

DANBURY HOSPITAL

24 Hospital Ave Danbury, CT 06810 203.739.4903 DanburyHospifal.org

From:	Sally Herlihy			OCT -	T 2012
To:	Vice President, Planning Kimberly Martone			HEALTH CAS	Exposs]
Fax:	860-418-7053	No. of Pages:	3		
Phone:	860-418-7001	Date:	October 1, 2012		
RE:	Sale and Replacement of Retail Pharmacy	CC:			
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Fa	X				
Please fi	ind attached a notification letter,				

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Thank you.

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24 Hospital Ave. Danbury, CT 06810 203.739.7000

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October 1, 2012

Kimberly R. Martone
Director of Operations
Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308



Re: Notification Regarding the Sale and Replacement of the Existing Retail Pharmacy

Dear Ms. Martone,

Western Connecticut Health Network ("WCHN") has decided to sell Danbury Pharmacy, Danbury Hospital's on-premise retail pharmacy to Walgreens, a national pharmacy chain that will keep the pharmacy on the hospital campus for the convenience of patients and employees. Danbury Pharmacy is a member of WCHN's affiliate Business Systems, Inc., as noted on the attached organizational chart. As a stand-alone pharmacy, Danbury Pharmacy has been financially challenged for some time, lacking the volume and purchasing power of major national chains. Changes in prescription payment plans, particularly those of Medicaid and Aetna – which comprise more than half of the pharmacy's prescription volume – have had a prolonged, negative impact on the pharmacy's financial health.

The transition of Danbury Pharmacy to Walgreens will ensure that our patients and employees continue to receive convenient, high-level service, while relieving our Network of the pharmacy's operating costs. As part of our portfolio review process, this decision was made after considering a number of options that would help strengthen our cost structure and maintain quality. This agreement to sell the pharmacy is a strong fit with both Walgreens' business model and our Network's own goal, to "provide patients with the right care in the right place at the right time" – by keeping a pharmacy on premise, expanding access beyond the campus, and managing costs. This pharmacy transition is effective October 1, 2012.

If you have any questions regarding the change to this affiliated entity, please do not hesitate to call me at 203-739-4903.

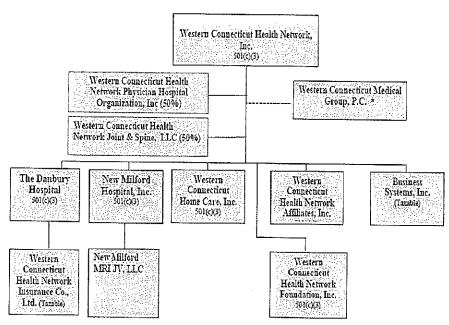
Thank you,

Vice President, Planning

Opt-Out: ***

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Western Connecticut Health Network, Inc. Organization Chart



*Controlled entity via management agreement

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