

Employer Opportunities



The Integration of Employer Health Centers with Retail Clinics

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Welcome to Philadelphia!



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a *Walgreens* Health and Wellness Company

Walgreens' Employer Solutions



Walgreens

Walgreens Retail Pharmacy

- ~7,000 drugstores
- >68,000 trusted clinicians
- Located within 5 miles of
~70% of Americans

Walgreens Health & Wellness



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Walgreens Health Services

- Pharmacy Benefits Solutions
- Home Care
- Specialty & Long Term Care Pharmacy
- Infusion Services
- Respiratory Services



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40+ Years of Experience

370+ On-site Health & Wellness Centers At Employer Locations



take care clinicSM

350+ Take Care Health Clinics Located At Select Pharmacies

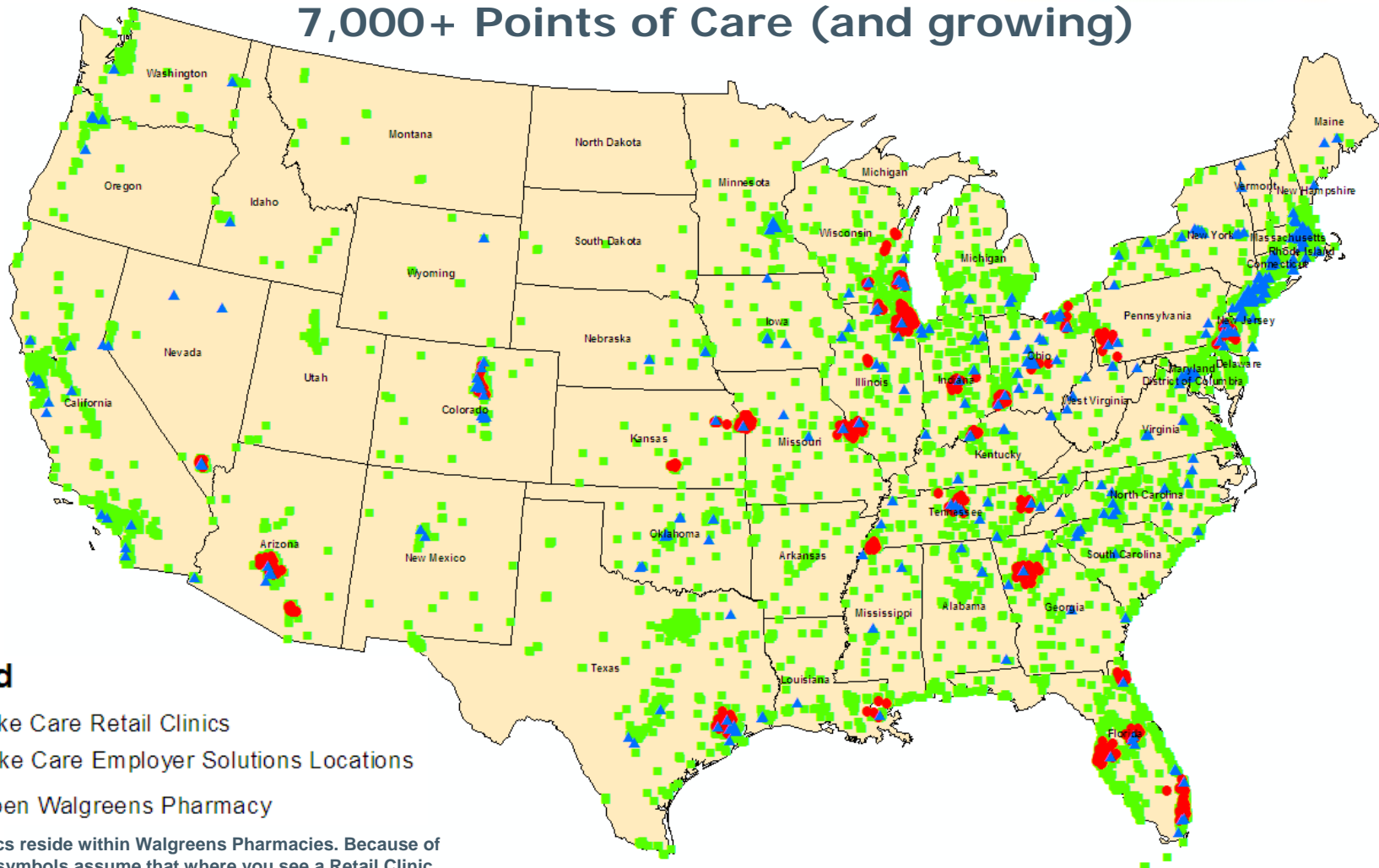


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Walgreens' Delivery Platform



7,000+ Points of Care (and growing)



Legend

- Take Care Retail Clinics
- ▲ Take Care Employer Solutions Locations
- Open Walgreens Pharmacy

Retail clinics reside within Walgreens Pharmacies. Because of overlap of symbols assume that where you see a Retail Clinic symbol there is a Walgreens Pharmacy underneath as well.

Source: Market Planning & Research GIS with Walgreens Worksite and TCHS open locations as of Aug 1, 2009



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Why Worksite Health?



- ❖ 9% increase in 2008 U.S. healthcare expenditures, with costs expected to double by 2018 ^(A)
- ❖ 50% projected increase in total U.S. pharmaceutical spend to \$355 B in 2015 ^(A)
- ❖ 95% of every \$1.00 spent in the U.S. on healthcare is for treatment and only 5% for prevention ^(A)
- ❖ 27% shortage in primary care physicians forecasted by 2025 ^(B)
- ❖ 9% expected growth in medical costs for 2010 ^(C)

A: Centers for Medicare & Medicaid Services; B: Health Affairs; C: PricewaterhouseCoopers



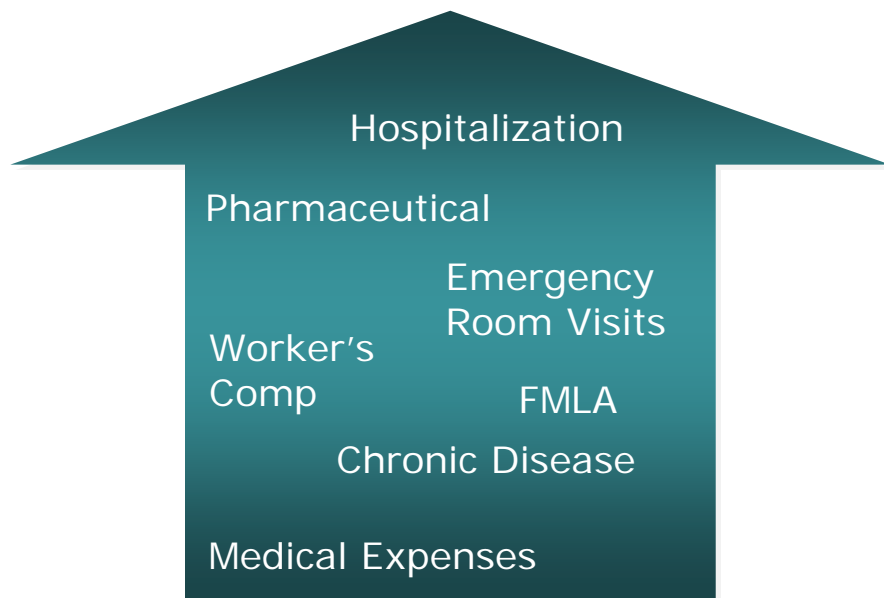
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U.S. Healthcare Trends and Employer Needs



Rising Healthcare Costs



- On-site health centers often offer employers savings of **>10%** in their total healthcare costs ^(A)
- Potential reduction in average medical cost per employee of up to **48%** due to medication compliance ^(B)

Absenteeism

Replacement Training

Presenteeism

Temporary Staffing

Lost Work Time

Reduced Employee Productivity

- Work-site health promotion programs reduce absenteeism due to illness or disability by **1.2 days** per year ^(C)
- Overall medication adherence rates are **9-10% higher** for patients utilizing an on-site health center and pharmacy ^(D)



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A: Fuld & Company; B: New England Journal of Medicine

C: Annual Review of Public Health; D: American Journal of Managed Care
(Study Conducted on Take Care Health Systems' Client)

Take Care Health Center Objectives



Mitigate Healthcare Costs

- Improved health outcomes while controlling or reducing costs
- Reduced direct and indirect medical costs



Foster a Culture of Wellness

- Enhanced employee awareness and engagement
- Employee satisfaction through employer-provided health solutions
- Better recruitment, increased retention



Access to Affordable Care

- Convenience, approachable, ease of use
- Employee-centric view to execution of health center design and operations



Improve Employee Productivity

- Improved health and disease risk factor profiles of employees
- Reduced absenteeism due to medical reasons
- Improved presenteeism (at work, less distracted by health concerns)
- Healthier, more dedicated workforce



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Worksite Health Centers → Tailored Solutions



CORE SERVICES

- ❑ Acute and Episodic Care
- ❑ Lifestyle & Wellness
- ❑ Primary Care
- ❑ Disease Management
- ❑ Pharmacy
- ❑ Occupational Health
- ❑ Fitness

ADDITIONAL SERVICES

- ❑ Integrated PBM/Mail Order Services
- ❑ Specialist and Physician Referral
- ❑ Radiology
- ❑ Physical Therapy
- ❑ Vision, Dental
- ❑ Vaccinations
- ❑ Lab Draws
- ❑ Physical Examinations
- ❑ Woman's Health
- ❑ Medical Emergency Services

- ❑ Health Screening Fairs
- ❑ Health Risk Assessments/Biometric Testing
- ❑ Health Coaching and Advocacy
- ❑ Physical Examinations
- ❑ Health Analytics After-Hours Clinical Advice
- ❑ Travel Medicine
- ❑ Crisis and Pandemic Preparation
- ❑ Hospital Admissions and Rounding
- ❑ Accreditations
- ❑ Case Management
- ❑ Disability Management, Including Short-Term, Long-Term and FMLA
- ❑ Return to Work Program
- ❑ Compliance: OSHA , AED, CLIA and VIS
- ❑ Pre and Post Employment Clearance
- ❑ Substance Abuse Testing; MRO Services
- ❑ Medical Surveillance
- ❑ Pharmacy Concierge Services
- ❑ Specialty Pharmacy Services



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High Touch, Integrated Care



Ease of Provider Access to Patient Data



Improvement Opportunities...

- ✓ Diagnosis Accuracy
- ✓ Minimize Medical Error
- ✓ Identify Additional Patient Needs

Collaboration of Physicians, Pharmacists & Nurses



- ✓ Tailored Treatment Plans
- ✓ Improved Medical Therapy
- ✓ Better Medication Compliance
- ✓ Lower Employer Cost

Longer Visits; High-Touch Engagement of Providers with Patients



- ✓ Enhanced Interaction
- ✓ Better Management of Chronic Cases
- ✓ Greater Patient Engagement
- ✓ Improved Therapy Compliance

Integration of Client's Vendors with Take Care Health

Vendors



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- ✓ Seamless, Simple Patient Experience



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Large Employers can Benefit from BOTH Worksite and Retail Clinics

- Complementing markets with worksite centers
 - After hours care
 - Dependent care
- Small locations (<500 Employees)
- Remote employees/ members
- Potential Services/ Programs
 - Acute Care/ Urgent Care
 - Wellness Programs
 - Flu Programs

Co-pay Employers moving toward reduction or elimination of copay to incent use amongst employees

Key Drivers for Employers



Avoidance of ER Visits

- No appointment / Walk-In
- Accessible, Convenient, Quality Provider
- Significant Cost Savings
 - ER vs. Take Care Clinic = \$356 vs. \$64
- Employers Incentivizing use of Take Care Clinics
 - Reduced / Elimination of Copay

Physical Exams & Vaccines

- From Treatment to Proactive / Preventative Care
- Healthy / Engaged Employees = Productive Employees

Biometric Screenings

- Wellness Foundation for entire Employee Population

Questions