

# CVS steps into the provider space, adding doctors to its network

Article



**The news:** CVS is adding more doctors to its provider network—aiming to carve out a role as a major provider of primary care services via its MinuteClinics.

**How we got here:** CVS is the largest retail pharmacy in the US, and is unique in that it has inroads in nearly all corners of healthcare—hiring doctors is one of the final pieces of the puzzle to create a fully intra-functional ecosystem of CVS-run healthcare services.

By expanding its provider network beyond nurses, pharmacists, and PAs to include more physicians, CVS could build a better reputation as a credible provider and bring more patients through the doors of its MinuteClinics:

- **27% of US adults** think the quality of care at retail clinics is worse than the quality of care in doctor's offices.

This move would also let CVS better synergize its clinics with its health insurance (Aetna), pharmacy, and pharmacy benefits manager (Caremark) businesses.

- For example, primary care physicians can steer patients to less costly, out-of-network forms of care.
- On top of that, it could use its in-house doctors to fuel its recently launched virtual 24/7 virtual primary care solution, Aetna Virtual Primary Care.

**The bigger picture:** CVS isn't the first retailer to expand its provider network to MDs—Walgreens was the **first retailer** to do this via its VillageMD stake.

Retailers are aiming to scoop up healthcare consumers who are increasingly turning to retail clinics and more affordable healthcare options:

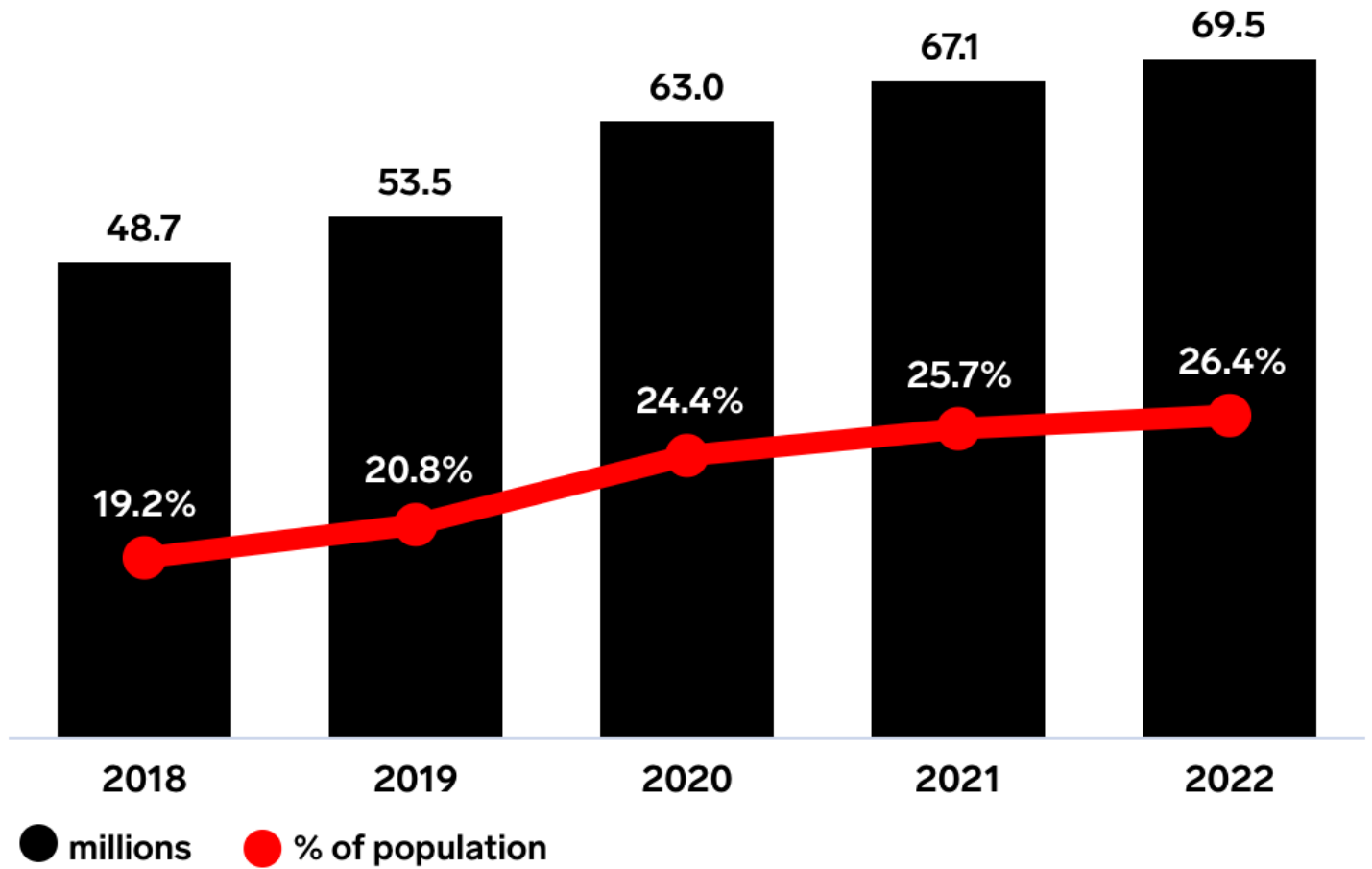
- In 2018, **retail clinic patients made up 19.2% (48.7 million) of the US population**, and **we project** that'll top 26.4% (69.5 million) by next year.

Retailers are also well positioned to capture patients seeking out healthcare services due to their pervasive geographic footprints

- For example, **CVS Pharmacy stores serve 4.5 million patients daily**, and **over 75% of people** in the US live within 3 miles of a CVS store.

# Retail Clinic Patients

US, 2018-2022



Source: eMarketer, January 2021

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