Retail Medicine: Improving Access and Lowering Costs

Hal F. Rosenbluth
Senior Vice President, Walgreens
President, Walgreens Health and Wellness Division
Chairman, Take Care Health Systems

Evolution of an Industry:
The Need for Disruptive Innovation

- Increasing shortage of primary care physicians
  - 35% of current physicians are nearing retirement
  - Fewer than 30% of current medical students say they intend to be primary care physicians
  - In turn, 1 in 5 consumers do not have PCPs
- ER's bursting at the seams
  - 55.4% of emergency department visits in 2005 were for non-urgent conditions*

*2005 National Hospital Medical Care Survey, Centers for Disease Control and Prevention, 2006

Evolution of an Industry: The Need for Disruptive Innovation

- Significant annual increases in health insurance deductibles and co-pays
- Rapid growth of uninsured population that now includes nearly 47 million people
- Increasing time pressure on consumers who place high value on speed and convenience
  - 65% of consumers could not get a doctor's appointment in the same day
  - 72% of consumers found it difficult to get care in the evenings/on weekends without visiting an ER

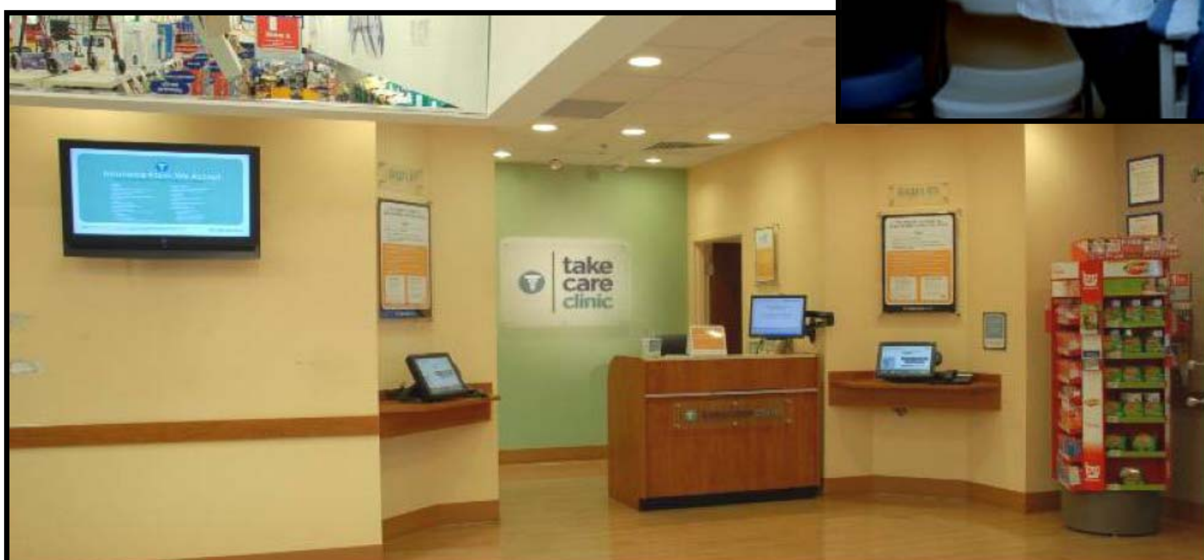
A Fundamental Change to healthcare Delivery: Walgreens Health & Wellness

- An innovative, unprecedented model of integrated health and wellness services
  - High-quality, affordable, accessible and convenient
- Network of in-store clinics, worksite health centers and pharmacies
- Enhanced clinician-patient interaction
- Compliance and outcomes driven
- A cost-effective provider network for managed care companies

Retail Healthcare:
The Experience

Why Retail Healthcare?

- A low cost, accessible healthcare model built entirely around satisfying patients
- NPs and PAs as front-line care givers
- An integrated team-based approach with the medical community
- An unrelenting focus on quality
- Innovative utilization of technology to improve the patient experience and the efficiency of process


take
care
clinic

Retail Healthcare:
Current Scope of Services

- **Respiratory Illnesses**
  - Bronchitis, common colds, coughs, ear infections, flu, laryngitis, sinus infections, sore throat, strep throat, upper respiratory infections
- **Common Treatments**
  - Bladder infections, diarrhea, nausea and vomiting, early lyme disease, fever, head lice, infected cuticles, mono, pink eye and styes, scalp rash, seasonal allergies, swimmer's ear
- **Minor Injuries**
  - Abrasions, minor burns, splinters, sprains/strains, staple/suture removal
- **Vaccinations**
  - Flu (Seasonal)
  - GARDASIL® (HPV)
  - Hepatitis A
  - Hepatitis B
  - Menactra (Meningitis)
  - MMR (Measles, Mumps, Rubella)
  - PPV (Pneumonia)
  - Shingles Vaccine
  - Tdap (Tetanus, Diphtheria, Pertussis)
  - Td (Tetanus Booster)
  - Varicella
- **Screenings**
  - Health Evaluations
  - PPD/Tuberculosis
  - Pregnancy
- **Physicals**
  - Sports physicals
  - Camp physicals
  - Driver's License

What Defines Success

- Delighting patients
- Delivering the highest quality of care
- Becoming a destination employer
- Providing value to the payor community
- Expansion of services to meet market needs
- Integration with all other care points and the medical community

Patient Satisfaction

- Results from recent Gallup partnership
  - Overall patient satisfaction = 92%
  - Likelihood to recommend = 91%

- Top reasons people visit the clinic:
  - Convenience
  - Physician’s office was closed; couldn’t get an appointment
  - Don’t heave healthcare insurance or regular provider

Patient Satisfaction

[redacted]

Highest Standard of Care

- Robust Convenient Care Association quality and safety standards
  - Created in 2007 with industry-wide healthcare association and accrediting body input
  - Certified by Jefferson School of Population Health (2009)
- Innovative use of technology
  - Simple electronic sign-in
  - Electronic medical records
  - Electronic claims and back end billing
  - E-prescribing capability
- Integrated with medical community
  - All patients encouraged to have a healthcare home
  - 15-20% of all patients seen referred to primary care physician
  - Able to share medical records with PCP
- Strong referral network for each clinic
  - Take Care NPs and PAs serve patients as guides to the larger medical community

Providing Value to Payor Community

- Reducing ER and urgent care visits
  - 1/3 of Take Care Clinic visits would have been in ER/Urgent Care
- Contracts will all major national managed care players
  - Aetna, Cigna, Wellpoint, Humana, United, Coventry
  - Average over 80% of lives covered in markets open more than one year

Providing Value to Payors – Cost of Care

- A 2008 study published in *Health Affairs* shows the following:

Treatment Option	**Average Cost of Medical Care per Episode**
Emergency Department	$356
Doctor's Office	$127
Urgent Care	$124
Take Care Clinic	**$65***

* Take Care Clinic data provided by Take Care Health Systems

The Future of Retail healthcare

- Enhanced demand to increase services for patients
- National network of access points, combined with other points of care: pharmacy, worksite
- Evolution in redefining the patient experience
- Tackling industry issues with the healthcare community:
  - Chronic disease management
  - Health education
  - Data and outcomes
  - “First responders” for public health and safety

Just One Look at Take Care Health Systems

Questions