



## Walgreens Healthcare Strategy

Thomas Jefferson Population Health Colloquium

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*Walgreens*  
AT THE CORNER OF **HAPPY & HEALTHY**

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*  
AT THE CORNER OF **HAPPY & HEALTHY**



# 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

## Healthcare Mission

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

Physician Shortages

Consumerism

Technology

Health Care Reform

### CONSUMERS:

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

### CHANNELS:

An "on demand" society requiring convenient access

### DEMAND:

Shortage of primary care physicians drives need for additional providers

### OUTCOMES:

Payers and providers are looking for total population health solutions



## 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



## How we're well-positioned



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

\*Including associates and joint ventures of Alliance Boots



## Walgreens strategic growth drivers



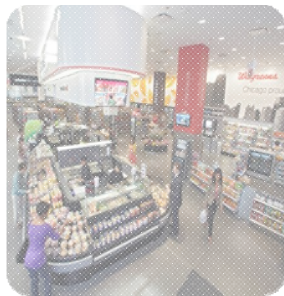
**Creating a Well Experience**



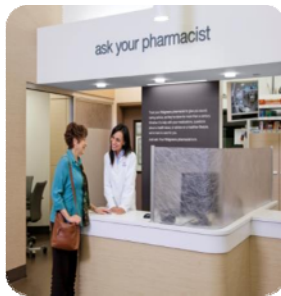
**Advancing Community Pharmacy**



**Establishing an Efficient Global Platform**



**•Creating a Well Experience**



**Advancing Community Pharmacy**



**•Establishing an Efficient Global Platform**



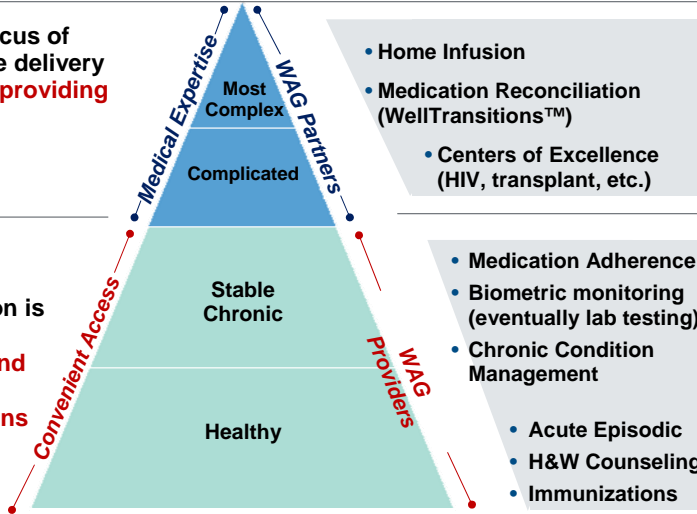
# Walgreens is Well-Positioned as A Total Population Health Solution

## 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**

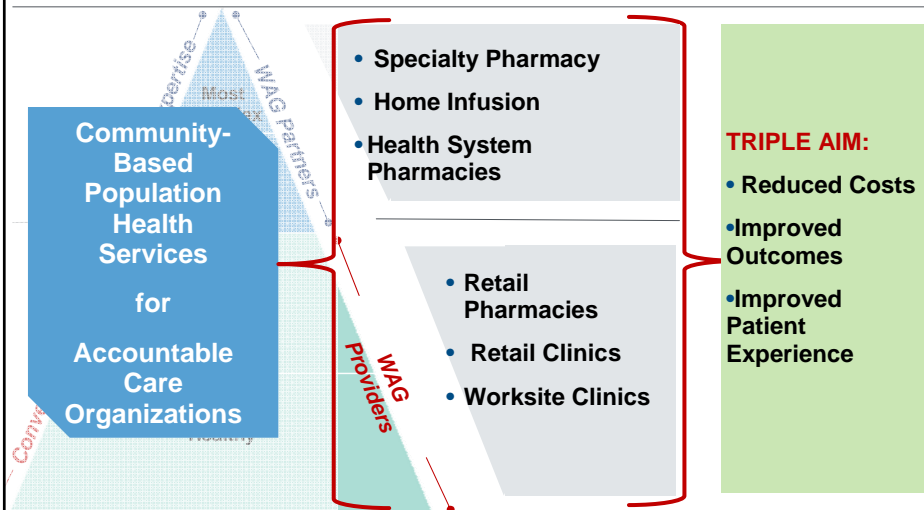
## WALGREENS ROLE



# Walgreens Total Population Health Solution

## WALGREENS BUSINESS

## BENEFITS



## Walgreens Well Network and its ACO partners

31,000 Lives  
Temple, Texas



SCOTT & WHITE  
Healthcare



7,600 Lives  
Largo, Florida

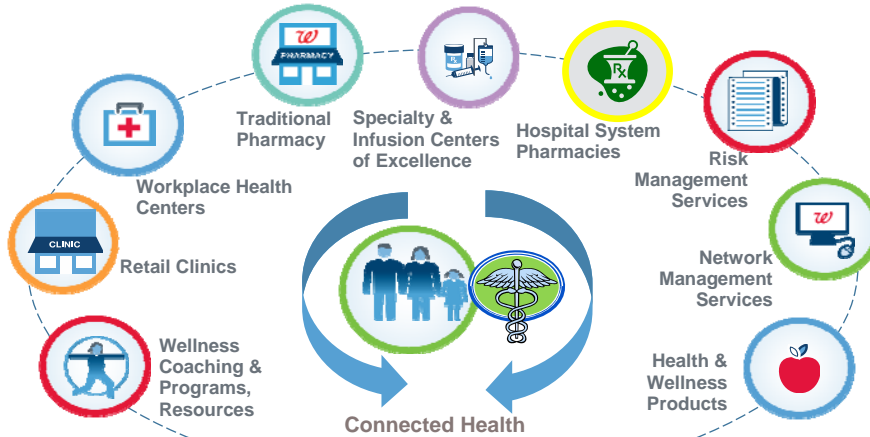
10,000 Lives  
Marlton, N.J.

advocare



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## 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*

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## 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



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## 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<sup>1</sup>
- 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)<sup>2</sup>
- 62% of patients at HIV Centers of Excellence achieve 85 percent adherence compared with 57% at community pharmacies<sup>3</sup>
- On average, participants in a community pharmacy diabetes-management program decreased their 10-year Framingham risk score by 10.5 percent<sup>4</sup>

<sup>1</sup> Taitel M, Chen C, Fensterheim L, et al. Impact of an extensive pharmacist-delivered counseling program on patient adherence to target and non-target chronic medications. Poster presented at: Academy of Managed October, 2012

<sup>2</sup> 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. *Patient Prefer Adherence*. 2012; 6(1): 323-329.

<sup>3</sup> Davis A. Employees fight physicians on Rx adherence. *Employee Benefit News*. <http://ebn.benefitnews.com/news/drug-pharmacy-costs-express-scripts-quest-diagnostics-walgreens-2725511-1.html>. Published July 1, 2012.

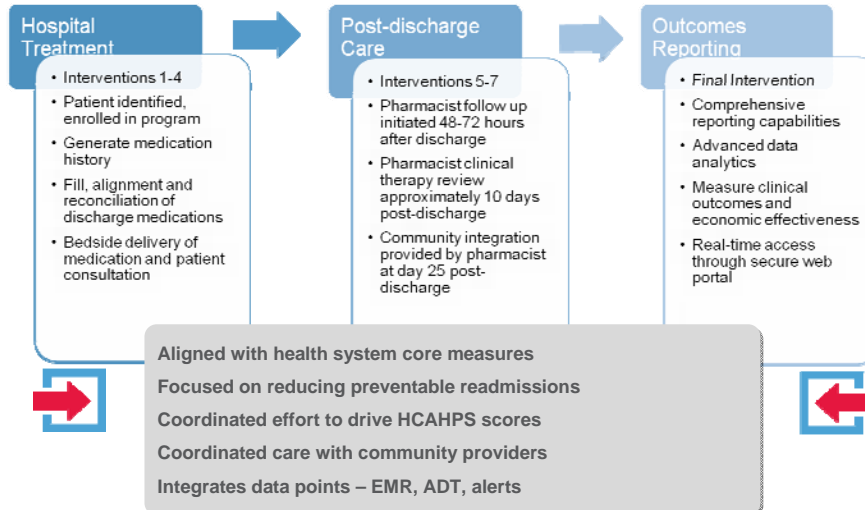
<sup>4</sup> Vortherms J, Fensterheim L, Taitel M, et al. A community pharmacy diabetes management program to improve biometric and cardiac risk factors. Poster presented at: American College of Clinical Pharmacy 2011



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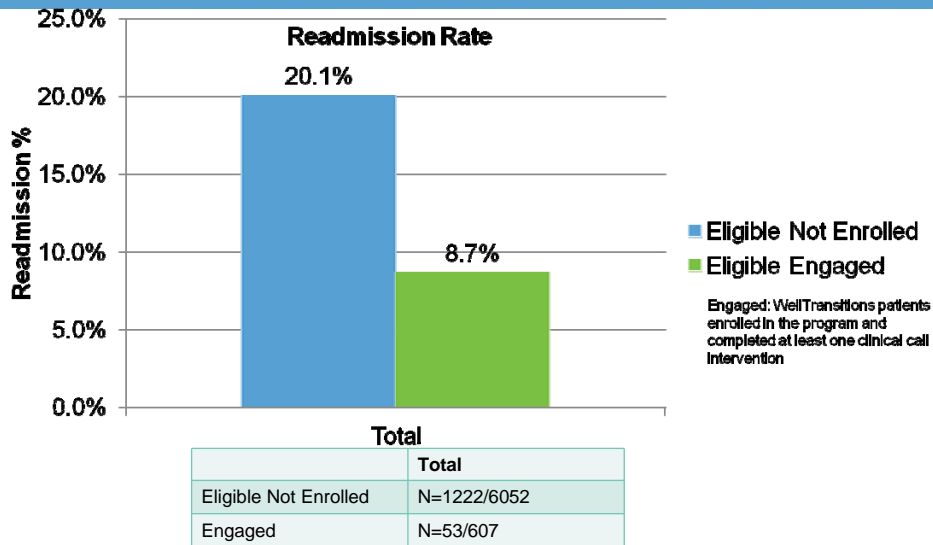
## WellTransitions – Three Phased Approach



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



N=Readmitted/Total Population



## 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 decisions 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



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## 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



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## Announced Clinical Affiliations



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

### New to Therapy

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

### Patient Adherence

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

### Limited Distribution Portfolio

- 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



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## 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

