At the Intersection of Healthy and Well: Accountable Care

Dr. Jeff Kang, Senior Vice President
Health and Medical Division
3.14.13

©2013 Walgreen Co. All rights reserved.

Four Macro Trends in Healthcare

» “Retailization” of Healthcare
  • Exchanges make healthcare a personal and individual choice
  • Consumer-driven health plans, solutions and services

» An “on demand” society
  • Convenient (time and location)
  • Reasonable costs
  • Use of technology

» Affordable access to primary care
  • Shortage of primary care physicians
  • Need for additional providers to meet demand

» The movement to Accountable Care
  • Payers and providers are looking for total population health solutions

©2013 Walgreen Co. All rights reserved.
Why Walgreens?

Our Purpose:
To help people get, stay and live well.
Our definition of **well** is where happy and healthy meet and are most convenient.

---

**Why Walgreens?**

**Healthcare Vision**
To be the leading community healthcare provider and partner for providers and payers

**Healthcare Mission**
To offer a full range of integrated services and solutions to improve patients outcomes and satisfaction while lowering overall costs
Solving the Triple Aim

**Triple Aim** is one of the leading forces in the U.S. to motivate healthcare systems to stretch beyond traditional clinical roles and work towards broad population health improvement.

The Triple Aim™: A framework for profound systemic change in health care.

_Institute for Healthcare Improvement_
Walgreens Affordable and Accessible Total Population Health Solution

Community-Based Total Population Health Solution
Health & Wellness and Chronic Care Management

TRIPLE AIM

Payers

Patients

Physicians

Spirit of innovation continues
An entire store centered on the very idea of “well”

A New Healthcare Experience

Beautiful

Fresh

Inviting
Redefining Community Pharmacy

State to State Video

Walgreens Quadruple Aim

TRIPLE AIM™
• Lower total medical costs
• Improved health
• Improved experience
  -- PLUS --
• Helping physicians fill gaps in care
### Walgreens Healthcare Assets

| National Network of Retail Pharmacies | 8,071 pharmacies employing 68,000 trusted health care professionals  
Located within 3 miles of ~65% of Americans = 6 M customers each day |
|--------------------------------------|-------------------------------------------------------------------|
| Specialty Pharmacy                   | #4 in the Industry  
700 HIV Centers of Excellence |
| Infusion Services                    | #1 infusion provider in the nation with 100 sites in 36 states  
1000-1500 nurses deliver infusions either at home or at our sites |
| Hospital System Solutions            | 171 Out Patient Pharmacies in major institutions such as Yale and Northwestern  
Well Transitions – significantly reduces hospital readmits |
| Retail Clinics                       | ~370 Take Care Health Clinics located in Walgreens stores in 19 states + DC  
~1500 NPs and 40 PAs; every clinic has a collaborating physician |
| Employer Health Centers              | 370+ On-site health centers at employer locations; 40+ years experience  
160+ employer clients in 45 states; serving ~10 M employees at work |

---

### A True National Provider

#### 8,000 Points of Care

- Retail - Existing
- Retail - Approved
- Take Care Clinics
- Take Care Worksites
- Hospital On-Sites
- Specialty
- Home Infusion/Respiratory Therapy
- Mail Service
Walgreens is Working on the Triple Aim: Improve Patient Health Outcomes

Pharmacist-led Diabetes Education Program at Worksite

**Program Goals:**
- Achieve and maintain HbA1c ≤ 7.0%
- Enhance patient adherence and self-care

**Program Design:**
- Initial one hour consultation with pharmacist
- Monthly 1:1 follow-up consultations
- Incentives for participation

**Outcomes included:**
- 330 patients contacted/185 enrolled
- 91% remained actively engaged
- HbA1c values decreased from 7.72% to 7.05%
- HDL value increased from 42.75 mg/dL to 44.38 mg/dL
- 58% of patients achieved goal ≤ 7.0% for HbA1c versus 48% at inception
- 100% patient satisfaction rate

©2013 Walgreen Co. All rights reserved.
Walgreens is Working on the Triple Aim: Improve Patient Health Outcomes

Community Pharmacist Counseling Program for Medication Adherence

A comparison between adherence to statins and thyroid medications in two community pharmacies

- Face-to-face counseling by trained pharmacists at the site of care
- Counseling occurred when patients initially filled their prescriptions
- First refill rate = percent of patients who refilled their prescriptions within two weeks of expected refill date

<table>
<thead>
<tr>
<th></th>
<th>Pre</th>
<th>Post</th>
<th>X²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention</td>
<td>55.7%</td>
<td>70.4%</td>
<td>p&lt;0.01</td>
</tr>
<tr>
<td>Control</td>
<td>56.2%</td>
<td>61.7%</td>
<td>ns</td>
</tr>
</tbody>
</table>

*Jiang, JZ, Khandelwal, N, PhD, Rudkin, K, PharmD, Duncan, I. “Impact of Community Pharmacist-led Counseling on Improving Medication Adherence.” Abstract submitted to ISPOR conference 2011

Walgreens is Working on the Triple Aim: Lower Total Medical Cost

Hospital Admission Reductions
Stage D Heart Failure Patients Participating in a Home Inotropic Infusion Program

236 Patients in Program

Admission Savings (est.) = $17,187 per patient

Total Group Savings ~$4.1 million

Well Transitions: Post hospital discharge medication reconciliation and adherence program

Goals
- Obtain discharge diagnoses and medications and bedside delivery of first fill to 80% of patients
- Follow-up call or visit within 70 hours to 80% of patients with medication counseling and reconciliation
- HCAHPS score greater than 60%
- Reduced Re-admissions

Initial results with one hospital – pre-publication results
- Achieved HCAHPS goal; improved HCAHPS scores from ~50% to ~63% (26% improvement)
- ~40% lower likelihood of re-admissions

Walgreens is Working on the Triple Aim: Lower Total Medical Cost/Improve Patient Experience

Well Experience:
- Industry-changing model completely centered on the customer/patient experience
- Move the pharmacist out in front of the pharmacy
- Provide consultations on prescription and over the counter medications plus private counseling and screening services
- 70% of our pharmacy patients rank their patient satisfaction as a 9 out of 10

Take Care Clinics:
- Engage the Gallup organization to measure patient engagement
- Four course required training program on improving the patient experience
- Customized coaching tool for managers based on patient visit observations
- 3 out of 4 patients are “highly engaged” – top 10% of companies Gallup measures
Walgreens: Extending the Collaborative Care Continuum

Top 5 Ways Walgreens can fill the Care Gap:

Our Pharmacists:
- Primary Prevention (i.e. vaccinations) and Screening Services
- Health and Wellness Services—Exercise and Better Nutrition
- Medication Adherence Services

Our Nurse Practitioners:
- Care for Minor Episodic Illness
- Chronic Condition Management

Walgreens Population Health Solution

Health Plan Population Health  Community – Based Population Health

Telephonic  Face-to-Face

Inaccessible  Convenient

Outside of Physician Care Team  Part of Physician Care Team
Defining Accountability

Enabling the **Primary Care Medical Home**
with a community-based population health solution

Our integrated services help identify, manage and control acute health issues and chronic conditions through affordable and convenient access to health care services.

©2013 Walgreen Co. All rights reserved.
Walgreens Well Network and its three ACOs
First pharmacy chain to be approved by CMS to have an ACO

Dynamic and trusted community leaders positioned to deliver high quality care

31,000 Lives - Temple, Texas
• 65 physicians’ offices
• 12 current hospital sites/ 29,000 square miles
• 112 Walgreens Pharmacies

7,600 Lives – Largo, Florida
• 100 provider multi-specialty practice
• Largo location contains a Walgreens Health System Pharmacy
• 156 WAG Pharmacies and 9 Take Care Clinics

10,000 Lives – Marlton, N.J.
• 350 multi-specialty physicians and 70 physician extenders
• Over 110 locations throughout NJ and Southeastern PA
• 208 WAG Pharmacies and 8 Take Care Clinics

Accountability to our Patients

What Patient – Centric means to Walgreens:
• Patient Satisfaction/Patient Experience
• Quality Scores
• Access
• Convenience
• Trusted Advisors
Accountability to our Partners

• ACOs (Scott & White, Diagnostic Clinic, Advocare)
• Affiliations with Health Systems (i.e. Johns Hopkins)
• Major Employers ~10 million employees
• RxAlly– 12,000 independent pharmacies + 8,000 Walgreens locations

Accountability to our Payers and Employers

• Payers and Employers want --
  • An affordable and effective Population Health Solution that:
    • Lowers costs
    • Improves care and outcomes
    • Improves patient satisfaction
• Employers are looking for gain-sharing opportunities
  • Return on their investments
Accountability to Society

Four Macro Trends:

» “Retailization” of Healthcare
» An “on demand” society
» Affordable access to primary care
» Payers and providers are looking for total population health solutions

Questions?
“To achieve our broad population health goals we need to understand and intervene across the whole spectrum of determinants, not just health care.”

Blog: Improving Population Health: Policy. Practice. Research.; Unpacking the Triple Aim Model; David A. Kindig, MD, PhD