



**Written Testimony on Behalf of  
Walgreen Co.  
Concerning North Dakota Century Code  
Section 43-15-35**

**Presented to the  
State of North Dakota  
Interim Committee on Industry, Business, and Labor  
Roughrider Room, State Capitol Building  
Bismarck, North Dakota**

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**Chairman Berg, distinguished members of the Committee and interested members of the public:**

I would like to thank Chairman Berg and the members of the committee for allowing Walgreen Co. to present comments in opposition to North Dakota Century Code Section 43-15-35 and in favor of legislative action to remove this law from effect. This requirement, that any pharmacy operating within North Dakota must be majority owned and operated by a North Dakota pharmacist, is a detriment to the citizens of North Dakota. I appreciate the committee's willingness to hear arguments about this issue.

Today my testimony will focus on two points; first, the law's effect on Walgreens' ability to provide affordable and accessible pharmacy care to North Dakotans, and second, that this law provides a strong disincentive to a willing and able employer from building stores and employing North Dakotans. To begin, I will provide background on Walgreens.

Walgreens began as an independent community pharmacy founded by Charles R. Walgreen in 1901. Throughout the last century, our company has maintained Mr. Walgreen's vision of operating each one of our stores as a community pharmacy. Walgreens operates 6,356 pharmacies in 48 states, the District of Columbia and Puerto Rico with pharmacies expected to open in Alaska next year. The company currently operates one store in Fargo, North Dakota without a pharmacy. Through this store and our location in Moorhead, Minnesota, our retail locations employ 42 North Dakotans including two pharmacists, two pharmacy technicians and six members of store management.

Nationwide, Walgreens provides convenient access to consumer goods and cost-effective health care services in America through its retail drugstores, Walgreens Health Services division and Walgreens Health and Wellness division. Walgreens Health and Wellness division includes Take Care Health Systems, which is comprised of: Take Care Consumer Solutions, managers of 183 convenient care clinics at Walgreens drugstores, and Take Care Employer Solutions, managers of worksite-based health and wellness services at more than 364 employer campuses.

Walgreen Co. Comments

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Take Care Health Systems, a Walgreens wholly owned subsidiary, further employs 66 North Dakotans out of its intellicenter on 30<sup>th</sup> Avenue in Fargo for a total of 108 North Dakotans presently employed by Walgreens.

The core of Walgreens' business, however, remains retail pharmacy. Walgreens became the "Pharmacy that America Trusts" by providing accessible and affordable prescriptions coupled with counseling from highly educated and impeccably trained Walgreens pharmacists along with exceptional patient service. Further, Walgreens is highly committed to providing affordable prescription care, as evidenced by our Prescription Savings Club Card. Members in this club can purchase over 400 generic drugs for less than \$1 per week for a 90 day supply. This club also provides a discount in our stores for members as well as weekly coupons. Walgreens' patients can enjoy a nationwide network of Walgreens pharmacies available to serve their needs, from Seattle to Florida and from Maine to Hawaii, our patients can obtain refills for their prescriptions anywhere in the country.

Unfortunately, under current North Dakota law, Walgreens cannot provide our brand of accessible and affordable prescription coverage to North Dakotans. Should the law be repealed, Walgreens would be significantly more inclined to expand our operation within this state so that we may serve North Dakotans through our retail pharmacies.

In order to paint a picture of what Walgreens might ideally invest in North Dakota if this law was overturned, I will refer to South Dakota and Wyoming- two states with comparable land size and population. According to the US Census bureau, North Dakota's estimated population in 2006 is 125,000 greater than Wyoming's population, and 150,000 residents fewer than South Dakota. Accordingly, it is appropriate to provide our activity in those states as a theoretical minimum and maximum for potential Walgreens activity within North Dakota. Walgreens currently operates 13 stores in South Dakota and 8 in Wyoming. Walgreens pharmacy count might fall in between those two numbers. On average, each of these stores with pharmacies would employ 25-30 individuals with a gross payroll of roughly \$85,000 per month per store. Each pharmacy employs 3.5 full time pharmacists, providing potential opportunities within North Dakota for

graduates of North Dakota State University College of Pharmacy that might otherwise be forced to leave North Dakota to find employment if the law were not changed. 40% of our pharmacies in South Dakota and Wyoming are in towns with populations between 9,000 residents and roughly 20,000 residents. The remainder of our stores are in more populous areas. Accordingly, Walgreens would be able to provide pharmaceutical care and jobs to many diverse areas in the state, not to mention the opportunity to provide affordable and accessible healthcare in our stores.

In conclusion, Walgreens believes that North Dakotans have much to gain if the law is repealed. Eliminating the local ownership requirement would provide the opportunities for retailers like Walgreens to provide accessible and affordable prescription drugs and quality healthcare in addition to employing North Dakotans in retail and pharmacy jobs. Once again, Walgreens appreciates the opportunity to speak regarding this law. Please let me know if I may provide any additional information to you. I am happy to answer questions.