Walgreens Healthcare Strategy
Thomas Jefferson Population Health Colloquium
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Chief Medical Officer & Group VP
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We are well-positioned to deliver on the needs created by the convergence of healthcare and retail.

Our Purpose...
To help people get, stay and live well

Our Vision...
To be the first choice in healthy and daily living for everyone in America – and beyond
Walgreens Healthcare Vision

Our Purpose: To help people get, stay and live well.

Healthcare Vision

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

To offer a full range of integrated services and solutions to improve patients outcomes and satisfaction while lowering overall costs – the Triple Aim™

Healthcare trends and Walgreens opportunity

Rising Demand and Costs

CONSUMERS: Exchanges and consumer-driven health plans make healthcare an individual choice

Physician Shortages

CHANELS: An “on demand” society requiring convenient access

DEMAND: Shortage of primary care physicians drives need for additional providers

Outcomes:

OUTCOMES: Payers and providers are looking for total population health solutions

Consumerism

Technology

Health Care Reform
How we’re well-positioned

- 8,200 health and daily living destinations
- 70,000 of the most trusted professionals in healthcare
- 400 healthcare clinics
- 370 worksite clinics
- 200 health system pharmacies
- 75 infusion pharmacies
- 2 central fill mail facilities
- 2 central specialty care centers

Over 11,000 stores and 370 distribution centers operating in 25 countries*

*Including associates and joint ventures of Alliance Boots
Walgreens strategic growth drivers

- Creating a Well Experience
- Advancing Community Pharmacy
- Establishing an Efficient Global Platform

• Creating a Well Experience
• Advancing Community Pharmacy
• Establishing an Efficient Global Platform
Walgreens is Well-Positioned as A Total Population Health Solution

STRATEGIC CONSIDERATIONS

Traditional focus of US healthcare delivery system is on providing sick care

Focus of population health solution is on keeping people well and preventing hospitalizations

WALGREENS ROLE

• Home Infusion
• Medication Reconciliation (WellTransitions™)
• Centers of Excellence (HIV, transplant, etc.)

• Medication Adherence
• Biometric monitoring (eventually lab testing)
• Chronic Condition Management
• Acute Episodic
• H&W Counseling
• Immunizations

Walgreens Total Population Health Solution

WALGREENS BUSINESS

• Specialty Pharmacy
• Home Infusion
• Health System Pharmacies

• Retail Pharmacies
• Retail Clinics
• Worksite Clinics

COMMUNITY-BASED POPULATION HEALTH SERVICES FOR ACCOUNTABLE CARE ORGANIZATIONS

BENEFITS

TRIPLE AIM:
• Reduced Costs
• Improved Outcomes
• Improved Patient Experience
Walgreens Well Network and its ACO partners

31,000 Lives
Temple, Texas

7,600 Lives
Largo, Florida

10,000 Lives
Marlton, N.J.

Walgreens is Enabling the Patient-Centered Medical Home

By integrating our services, we help identify, manage and control acute health issues and chronic conditions through affordable and convenient access to health care services.
What I Have Learned from:
My Population Health Journey

1. It is easier to engage patients than doctors
2. We don’t always require data from the “managing physician” to improve outcomes
   » We do need to get data back to physicians to avoid care fragmentation and help improve quality scores
3. Trusted face-to-face interactions are more potent than pure telephonic models
   » Telephonic interventions have value and are more easily scaled
4. Digital interventions can influence behaviors and increase operational inefficiency of a program
   » Emerging evidence that “incentives/rewards” increase the impact of digital interventions

Transforming the Role of Community Pharmacy:
“Proof Points”

• Patients participating in an extensive pharmacist-delivered counseling program demonstrated 33% improved adherence to target medications and 12.1% greater adherence to non-target medications

• A pharmacist-led, face-to-face counseling program significantly improved adherence to statin and thyroid medication in new-to-therapy patients with a 4.9% increase of medication possession ratio (MPR)
  2 Taitel M, Jiang J, Rudkin K, Ewing S, Duncan I. The impact of pharmacist face-to-face counseling to improve medication adherence among patients initiating statin therapy. JACEP. 2012; 41: 30-35

• 62% of patients at HIV Centers of Excellence achieve 85 percent adherence compared with 57% at community pharmacies

• On average, participants in a community pharmacy diabetes-management program decreased their 10-year Framingham risk score by 10.5 percent
WellTransitions – Three Phased Approach

Hospital Treatment
- Interventions 1-4
- Patient identified: enrollee in program
- Generate medication history
- Fill, align and reconcile discharge medications
- Back delivering of medications and patient consultation

Post-discharge Care
- Interventions 5-7
- Pharmacists follow up within 48-72 hours after discharge
- Pharmacist clinical therapy review approximately 10 days post-discharge
- Community integration provided by pharmacists di day 25 post-discharge

Outcomes Reporting
- Final intervention
- Comprehensive reporting capabilities
- Advanced data analytics
- Measure clinical outcomes and economic effectiveness
- Real-time access through secure web portal

Aligned with health system core measures
Focused on reducing preventable readmissions
Coordinated effort to drive HCAHPS scores
Coordinated care with community providers
Integrates data points – EMR, ADT, alerts

Initial Program Results: Jan 1 – Sept 30, 2013
All Integrated WellTransitions clients

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<th>Readmission Rate</th>
<th>Eligible Not Enrolled</th>
<th>Eligible Engaged</th>
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<td>20.1%</td>
<td>8.7%</td>
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Engaged: WellTransitions patients enrolled in the program and completed at least one clinical call intervention

N=Readmitted/Total Population

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<tr>
<td>N=1222/6052</td>
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Endorsed Product – Medication Adherence
American Hospital Association, Sept 2013

• AHA Solutions awards exclusive AHA Endorsement to products and services that best support hospitals and health care organizations

• AHA due diligence process performed:
  – Issue identification: Survey hospital decision makers, engage market consultants, assess needs, fine tune priorities
  – Full market scan: Develop select criteria, develop RFI, score according to predetermined criteria
  – Identification of candidates: Assess and rate all RFI respondents, contact referrals, evaluate against AHA mission
  – Award: Endorsement given based on final assessment: scalability, compliance, training, support, ROI, references

“We have endorsed this program for the broad scope of services that are provided through Walgreens extensive network of pharmacies and pharmacy services. Walgreens has consistently demonstrated its long-term commitment to supporting hospitals’ efforts to extend patient care further into their communities.”
Anthony J. Burke, president and CEO, AHA Solutions

Our Retail Clinics and Value

• Healthcare Clinics offer the healthcare solutions people need:
  ➢ Accessible healthcare expertise
  ➢ Intelligent collaboration and integration
  ➢ Best healthcare experience
  ➢ High quality, cost-effective care
  ➢ Caring for our community
  ➢ Coordination and data exchange with primary care physicians
Announced Clinical Affiliations

Walgreens Enterprise Specialty works as an extension of the physician’s practice

- Medication education and injection training
- Complex insurance and financial assistance
- New therapy clinical support introduction

New to Therapy

- Monthly compliance outreach
- Drug-specific clinical patient programs to support continued adherence

Patient Adherence

- Substantial access to limited distribution drug portfolio to minimize patient access uncertainty
- LDD drug-specific program teams to support patient care for most complex situations

Limited Distribution Portfolio
Summary

1. Healthcare industry trends strongly support a “community-based” and highly convenient population health solution

2. Walgreens has the assets and scale to provide solution on a national level

3. Our “platform” should augment the traditional provider system as well as emerging accountable provider organizations
   • Access to services at reduced cost – retail clinics
   • Improved clinical outcomes – “closing gaps” in care and improving medication adherence
   • Support improvement in P4P metrics (e.g. STARS, ACO)

Discussion