



Government and Community Relations Department

May 26, 2008

VIA ELECTRONIC SUBMISSION

Federal Trade Commission/Office of the Secretary
600 Pennsylvania Avenue, N.W.
Room H-135 (Annex A)
Washington, DC 20580

Re: Innovations in Health Care Delivery–Comment, Project No. v080005”

Dear Sir or Madam:

Take Care Health Systems/Walgreens appreciates the opportunity to submit comments on our business and the role the Convenient Care Industry is playing in realigning healthcare around the consumer. We are one of the leading operators and pioneers of convenient care clinics with 170 clinics open today and 230 more by year-end 2008. We have a proven record for excellence in patient care for over two years, serving more than half-a-million-patients since our inception. Our history of leadership provides Take Care Health Systems/Walgreens unique insights on the distinct value clinics offer to consumers and healthcare practitioners, as well as the business and regulatory challenges faced by the industry.

We understand that the Federal Trade Commission has done an excellent job of seeking feedback from the industry and has already heard from the Convenient Care Association, MinuteClinic and industry analyst/consultant Mary Kate Scott. In light of that, we will keep our comments brief and focus on the following areas:

- About Take Care Health Systems
- Consumer/Healthcare Industry Value Proposition
- Key Data
- Regulatory Challenges

About Take Care Health Systems

Take Care Health Systems, a wholly-owned subsidiary of Walgreens, manages Take Care Health Clinics located at select Walgreens drugstores throughout the country.

Take Care Health Clinics are walk-in, professional health care clinics, staffed by board-certified nurse practitioners and physician assistants who treat common conditions and provide diagnostic screenings, vaccinations and physicals

<http://www.takecarehealth.com/treat.htm>. Patient care is provided by Take Care Health Services, an independently owned state professional corporation established in each market. These state-of-the art facilities which have elements similar to other medical offices such as exam tables, full sinks and dedicated waiting areas, accommodate the changing needs of today's healthcare consumer by delivering access to high-quality, basic healthcare services in an environment that is convenient, safe, and affordable.

Consumer/Healthcare Industry Value Proposition

Take Care Health Systems/Walgreens is committed to patient-centric-healthcare. What that means for patients is accessible, affordable and quality care. We offer same day walk-in service, expanded hours on nights and weekends, minimum waiting time, affordable services (in the area of \$59-\$74), and multiple and quickly expanding points of care. Our unique model resonates with consumers – we have seen over 500,000 patients since entering the market, and the industry as a whole, which has a similar value proposition, has treated well over 2 million patients. Undoubtedly, our model has helped to reduce the overwhelming burden on hospital emergency departments nationwide. Importantly, we are reaching a wide population and specifically those who most need our services - the uninsured. We estimate that up to 20% of our patients do not have insurance coverage. Our patient satisfaction rates are extraordinary, with over 95% of patients reporting high satisfaction with our model and care. The industry has been recognized in medical journals for its proficiency in treating certain conditions with adherence rates to nationally recognized best practices surpassing that of traditional healthcare delivery. We follow protocols and evidence based guidelines that provide the foundation for the care we provide.

We are intensely focused on providing our services within the scope of the broader healthcare system. To the benefit of the consumer and healthcare system, we are well-integrated with traditional care and promote the importance of continuity of care. Our surveys have found that 30% of our patients do not have a primary care physician and in these cases we will provide the names of community physicians who are accepting patients. Many of our patients report that they were unable to get a timely appointment with their physician and wished to have care more quickly at our facility. We work closely with local physicians and physician groups as an extension of our practice. When a patient's condition falls outside of the clinic's scope of practice, we will suggest a primary care provider or specialist option for the patient. All patients are provided with a record of their visit, including all services provided and medications prescribed. The patient may take the record and/or we will fax it to their physician if requested.

Take Care Health Clinics and the convenient care industry are leaders in technology with 100% EMR usage. Take Care Health Clinics have the capability to exchange information effectively and securely within its clinic network and with other health care providers, improving safety and quality by providing secure portability of patient records and

electronic prescriptions. Every Take Care Health patient has immediate and long-term access to patient visit information. Through our state-of-the art EMR, we can readily share information with patients' primary care providers or specialists upon their approval/request. Unfortunately, very few providers have the electronic means to accept EMRs so we are currently not able to integrate with the larger medical community via electronic means on a broad basis. However, as soon as other health care providers adopt electronic communication means en masse, we will be in a position to integrate more seamlessly with the broader medical community of care.

We are focused on providing immediate care services/solutions when they fall within the scope of our service, and referring out when they do not, as well as finding chronic and long-term care solutions or healthcare homes for those patients we treat. One of the company's core objectives and industry's focus is to encourage and lead patients to establish long-term relationships with medical providers. As a critical access point to the healthcare system, convenient care clinics are helping thousands of patients who would otherwise not received care or who might enter the medical system only when a catastrophic medical problem brought them to a hospital.

Key Data -- Making Healthcare more Accessible, Right-Sized, Affordable and Reducing Costs

The following data has been culled from 500,000 patient visits to Take Care Health Systems since November 2005.

- More than **40%** of patients, had it not been for a Take Care Health Clinic, would have gone to the ER, Urgent Care or not sought treatment for their condition.
- **30%** of patients that visit Take Care Health Clinics do not have a primary care provider.
 - Take Care Health Providers refer 100% of these patients to primary care providers
- Approximately **20%** of patients either are uninsured or pay cash (suggesting they may be uninsured) for Take Care services
- Patient satisfaction rates are in excess of 95%

Peter Miller, CEO of Take Care Health Systems, recently said "We are delivering wholeheartedly on the promise of the clinics. Our vision was to create a unique, patient-centric access point that complements traditional health care, while providing a distinct service to insured and uninsured Americans. Our efforts are helping to lower health care costs by providing a service that better aligns with patients' needs. As a result of Take Care Health Providers, fewer patients are using the emergency room as a default option, more uninsured Americans have access to health care and patients who would have delayed or bypassed care are getting the necessary attention. Together with Walgreens, we are now leveraging more resources, which include 20,000 pharmacists at nearly 7,000 access points in retail locations just five minutes from 68 percent of the U.S. population,

to drive the health care industry's strongest commitment to care clinics and truly impact the health care marketplace.”

The following information was recently released as part of a WSJ.com/Harris online Interactive health care study tracking consumer opinions/usage of convenient care clinics. We offer the following because the survey results came out post your “Innovations” workshop and only provide within select headlines of the findings. For the full research/survey please access <http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=1308>. The study was of nearly 5,000 individuals and conducted from May 2 – May 6.

- U.S. adults who have used these health clinics in a pharmacy or retail chain are generally pleased, as almost all are very/somewhat satisfied with the quality of the care (90%), cost (86%) and staff qualifications (88%).
 - As in prior surveys on this topic, the biggest driver of satisfaction appears to be convenience, with 73 percent very satisfied and another 20 percent somewhat satisfied with the convenience of these clinics.

Regulatory Challenges

Take Care Health Systems/Walgreens was the founding member of the Convenient Care Association (CCA). Working through individual committees established by the CCA, which are made-up of licensed nurse practitioners and physicians, the CCA has adopted stringent guidelines for our providers/company and collaborates with each member organization to continually improve our guidelines addressing the delivery of care and operations of clinics. Additionally, the CCA has recently retained a third party to monitor quality compliance of its members to ensure our quality standards.

Take Care Health Systems/Walgreens understands the motivations behind ever expanding government regulation of any young industry, especially one in the area of healthcare. To that end, we appreciate and respect the motivations of regulators and the healthcare community pushing state lawmakers to consider new requirements aimed at ensuring the delivery of high quality care in appropriate settings with the patients' best short- and long-term interests in mind. It is important to note there are already many, many requirements and regulations that apply to our facilities and providers. Our care providers are already board certified, monitored by local/state health authorities, licensed, required to participate in on-going education and subject to a rigorous credentialing process; our facilities are subject to licensure, inspection and occupancy requirements at a local/state level in each location. This said, we have found that some misguided legislative efforts, often driven by some of those in the medical community who see this model of care as a threat, are anti-competitive and protectionist putting the needs and rights of the patient second and limiting access to high-quality, affordable healthcare.

We believe some of these proposed restrictions are well known to the FTC who has already opined on the anti-competitive nature of at least one regulation proposed at the state level. Most onerous are state efforts that seek to: keep convenient care providers

from advertising pricing per service (a key component of transparency enabling consumer-focused healthcare); prohibit lowering co-pays for clinic visits compared to traditional provider visits (discouraging usage for the insured and suggesting a different value is being delivered by the caregiver); prohibit clinic host sites that sell tobacco products from providing or hosting convenient care clinics; require dedicated rest room facilities not accessible to non-patients (which many physicians offices do not have); impose radius or on-site requirements for oversight physicians when telephonic communication is the norm in all other settings and limit scope of practice for our clinicians beyond the limitations that already exist in state licensing and oversight requirements. We take great issue with these efforts and see no sound rationale for why consumers benefit from these efforts. We believe that many efforts currently underway to provide limitations in these areas undervalue the qualifications of the nurse practitioners and physician assistants and unnecessarily proscribe or limit the industry's ability to deliver high-quality care to its customers. Further, we believe these efforts are partly driven by motives not in the best interests of the patient community.

Requirements can vary dramatically state to state and special permits required for facility operations can be daunting. The wide variability of these requirements can make it difficult or impossible to provide high quality care at a reasonable cost on a national basis. We would greatly appreciate the opportunity to further educate the FTC on these efforts and any support the FTC might offer in ensuring that all Americans seeking care are not at a severe disadvantage because of regulations put into place to preserve the status quo.

Conclusion

We appreciate your interest in our industry. We hope you conclude what millions of consumers of our clinics already know, and an increasing number of physicians recognize, that convenient care clinics provide high-quality, affordable care solutions to a healthcare industry in dire need of new approaches and points of access to healthcare delivery. It would be our pleasure to engage in further discussions with the FTC and to participate in upcoming events or conferences on this and related topics. We are sincerely grateful for this opportunity to share our vision and concerns with the Commission.

Very truly yours,

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