

Rite Aid expands primary care locations, but not enough to threaten Walgreens, CVS

Article

The news: Primary care company **Homeward** is partnering with **Rite Aid** to provide primary care services across **700** rural Rite Aid locations.

- Rite Aid pharmacists will introduce **Medicare** customers to Homeward's annual wellness visits, screenings, and risk assessments.
- The pharmacy giant will also offer Homeward's mobile care units in parking lots of select rural Michigan Rite Aid locations.

The opportunity: More consumers are tapping retail pharmacies for healthcare services. That could help Rite Aid and its peers boost customer spending and satisfaction levels.

- **Over half (51%) of retail pharmacy customers say they've visited their pharmacy for services like routine screenings, vaccines, and physical exams over the past year, per a J.D. Power 2021 US Pharmacy Study.**
- That's good news for pharmacy retailers like CVS, Walgreens, and Rite Aid (all of which are either already providing primary care services or plan to soon).
- Customers who used at least one healthcare service at their retail pharmacy **spent an average of \$5 more than other customers**, per J.D. Power.
- Plus, customer **satisfaction scores climbed** after using a healthcare service at their pharmacy. Overall **satisfaction scores rose 24 points** (on a 1,000-point scale).

Zooming out: Rite Aid likely won't become a major threat to CVS' and Walgreens' primary care businesses.

Rite Aid's core strategy lies in its pharmacy services.

- In 2020, the retail giant revealed plans to take on competitors like CVS and Walgreens by revamping its user experience at stores.
- Its new pharmacies will look like an Apple Genius Bar with virtual care rooms to remotely connect with a pharmacist or physician, for instance.

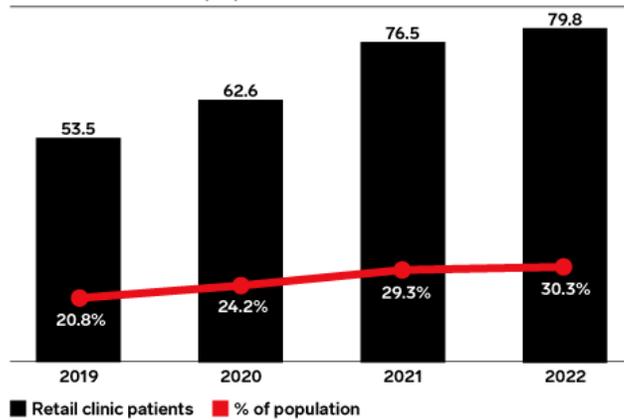
Meanwhile, CVS and Walgreens are doubling down on primary care.

- For example, CVS recently revealed its **\$1 billion** plan to **shutter 900 of its retail stores** and convert them to full-scale primary care clinics over the next three years.
- It's likely Walgreens will remain CVS' main retail clinic competitor. Especially since Rite Aid's leaders have no intention of taking business away from other primary care organizations.

- Rite Aid’s senior vice president of payor and strategic initiatives, **Chris Bohrer**, [told Insider](#) that **Rite Aid wouldn’t want to compete with local providers by owning its own primary care clinics.**

US Retail Clinic Patients, 2019-2022

millions and % of population



Note: ages 18+; adults who visit retail clinics in-person at least once during the calendar year; examples include CVS MinuteClinic, Walgreens Healthcare Clinic, Kroger's The Little Clinic, Walmart Care Clinic, etc.
Source: Insider Intelligence, Nov 2021

272365

[InsiderIntelligence.com](https://www.insiderintelligence.com)