

# Partnering to Innovate: Retail Clinics and Health Systems

Susan Ferbet 11 January 2017

Just as the role that retail clinics are playing in healthcare today has continued to evolve, especially in recent years, so too has the need for clinic operators to have a nimble growth strategy, in order to respond to the changing needs of patients, payers and our healthcare system as a whole.

With millions of Americans becoming newly insured in the last couple of years, combined with other market forces including more cost-conscious and convenience-seeking consumers, high-deductible health plans, and an ongoing shortage of primary care providers, retail clinics have been uniquely positioned to help meet the need for greater access to high-quality and affordable healthcare. Thus, it wasn't hard to fathom a scenario recently forecasted by Accenture, in which the number of retail clinics in the U.S. would quickly double from 2014 to 2017, to approximately 2,800 nationwide.

But simple growth in numbers and more points of care aren't necessarily the answer to the many challenges we currently face. Care coordination and connectivity are

more important than ever, the shift toward value-based care models and away from fee-for-service is growing and, more and more, payers and other providers such as health systems and physician groups are recognizing the access and quality care that retail clinics provide within the community.

At Walgreens, we're continually evaluating strategies to respond to today's market changes and position our business for long-term success, so that we can continue to invest in valuable services to best meet patient needs and care for more people in more ways.

That's led to the development of a two-pronged growth strategy for our Walgreens Healthcare Clinic business. The first prong or component is to build a strong, viable model for retail clinics within our stores, and grow our business by expanding the range of services we offer and leveraging technology in new ways to improve the patient experience. We're making significant investments in our Walgreens-managed clinics, such as the implementation of an industry leading Epic EHR platform, to accelerate this part of our growth plan.

The second component is to explore new, innovative partnerships with community health systems. These partnerships fully integrate retail clinics into the health system care plan and care continuum, with the health system managing and operating the clinics in our stores. They're also a reflection of our efforts to develop deeper

and more collaborative relationships with our health system partners, while adapting to the latest changes and challenges in today's healthcare environment.

These health system collaborations give patients more convenient access to a trusted healthcare resource in the community, while offering extended evening and weekend hours. And their EHR platforms can directly connect the clinics with other points of care within the system, to create a seamless experience no matter where patients choose to access care. For the health system, it gains the ability to provide healthcare services in a convenient retail setting, while also having better access to patients within the community who may be seeking care. There are also opportunities to integrate a number of Walgreens pharmacy programs and services.

Another benefit for both parties is that, through closer collaboration, we're able to share certain best practices and key learnings within our respective businesses to create a trusted, compelling and high-quality healthcare offering to the community.

We believe it's a great example of innovation helping to improve the health of the communities we serve. And to date, we have formed eight such health system partnerships, including in key markets such as Chicago (Advocate Health Care), Miami (University of Miami Health System), Indianapolis (Community Health Network), St. Louis (SSM Health), Milwaukee (Aurora Health Care) and

others.

As much as the healthcare landscape has evolved, what hasn't changed for us is a dedicated focus on better outcomes and patient satisfaction, and lower overall medical costs for patients and payers—all areas in which our Walgreens Healthcare Clinics prosper. It's why we remain committed to the business, and continue to make investments to offer patient benefits through a variety of healthcare delivery options.

Retail clinics continue to play an important role in healthcare today. Our data has shown that 40% of Healthcare Clinic patients say if it weren't for our clinics they would either go to a more costly point of care or may not seek treatment at all, potentially resulting in greater complications and more significant healthcare costs in the long run. It's our job to find new and innovative ways to position retail clinics not as a solution, but as an integral part of the healthcare system that can benefit all parties involved for many years to come.