

Walgreens and VillageMD to Open 500 to 700 Full-Service Doctor Offices within Next Five Years in a Major Industry First

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Unprecedented Large-Scale Rollout Delivers First-Rate Healthcare to Patients, with Primary Care Physicians and Pharmacists Co-Located at Stores in an Integrated Model

DEERFIELD, Ill. and CHICAGO, Ill., July 8, 2020 – Walgreens Boots Alliance, Inc. (Nasdaq: WBA) and VillageMD announced today that Walgreens will be the first national pharmacy chain to offer full-service doctor offices co-located at its stores at a large scale, following a highly successful trial begun last year.

This expanded partnership will open 500 to 700 “Village Medical at Walgreens” physician-led primary care clinics in more than 30 U.S. markets in the next five years, with the intent to build hundreds more thereafter.

The clinics will uniquely integrate the pharmacist as a critical member of VillageMD’s multi-disciplinary team to deliver the very best healthcare to patients, and will be staffed by more than 3,600 primary care providers, who will be recruited by VillageMD.

The clinics will accept a wide range of health insurance options, and offer comprehensive primary care across a broad range of physician services. Additionally, 24/7 care will be available via telehealth and at-home visits. More than 50 percent will be located in Health Professional Shortage Areas and Medically Underserved Areas/Populations, as designated by the U.S. Department of Health and Human Services.

This rollout follows a trial with five in-store clinics in the Houston, Texas area, which produced very strong results after opening last November including high patient satisfaction, with Net Promoter Scores over 90.

This integrated model has never been more important – six in 10 Americans today live with at least one chronic condition requiring multiple daily medications. Data from current Village Medical clinics shows that an integrated pharmacy and primary care approach increases medication adherence and contributes to improved patient outcomes.

“This rollout is a major advancement of one of Walgreens Boots Alliance’s four key strategic priorities, Creating Neighborhood Health Destinations,” said Stefano Pessina, executive vice chairman and CEO, Walgreens Boots Alliance. “These clinics at our conveniently located stores are a significant step forward in creating the pharmacy of the future, meeting many essential health needs all under one roof as well as through other channels.”

“In the U.S., we spend \$4 trillion per year on healthcare, over 85 percent of that is tied to patients with chronic diseases. To improve our healthcare system and reverse the trajectory of health spending, we must meet the needs of all patients. This partnership allows us to unleash the power of primary care doctors and pharmacists, enabling them to work in a coordinated way to enhance the patient experience,” said Tim Barry, chairman and CEO, VillageMD. “The results of our initial pilot clinics highlight that these outcomes are infinitely achievable.”

Most of the clinics will be approximately 3,330 square feet each, with some as large as 9,000 square feet. They will optimize existing space in the store, which will also still provide a vast range of retail products to customers.

VillageMD and Walgreens also [recently announced](#) the availability of Village Medical telehealth providers on Walgreens Find Care™, which is an online platform that connects patients with a wide range of health services.

Under the terms of the new agreement, WBA will invest \$1 billion in equity and convertible debt in VillageMD over the next three years, including a \$250 million equity investment to be completed today.

Of WBA’s investment, 80 percent will be used by VillageMD to fund the opening of the clinics and build the partnership, including integration with Walgreens digital assets.

It is anticipated, assuming full conversion of the debt, that WBA will hold an approximately 30 percent ownership interest in VillageMD at the completion of the investment.

About Walgreens Boots Alliance

Walgreens Boots Alliance (Nasdaq: WBA) is a global leader in retail and wholesale pharmacy, touching millions of lives every day through dispensing and distributing medicines, its convenient retail locations, digital platforms and health and beauty products. The company has more than 100 years of trusted health care heritage and innovation in community pharmacy and pharmaceutical wholesaling.

Including equity method investments, WBA has a presence in more than 25 countries, employs more than 440,000 people and has more than 18,750 stores.

WBA’s purpose is to help people across the world lead healthier and happier lives. The company is proud of its contributions to healthy communities, a healthy planet, an inclusive workplace and a sustainable marketplace. The company’s businesses have been recognized for their Corporate Social Responsibility. Walgreens was named to FORTUNE* magazine’s 2019 Companies that Change the World list and Boots UK was recognized as Responsible Business of the Year 2019-2020 by Business in the Community.

WBA is included in FORTUNE's 2020 list of the World's Most Admired Companies. This is the 27th consecutive year that WBA or its predecessor company, Walgreen Co., has been named to the list.

More company information is available at www.walgreensbootsalliance.com.

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About VillageMD

VillageMD, through its subsidiary Village Medical, is a leading, national provider of value-based primary care services. We partner with physicians to provide the tools, technology, operations, staffing support and industry relationships to deliver high-quality clinical care and better patient outcomes, while reducing the total cost of care. The Village Medical brand provides primary care for patients at traditional free-standing clinics, Village Medical at Walgreens clinics, at home and via virtual visits. VillageMD and Village Medical have grown to include more than 2,800 physicians across nine markets, are responsible for approximately 600,000 lives and manage \$4 billion in total medical spend in value-based contracts. To learn more, please visit www.villageMD.com.

Cautionary Note Regarding Forward-Looking Statements. All statements in this release that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance and involve risks, assumptions and uncertainties, including, but not limited to, those related to the timing and effectiveness of collaboration plans and implementation, the ability to realize the anticipated benefits of the strategic partnership, competitive actions in the marketplace, and the ability to achieve anticipated financial and operating results in the amounts and at the times anticipated, as well as those described in Item 1A (Risk Factors) of Walgreens Boots Alliance, Inc.'s Form 10-K for its fiscal year ending August 31, 2019 and Form 10-Q for its fiscal quarter ending February 29, 2020, and in other documents that Walgreens Boots Alliance, Inc. files or furnishes with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially. These forward-looking statements speak only as of the date they are made. Each of Walgreens Boots Alliance, Inc., Walgreens and VillageMD do not undertake, and expressly disclaim, any duty or obligation to update publicly any forward-looking statement after the date of this release, whether as a result of new information, future events, changes in assumptions or otherwise.