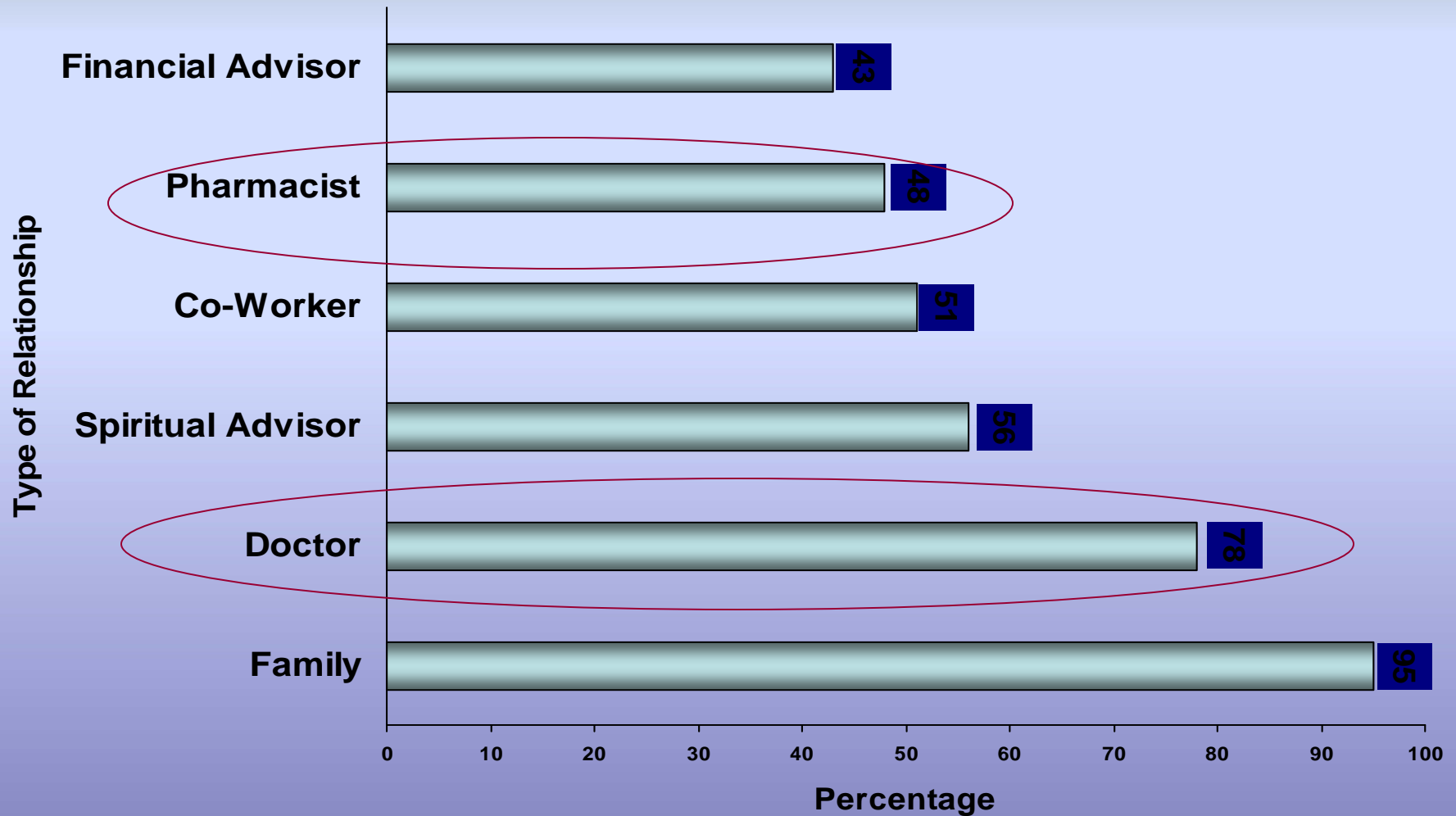
What do consumers want from the healthcare system ?

- Ease of Access
- Availability
- Caring Provider



Where better to provide this than within the community and the workplace through the trusted clinician?

Rating of Relationships



Source: Magee, J., *Relationship Based health Care in the United States, United Kingdom, Canada, Germany, South Africa and Japan*. 2003

The Secret Ingredient

The Trusted Clinician

The Doctor or Nurse or Pharmacist who works in your neighborhood or goes to work with you



How do Trusted Clinicians generate value?

Behavior Change

Improve lifestyle

Increase compliance



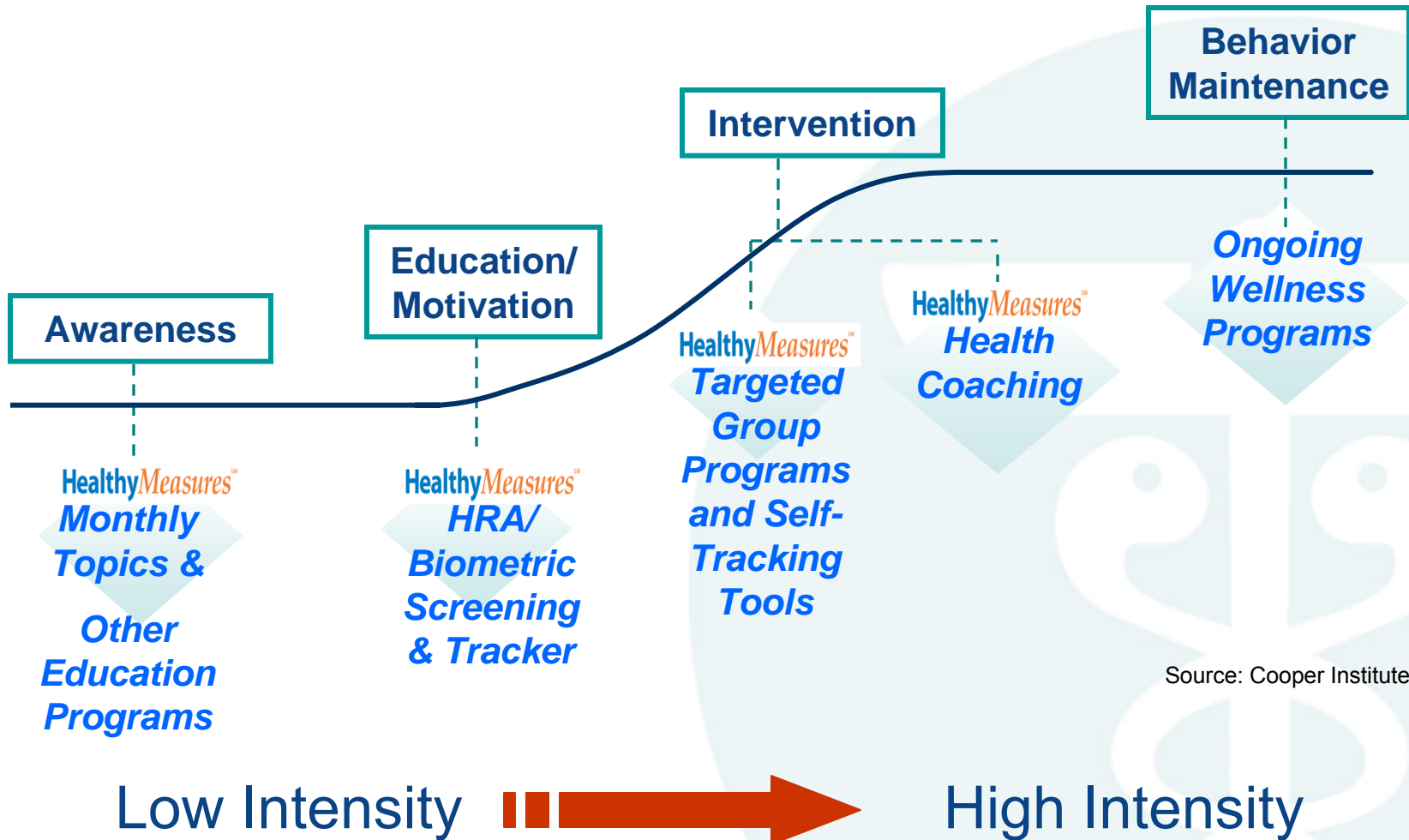
The Trusted Clinician's Focus: 3 Levels of Wellness

- **Primary**
 - Lifestyle Change
 - Immunizations
 - Seat Belts
- **Secondary**
 - Compliance with guidelines
 - Screenings
 - cancer
 - blood pressure
 - cholesterol
- **Tertiary**
 - Compliance with Care
 - Disease Management



Wellness Program Phases

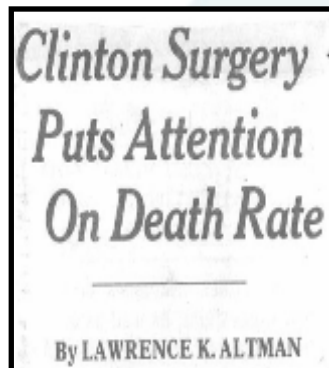
ENGAGE → **EDUCATE** → **MOTIVATE** → **ACTIVATE**



Source: Cooper Institute

Even Presidents Can Benefit From the Guidance of Trusted Clinicians - *President Clinton Could Have Used Better Guidance!*

- Higher Quality Lowers Cost
- Many Consumers Do Not Realize the Some Doctors/Hospitals Better Than Others
- Pareto Rule : 20% of Covered Lives Spend 80% of the Dollars and Have Choices
- By Steering to High Performance Providers, Costs Will Decrease and Quality Will Increase



Bill Clinton to have scar tissue removed

Six months after undergoing heart bypass surgery, former US President Clinton will return to the hospital this week to have a rare buildup of fluid and scar tissue removed from his chest.

<u>Hospital</u>	<u>Risk-Adjusted Mortality Rate (RAMR)</u>
Beth Israel	2.67
Columbia Presbyterian	3.93*
Lenox Hill	2.26
Mount Sinai	2.81
NYU Hospitals Center	1.95
Weil Cornell – NYP	0.95*
Westchester Medical Center	3.27

<u>Surgeon</u>	<u>RAMR</u>
State Total	2.25
Smith, C	4.15

*Statistically Significant
Source: 1999 – 2001 NY State Hospital and Surgeon Outcomes Report

Walgreens' Announces New Division

Walgreens Creates New Health and Wellness Division as Part of Strategic Move to Expand Health Care Access beyond Retail Sites

Company also announces acquisition of two leading providers of worksite health centers, giving Walgreens more than 500 retail clinics and health centers

New division will manage health centers and pharmacies at company worksites, while continuing nationwide rollout of Take Care Health Clinics at Walgreens stores

Large-company employees, health plan members and their dependents will seamlessly access health centers and pharmacies through Walgreens drugstores and employer worksites

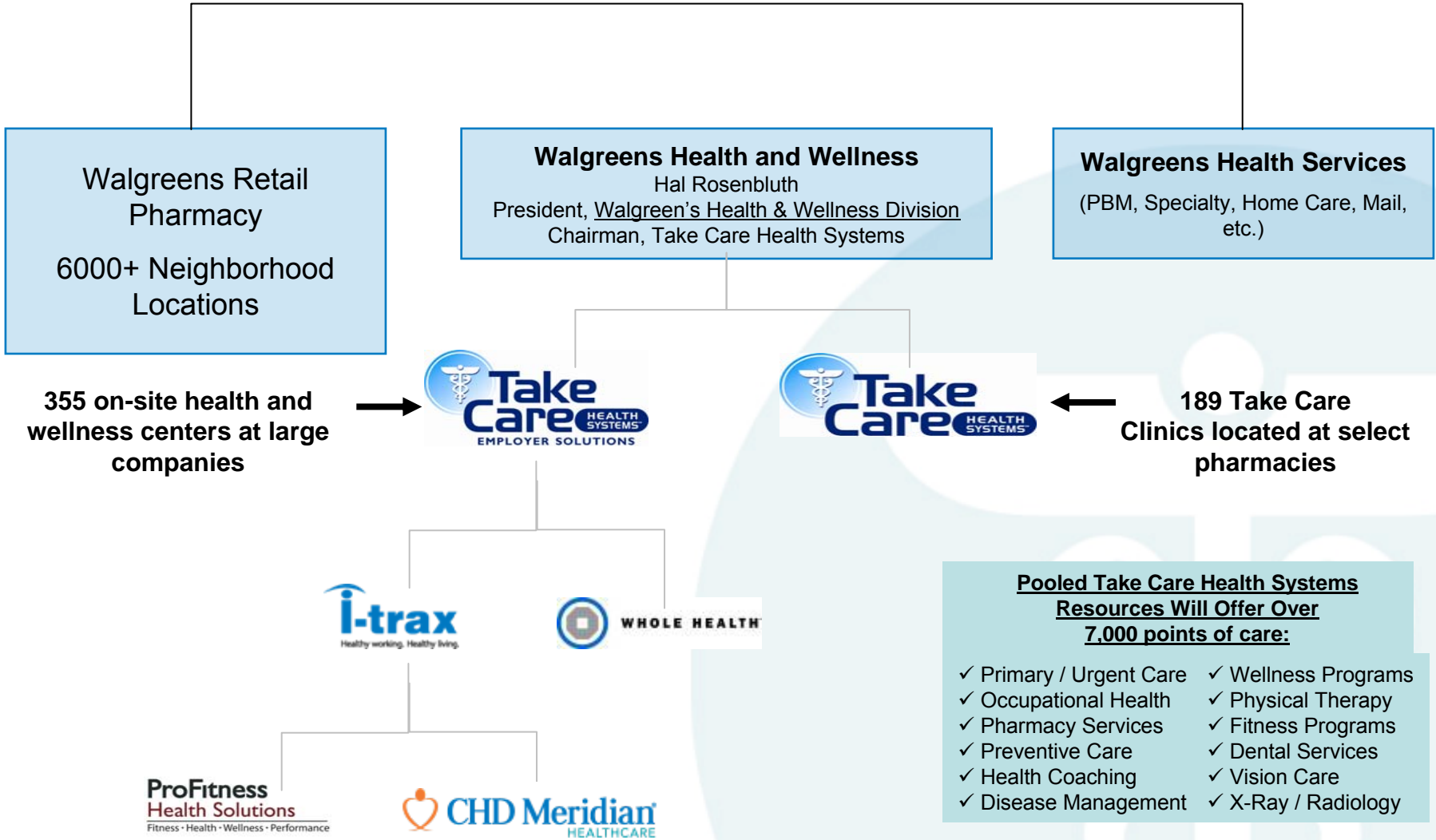
New patient-centered offerings will lower costs, improve outcomes and enhance Walgreens relationships with employers and health plans

DEERFIELD, Ill.--([BUSINESS WIRE](#))--To provide patients with greater access to quality, affordable and convenient health care near their homes and at work, Walgreen Co. (NYSE: WAG) (NASDAQ: WAG) has created a new Walgreens Health and Wellness division. The division will manage health centers and pharmacies at large-company worksites, while continuing the rollout of Take Care Health Clinics located at Walgreens drugstores nationwide.

As part of the new division's strategy, Walgreens also announced plans to acquire two leading operators of worksite health centers, I-trax, Inc. (AMEX: DMX) of Chadds Ford, Penn., parent company of CHD Meridian Healthcare, LLC, and privately held Whole Health Management of Cleveland. Upon closing of the transactions, Walgreens will have more than 500 worksite and retail health centers in 40 states, including its Take Care Health Clinics.

Walgreens estimates the current potential market for worksite health centers and pharmacies includes more than 7,600 corporate campuses of 1,000 employees or more.

Walgreens will acquire I-trax in an approximately \$278 million cash transaction, including the assumption of about \$18.3 million in net debt. An affiliate of Walgreens will commence a tender offer within 10 business days for all outstanding common stock of I-trax at \$5.40 per share.



Walgreens Retail Pharmacy

6000+ Neighborhood Locations

Walgreens Health and Wellness

Hal Rosenbluth
President, Walgreen's Health & Wellness Division
Chairman, Take Care Health Systems

Walgreens Health Services

(PBM, Specialty, Home Care, Mail, etc.)

355 on-site health and wellness centers at large companies



189 Take Care Clinics located at select pharmacies



Pooled Take Care Health Systems Resources Will Offer Over 7,000 points of care:

- ✓ Primary / Urgent Care
- ✓ Occupational Health
- ✓ Pharmacy Services
- ✓ Preventive Care
- ✓ Health Coaching
- ✓ Disease Management
- ✓ Wellness Programs
- ✓ Physical Therapy
- ✓ Fitness Programs
- ✓ Dental Services
- ✓ Vision Care
- ✓ X-Ray / Radiology



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Advantaged
Setting: Retail
Pharmacy
Consumer
Solutions
Overview

The Idea

- Utilize an underused resource (Nurse Practitioners) and build a low cost model built entirely around satisfying patients
 - Deliver value-high quality, on a patient's terms at an affordable price
 - NPs-caring for the "whole" patient
- A system focused on Right Care, Right Place, Right Time
- An Integrated Team Based Approach
- A Unrelenting Focus on Quality
 - Clinical practice based on best practice guidelines with a goal of making every patient say "WOW"
- Strong Utilization of technology to improve the patient experience and efficiency of process

Value Proposition – Patient

- Healthcare on a patient's terms
- Decrease the cost of care
- Provide a “WOW” experience



Take Care Health Clinics

- Open seven days a week, including evenings and weekends
- No appointments necessary
- Staffed by Nurse Practitioners who are licensed to write prescriptions
 - Physician Assistants in Texas and Nevada
- Most insurance plans accepted
 - Cost of visit is co-payment
 - If uninsured, visits average \$59-74
- Services provided to patients 18 months and older
- Paperless registration and electronic medical record

Respiratory Illnesses

- Bronchitis
- Common Colds
- Coughs
- Ear Infections
- Flu
- Laryngitis
- Sinus Infections
- Sore Throat
- Strep Throat
- Upper Respiratory Infections

Additional Treatments

- Allergies – Seasonal
- Bladder Infections (Female, ages 12-65)
- Diarrhea, Nausea, and Vomiting
- Early Lyme Disease
- Fever (<72 hours)
- Head Lice
- Mononucleosis
- Pink Eye and Styes
- Scalp Rash
- Swimmer's Ear
- Swimmer's Itch

Skin Conditions

- Acne
- Athlete's Foot
- Cold Sores
- Dry Skin
- Impetigo
- Itchy Skin
- Poison Ivy/Poison Oak
- Rashes
- Ringworm
- Scabies
- Shingles
- Skin Infections
- Sunburn
- Tick/Insect Bites
- Wart Evaluation

Diagnostic Testing*

- Blood Pressure/Hypertension
- PPD/Tuberculosis
- Pregnancy

*Tests may be given as part of a paid clinic visit

Minor Injuries

- Abrasions
- Burns (minor)
- Splinters
- Sprains/Strains
- Staple/Suture Removal

Vaccinations*

- Flu (Seasonal)
- GARDASIL® (Females 11-26) – three dose series at \$165/each. Currently offered only in Chicago, St. Louis, and Pittsburgh
- Hepatitis B**
- Meningitis (Menactra)
- Tdap (Tetanus – Pertussis Booster)**
- Td (Tetanus Booster)**

*Vaccinations may be incremental to the cost of the visit.

**Administered to patients 11 years and older.

Physicals*

- Camp Physicals
- Sports Physicals
- Additional Physicals vary by area

*High-school level, pre-participation sports physicals are not available in Kansas.

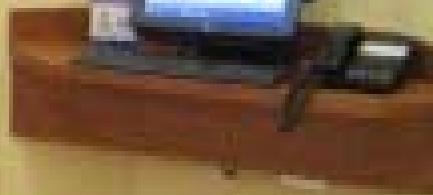
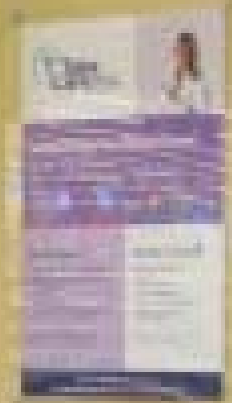
**Physicals may not be covered by insurance. Please check your individual plan.

Patient care services provided by Take Care Health Services™, an independently owned professional corporation whose licensed health care professionals are not employed by or agents of Walgreen Co. or Take Care Health Systems, LLC.

SIGN IN



SIGN IN



Inventing a Whole New Patient Experience

The Customer Comes Second



A focus on delighting / clinically supporting our providers so they can delight and care for the patients

Patient Satisfaction

	% Patients Somewhat/Extremely Satisfied	% Patients Probably/Definitely Recommend TC Clinic	% Patients Probably/Definitely Recommend TC NP	% Patients Rating Personal Manner of NP VG / Excellent	% Patients Rating Sign In Very Good/Excellent	% Patients Rating Wait Time Very Good/Excellent
Total	95%	94%	93%	94%	92%	86%
Chicago	97%	95%	95%	96%	92%	89%
Kansas City	92%	92%	91%	90%	88%	78%
Milwaukee	91%	91%	91%	91%	86%	86%
Pittsburgh	96%	95%	95%	94%	94%	90%
St. Louis	97%	97%	94%	96%	92%	86%

Quality: Progress against HEDIS Measures

Take Care Average
National Goal

HEDIS	HEDIS	HEDIS
95.4%	94.2%	91.5%
71.3%	82.8%	72.0%
Avoidance of Antibiotic Treatment in Adults (18-64) with Acute Bronchitis	Appropriate Treatment for Children (<14) diagnosed with URI	Appropriate Testing for Children (<17) with Pharyngitis

Results suggest model is working

- Have opened over 200 clinics in 20 markets in first couple of years
 - Will have over 400 in next several months
- Have seen over **600,000 patients in 2 years**
 - More mature sites averaging almost 30 patients per day
- Over 1/3 of Take Care visits would have been in an ER/Urgent Care setting
 - 10% would not have sought care
 - 55% could not get into see physician
- **Over 40% of patients cannot name a regular primary care provider**
- 10-20% of patients referred to other providers
 - Over 90% to primary care
- 5-10% of Take Care patients being driven by referrals from physicians



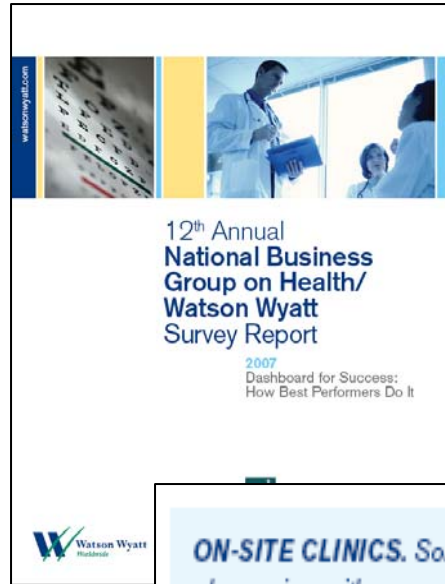
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**Advantaged
Setting:
Workplace Health
Center
Employer
Solutions**

“Mega-trends” are Impacting Employer Healthcare Management

- Escalating healthcare costs (medical & pharmacy)
- Increasing interest in on-site health and fitness services
- Migration of occupational health to full service primary care
- Clinical quality and a reduction in medical errors
- Focus on human capital and impact on productivity
- Movement to outsourcing
- Consumer-driven healthcare
- Applying system process optimization to health care

Workplace healthcare centers are increasingly being deployed



ON-SITE CLINICS. Some employers have established on-site health facilities and pharmacies, with more planned for 2008. While nearly one-quarter of employers have on-site medical clinics, few have on-site dental clinics.

On-site clinic	23%	8%	(29%)
On-site pharmacy	14%	4%	(18%)
On-site dental	4%		

■ In place ■ Planned for 2008

The Value Propositions of Workplace Health

Employer of Choice

- Patient Satisfaction
- Access
- Availability
- Health Effects
- Trusted Relationship

Worker Safety

- Medical surveillance
- Injury & Illness
- Return to Work
- Emergency Preparedness

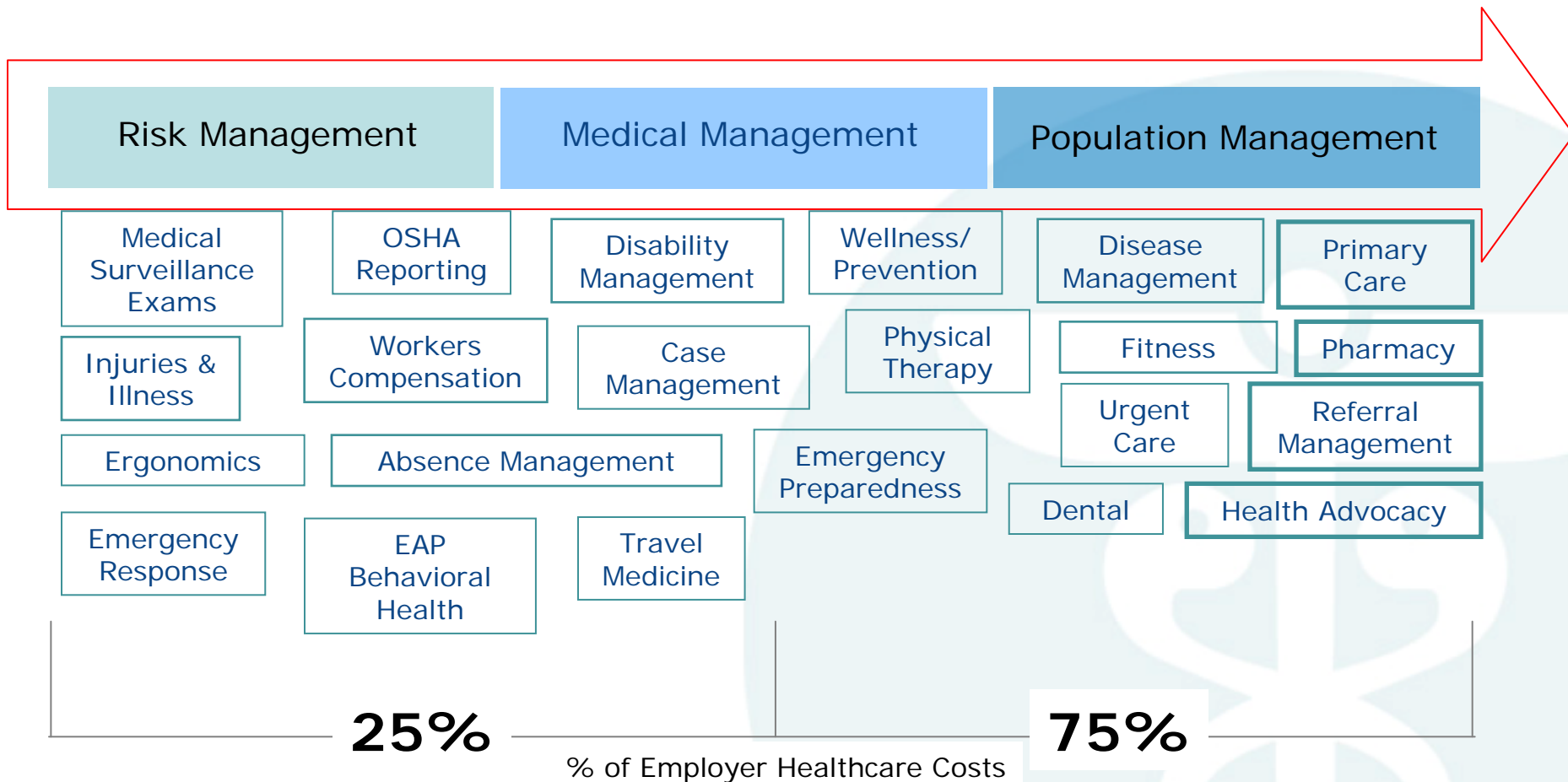
Quality Care

- Metric Driven
- Clinical Excellence
- Operational Excellence
- External Accreditation

Cost Savings

- Direct Medical
- Cost Avoidance
- Reduced Lost Time
- Health Advocacy
- Measurable ROI

“Migration & Integration” of Workplace Health Services: Yielding Great Improvements in Productivity



Our Employer Solutions Range of Services

PRIMARY SERVICES

- Primary Care
- Acute/ Extended Episodic Care
- Pharmacy
- Prevention/ Wellness
- Occupational Health
- Fitness

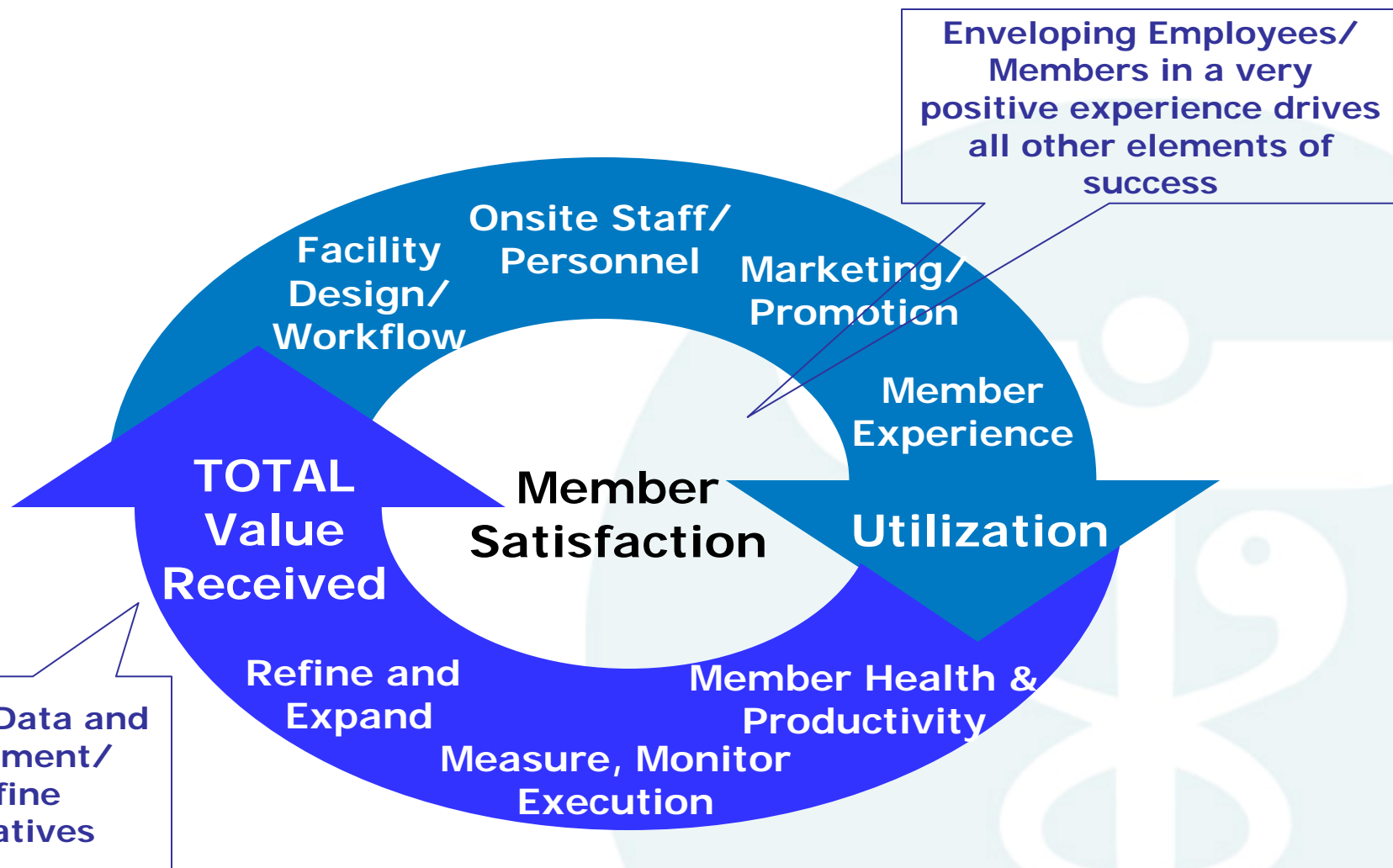
ADDITIONAL SERVICES

- Disability Management, Including STD, LTD & FMLA
- Physical Therapy
- Laboratory Services
- Specialty Services Rotations
- Woman's Health
- Medical Emergency Services
- Substance Abuse Testing
- Global Medical Leadership/ Direction

- Compliance: OSHA , AED, CLIA and VIS
- Medical Surveillance
- Workplace Safety
- Physicals Examinations
- Return to Work Program
- Ergonomics
- Pharmacy Concierge Services
- Specialty Pharmacy Services
- Integrated PBM/ Mail Order Services
- Physician Referral Network
- Disaster Management
- Travel Medicine
- Disease Management/ Wellness Coordination
- Health Screening/ Fairs
- HRAs/ Biometric Testing
- Health Coaching
- Health Advocacy

The Experience: Creating the "Virtuous Cycle"

Member Satisfaction Drives... Everything



The Customer Comes Second

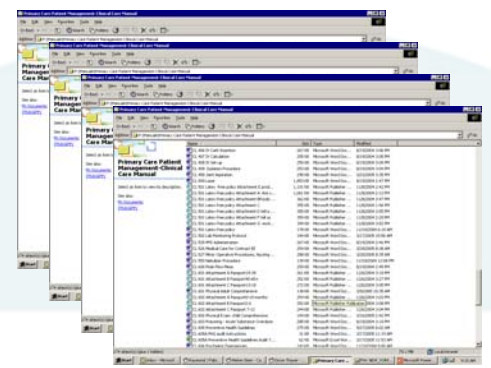
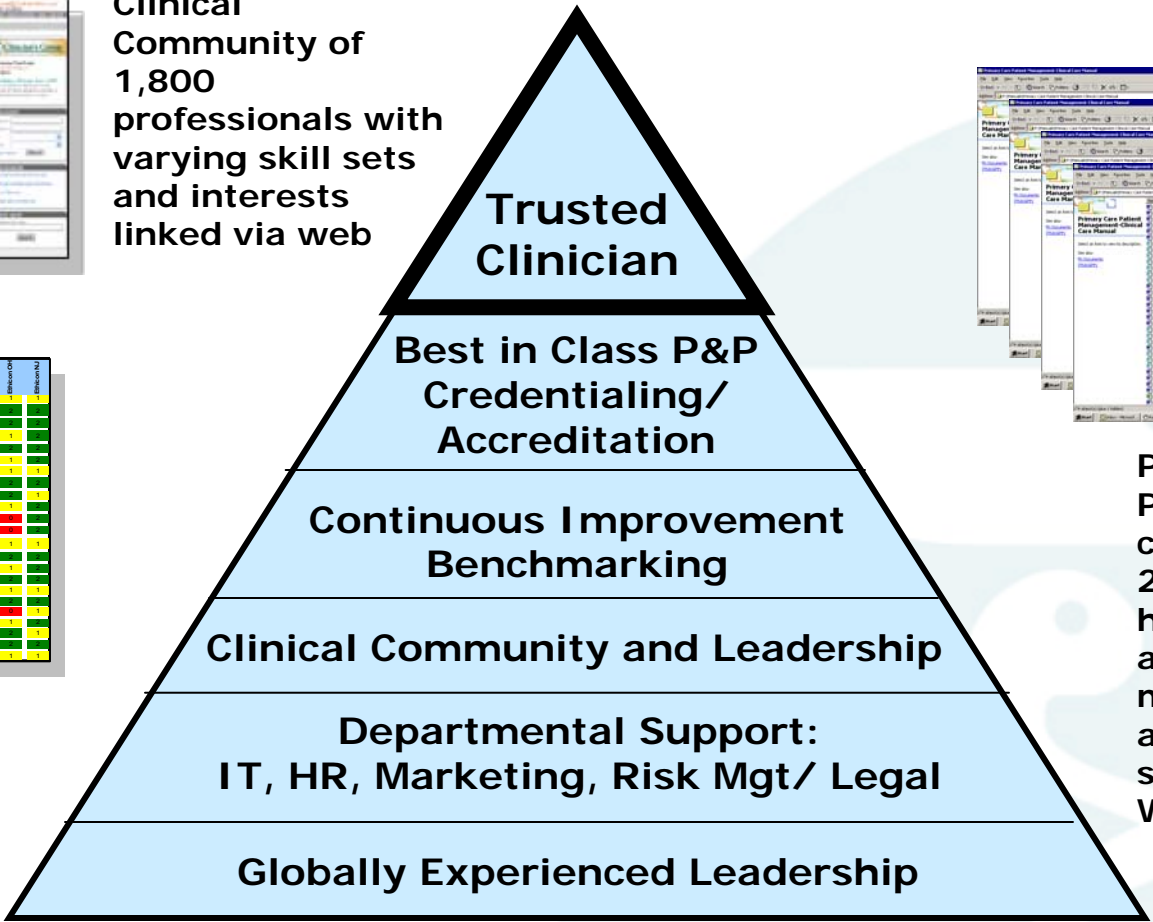
Clinicians supported by clinical community and infrastructure



Clinical Community of 1,800 professionals with varying skill sets and interests linked via web

Item	Performance Criteria	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
CRS 1.0	Medical Department Organization	1	1	1	1	1	1
CRS 1.1	Current governance structure with annual plan development	1	1	1	1	1	1
CRS 1.2	Goals are being met and/or methods by which progress will be achieved	1	1	1	1	1	1
CRS 1.3	Reference books are available in medical department	1	1	1	1	1	1
CRS 2.0	Medical Records	1	1	1	1	1	1
CRS 2.1	Medical records kept in safe and secure place	1	1	1	1	1	1
CRS 2.2	Medical records are organized without name errors or non-functional items	1	1	1	1	1	1
CRS 2.3	Medical record access limited to medical personnel	1	1	1	1	1	1
CRS 2.4	Medical records stored securely	1	1	1	1	1	1
CRS 2.5	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.6	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.7	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.8	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.9	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.10	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.11	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.12	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.13	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.14	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.15	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.16	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.17	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.18	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.19	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1
CRS 2.20	Medical records maintained in accordance with applicable laws and regulations	1	1	1	1	1	1

Robust Clinical Audits and Best Practice Benchmarking









Policies and Procedures cultivated over 25+ years by highly trained and experienced medical and administrative staff dedicated to Workplace health.

Clinical Scorecard: Sample Page at Site Level

CLINICAL EXCELLENCE SCORECARD

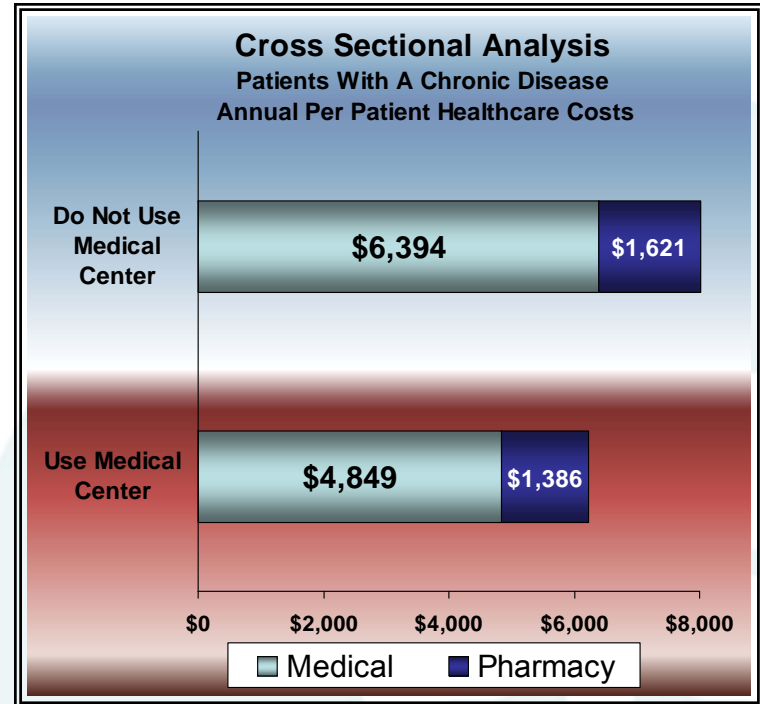
Company: Pitney Bowes

CH: Technology Group Site: Latham Date: January 2009

Site Code	LOS	Metric ID	Complete Metric (Indicator) Description	Metric Component	Applicable to Site	Evidence of Compliance	Numerator Description	Numerator	Denominator	Pass	Failed But Corrected Right Away	Failed But Corrected With Action Plan	Dashboard
41002	OH	2	Acute LBP is managed according to ACOEM guidelines. If LBP is not a top diagnosis, choose one of the other acute MS injuries in CCQI.	A	YES	90% obtained on CCQI indicator criteria MS Injury LBP from June 2006	(0-30) # of patients with LBP treated according to protocol	26	30	NO	NO	YES	
41002	OH	2		B	YES	90% obtained on CCQI indicator criteria MS injury Wrists from June 2006	(0-30) # of patients with Wrist injury treated according to protocol	28	30	YES	N/A	N/A	
41002	OH	2		C	YES	90% obtained on CCQI indicator criteria MS injury Shoulder from June 2006	(0-30) # of patients with Shoulder injury treated according to protocol	27	30	YES	N/A	N/A	
41002	OH	2		D	YES	90% obtained on CCQI indicator criteria MS injury Cervical Neck from June 2006	(0-30) # of patients with Cervical Neck injury treated according to protocol	22	30	NO	NO	YES	
41002	OH	2		E	YES	90% obtained on CCQI indicator criteria MS injury Knee from June 2006	(0-30) # of patients with Knee injury treated according to protocol	29	30	YES	N/A	N/A	
41002	OH	8	Site has implemented at least 3 wellness programs within the past year.		YES	Documentation of 3 Wellness programs on CCQI RM indicator	(0-3) # of wellness programs implemented	3	3	YES	N/A	N/A	

Chronic Illness Care Study: Workplace Care vs. Community Care

- Study Design – control vs. study groups
- Primary Care/ Rx Site
- Chronically ill patients 4X more likely to use CHD Meridian for primary medical care
- Chronically ill patients who utilize the Medical Center for primary care exhibit:
 - **More primary care visits** - 24% more total office visits per year
 - **Less hospitalization** - Inpatient admission rate **reduced by 50%**
 - **Less ER/hospital use** - Hospital outpatient visits **reduced by 42%**
 - **Less need for referral** - Community office visits are **reduced by 36%**
 - **Less prescriptions/More use of mail order** - PBM scripts are **reduced by 61%**

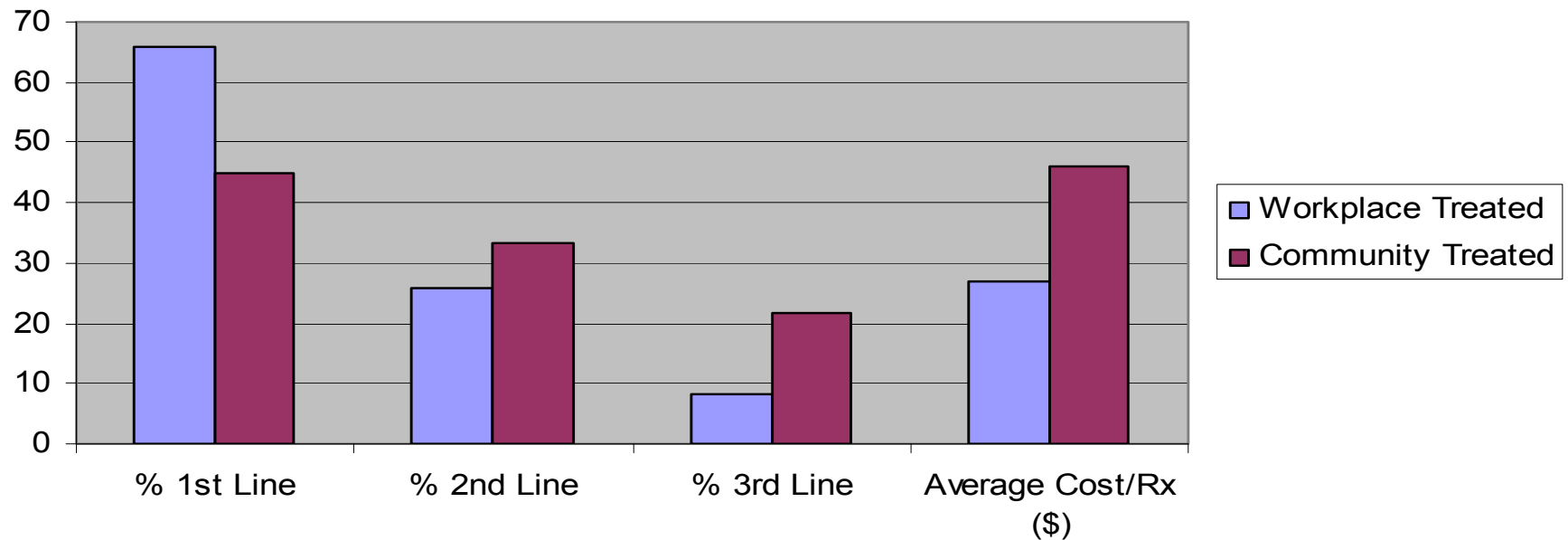


Medical claims costs reduced by 32%
Pharmacy claims costs reduced by 17%
Total medical and Rx costs reduced by 29%

Evidence-based prescribing practices generate value

(recently published article in Journal of Health & Productivity – March 2007)

Figure 2
Antibiotic Line and Average Cost: Workplace Treated v. Community Treated

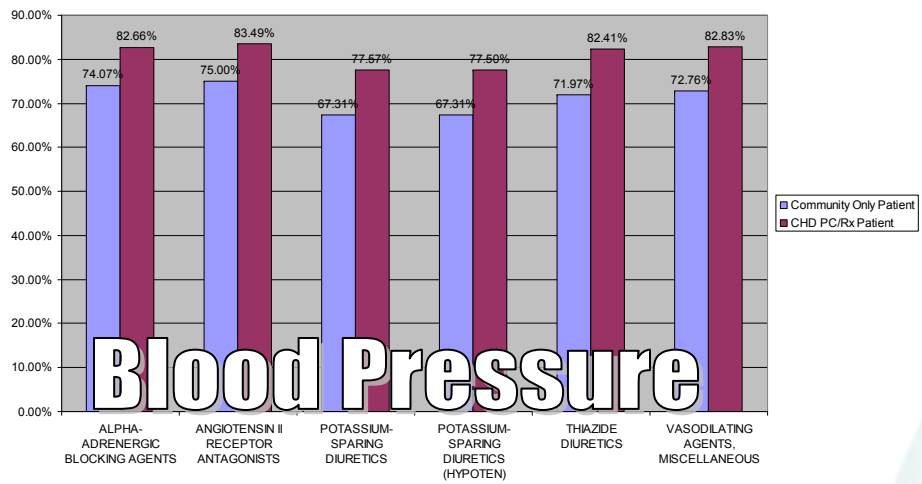


Better Care – and a Potential Savings of \$1.5 Million for Antibiotics Alone

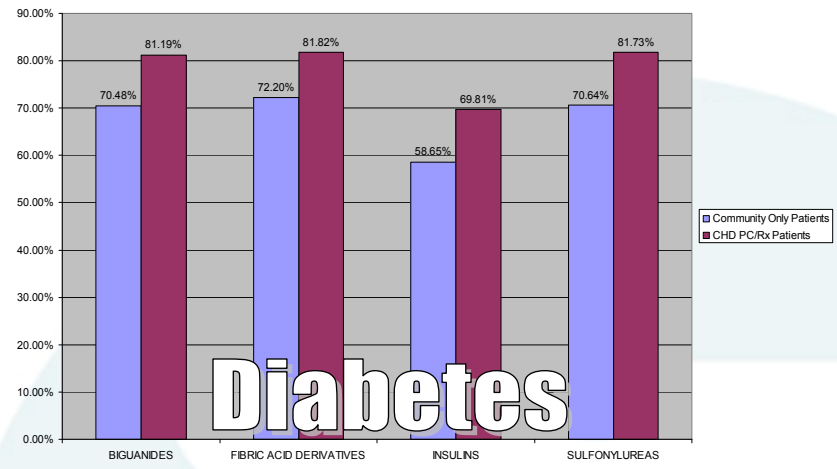
10%-12% Greater medication adherence

Integrated primary care & pharmacy users versus community

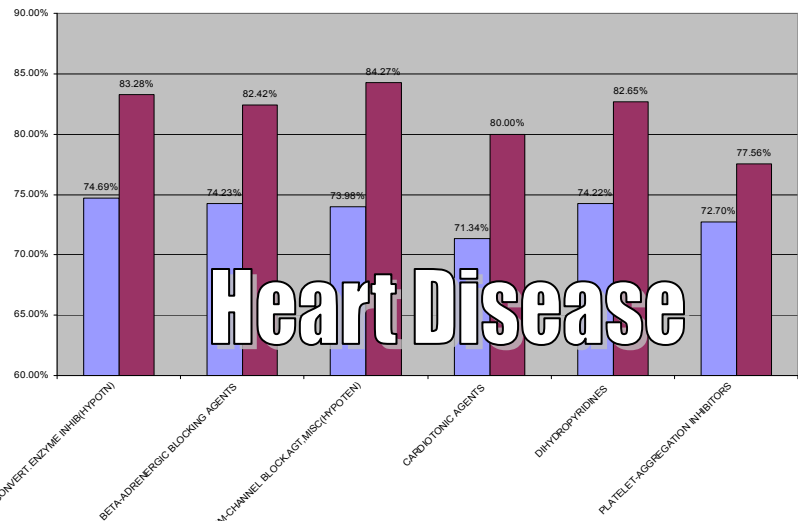
Increased Compliance with Blood Pressure medications for Patients who use CHD Primary Care and Pharmacy



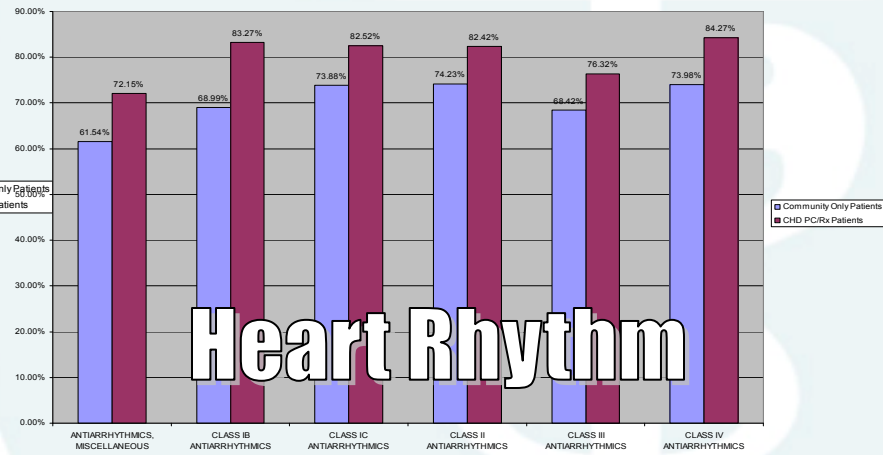
Increased Compliance with Diabetes medications for Patients using CHD Primary Care and Pharmacy



Increased Compliance with Heart Disease medications for Patients Using CHD Primary Care and Pharmacy

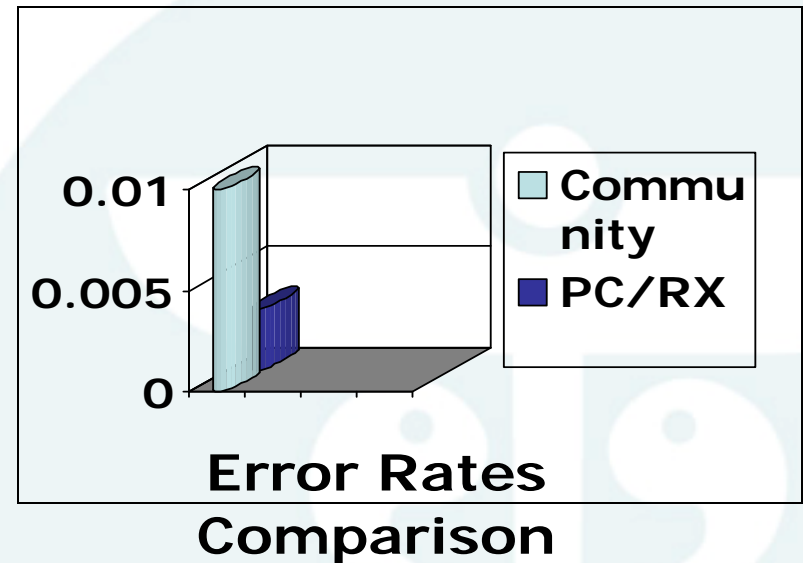


Increased compliance with Heart Arrhythmia medications for Patients Using CHD Primary Care and Pharmacy



Medication patient safety: *Significantly better than Community*

- With a community error rate recently reported in USA Today of 1/1000
 - Expect 1000 errors
 - At \$2000 per ADE (IOM) = \$2 Million
 - 4 Hospitalizations at 10,375 each (IOM)
 - 24 ER visits at \$ 1444 each (IOM)
- With our error rate of 3/10000 (prior to implementation of new IT platform)
 - Expect less than 300 = \$600K
 - 1 Hospitalization



PATIENT SAFETY COST SAVINGS = 1.4 Million

(Based on 1 million prescriptions)

2% of all hospitalizations are due to medication misadventures



take care
health systems™

Population
Health
Excellence™

Population Health Excellence

The next most important part of the solution

- The Problems of the American Health System in Need of Solutions

(The Commonwealth Fund – Organizing the US Health Care Delivery System For High Performance August 2008)

- **Access & Navigation**

- 75% of adults report difficulty accessing care
- Fragmented processes leads to frustrating and dangerous experiences

- **Poor Communication & No Accountability**

- Providers do not collaborate
- Waste, Duplication, Errors

- **Cost without Value**

- Not evidence based
- No system optimization
- System rewards high cost intensive interventions rather than primary care
 - Preventive medicine
 - » Lifestyle change
 - » Screening of illness
 - » Management of chronic disease

- **Compliance & Adherence**

- Small percentage of medications are taken correctly to completion
- Few treatment regimes are follow through with or sustained

Population Health Management Approach

Healthy (Unknown)	At Risk	Acute/ Episodic	Chronically Ill	Catastrophic
<ul style="list-style-type: none"> • HRA/ Biometric Testing and Administration • Lunch and Learns • Immunizations • Screenings 	<ul style="list-style-type: none"> • Health Coaching • Patient Education • Program Management • Health Advocacy 	<ul style="list-style-type: none"> • Scheduled/ Walk-in Visits • Emergency Responses • Referral Management • Pharmacy Care Management 	<ul style="list-style-type: none"> • On-Site Disease Management • Integrated DM • Health Coaching • Patient Education • Referral Management • Pharmacy Care Management 	<ul style="list-style-type: none"> • Emergency Response • Case Management • Pharmacy Care Management • Rehabilitation Management
<p style="text-align: center;">Face to Face with Trusted Clinicians</p>				
<p style="text-align: center;">Telephonic Coaching & Care Management</p>				
<p style="text-align: center;">Provider / Member Portal Content & Tools</p>				

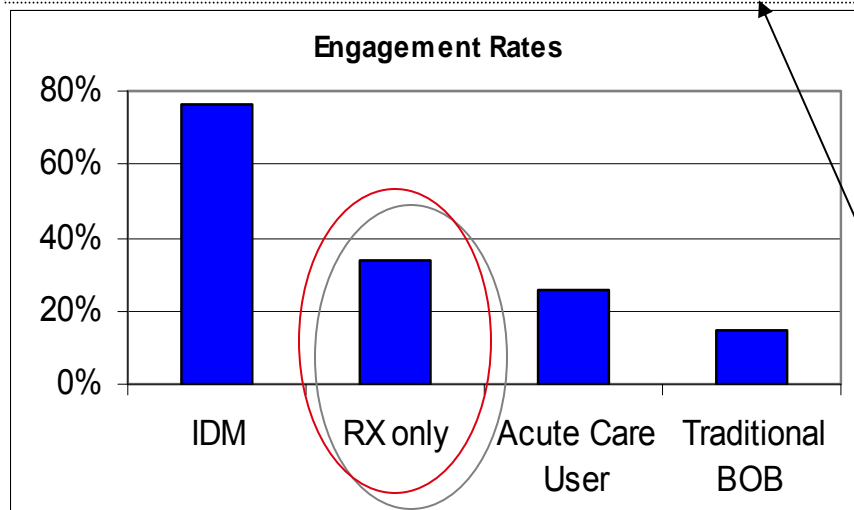
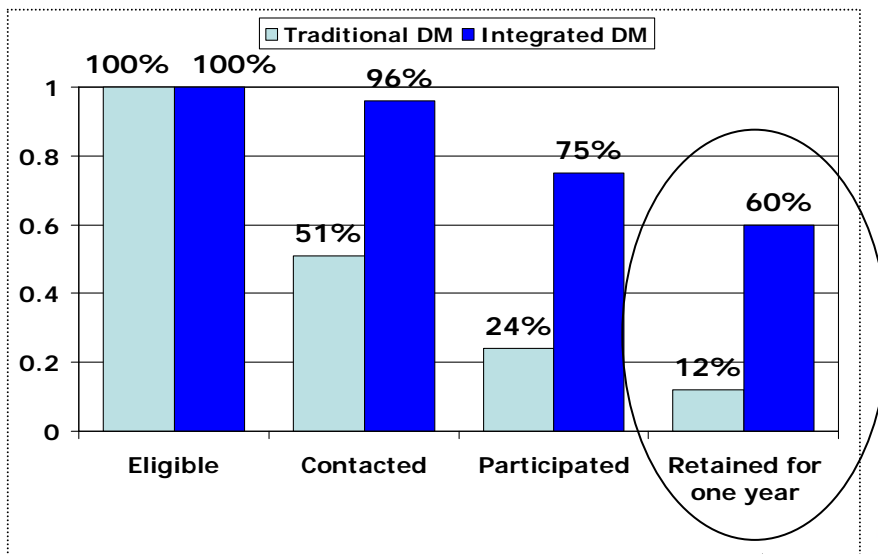
Population Health Excellence™

Our Strategic Advantage:

- 7000 Points of Care
- In the Workplace & In the Neighborhood
- 25000 Trusted Clinicians
- Patent Pending Processes that Work
- Able to Integrate with 3rd Parties – *Health plans or Vendors*
- Able to Integrate Continuum of Care – *Fitness to Illness*
- Able to Integrate Across Providers – *Trainers to Therapists to Physicians*

The Power of The Trusted Clinician

Higher rates of engagement & retention



- Peer – reviewed publication
- DMAA best article of 2007
- Improved engagement & retention rates with integrated program
- Engagement rate related to depth of relationship
- Proven research influencing the marketplace
- Retention rate article will be in October issue of JPHM

Multiple Trusted Clinicians Working in Concert on Behalf of the Consumer



The Nurse
in the neighborhood

Educate & Motivate



The Doctor
at the workplace

Diagnose & Treat



The Therapist
at the workplace

Keep Fit & Rehab



The Pharmacist
in the neighborhood

Reinforce and Coach

Integrating Care by Leveraging the "Trusted Clinicians": *Physicians, Pharmacists, Nurse Practitioners, Nurses, Therapists, Health Coaches, Care Managers, Personal Trainers,*

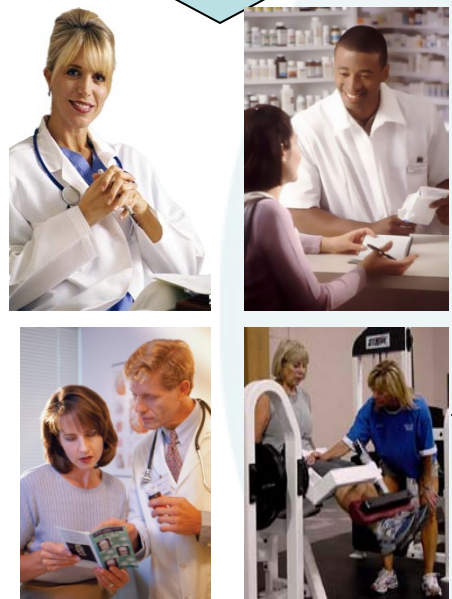
Illness
Drug Management
Behavioral Health
Disease/Case Management

Wellness
Screenings
Immunizations
Health Coaching
Health Assessment

Fitness
Work Readiness
Ergonomics
Work Hardening
Return to Work

Managing the Medical Community
Specialists
Tests
Hospitals
Treatment Options

Environment
Smoking Ban
Traditional Occ Health
Safe Workplace
Cafeteria



Today's Discussion

- Wellness is Broad-based
 - SPECIES
 - Primary, Secondary, Tertiary Prevention
- The Power of the Trusted Clinician
 - Engagement & Retention
 - Navigating the System for/with Consumers
- Retail-based & Workplace Health Centers are Advantaged Settings
- The Next Step is Population Health Excellence™



Ultimately Health Generates Community Prosperity