

New York Times

CVS Plans to End Sales of Tobacco Products by Oct. 1

By Stephanie Strom February 5, 2014

CVS/Caremark, the country's largest drugstore chain, announced on Wednesday that it planned to stop selling cigarettes and other tobacco products by October.

The company's move was yet another sign of its metamorphosis into becoming more of a health care provider than a largely retail business, with its stores offering more miniclinics and health advice to aid customers visiting its pharmacies.

While the company's decision will cost it an estimated \$2 billion in sales from tobacco buyers, that is a mere dent in its overall sales of \$123 billion in 2012.

"We have about 26,000 pharmacists and nurse practitioners helping patients manage chronic problems like high cholesterol, high blood pressure and heart disease, all of which are linked to smoking," said Larry J. Merlo, chief executive of CVS. "We came to the decision that cigarettes and providing health care just don't go together in the same setting."

CVS does not sell electronic cigarettes, the highly popular but debated devices that deliver nicotine without tobacco and emit a rapidly vanishing vapor instead of smoke. It said it was waiting for guidance on the devices from the Food and Drug Administration, which has expressed interest in

regulating e-cigarettes.

Some major retail stores like Walmart and convenience stores still sell cigarettes and other tobacco products, although antismoking groups and health care professionals will probably use CVS's decision to try to pressure others to consider doing so. Municipalities have also begun enacting legislation governing where cigarettes can be sold.

Kathleen Sebelius, secretary of Health and Human Services, said in a statement that the CVS decision was "an unprecedented step in the retail industry" and predicted it would have "considerable impact."

Ms. Sebelius said that each day, some 3,200 children under 18 will try a cigarette and 700 will go on to become daily smokers. That means, she said, that 5.6 million American children alive today will die premature due to diseases linked to smoking.

"Today's CVS/Caremark announcement helps bring our country closer to achieving a tobacco-free generation," she said. "I hope others will follow their lead in this important step to curtail tobacco use."

When San Francisco first proposed banning the sale of tobacco products in pharmacies in 2008, the Walgreen Company sued, contending it was unfair to place such restrictions on drugstore operators and not on grocery and discount stores with pharmacies inside.

Two years later, the city came back two with a ban that included all stores with embedded pharmacies. That prompted retailers like Safeway and Costco to stop selling cigarettes in their stores with pharmacies.

A number of municipalities in Massachusetts, including Boston, have similar bans in place, a few of which also include prohibitions on the sale of e-cigarettes.

Otis W. Brawley, chief medical officer at the American Cancer Society, said other local government entities were weighing similar measures. "If you're in the business of promoting health and providing health care, it's very hypocritical to be selling tobacco products," Dr. Brawley said. "It just doesn't make sense and in fact is almost a conflict of interest."

And as for driving away customers to competitors, Troyen A. Brennan, the executive vice president and chief medical officer for CVS, said: "It's obvious that the average person will just find somewhere else to buy cigarettes. What we're thinking about is if others want to emulate this business decision we've made, then over time that will make cigarettes less available — and scientific literature does suggest that a reduction in the availability of cigarettes reduces smoking."

Dr. Brennan, together with Steven A. Schroeder of the Smoking Cessation Leadership Center at the University of California, San Francisco, wrote an op-ed article making the case for eliminating tobacco products from drugstores in *The Journal of the American Medical Association* published online on Wednesday.

Some 18 percent of American adults smoke, down from 42 percent in 1965. In places like New York City, which has used a combination of steep taxes on cigarettes and bans on smoking in most places to discourage smokers, the decline is even greater, down to 14 percent.

But health experts remain concerned because the rate of decline has stagnated over the last decade, and some 480,000 deaths each year are linked to smoking. From 1999 to 2003, for example, the smoking prevalence among high schoolgirls dropped 37 percent, according to the Centers for Disease Control, but from 2003 to 2007, the decline was only 2.3 percent.

Earlier this month, a group of seven advocacy organizations including the American Heart Association and the Campaign for Tobacco-Free Kids called on governments to take steps to reduce smoking rates to less than 10 percent over the next decade and ensure no American is exposed to secondhand smoke within five years.

"We have seen the decrease in initiation of smoking plateau, particularly among some populations of young people, and we've been working very hard on those populations that have been stubbornly hard to reduce but we need to redouble our efforts," said Risa Lavizzo-Mourey, the chief executive of the Robert Wood Johnson Foundation, which has played a large role in developing programs, strategies and policies that have been used to reduce smoking in this country. "Decreasing the availability of tobacco products as CVS is doing is an important and bold step toward making it harder for people to get access to these harmful products."

Coincidentally, the F.D.A. announced on Tuesday the start of a national education

program aimed at preventing smoking among youth. The ads, which will be distributed across social media platforms, try to show teenagers the toll that smoking takes on the body in memorable ways, such as a young man who uses a pair of pliers to pull a stained tooth from his mouth to buy a pack of cigarettes and a young woman who complains about having to go outside in the rain

to talk to her boyfriend, a smoker.

A shortage of primary care doctors and expanding access to health care coverage under the Affordable Care Act is turning drugstore chains into big players in the nation's health care system. Consumers routinely get flu shots in drugstores, for instance, and clinics staffed by nurse practitioners or physician assistants and offering basic care for common ailments like strep throat or pink eye are popping up everywhere from Walgreens to Walmart.

A report last year by Accenture predicted such so-called retail clinics were poised to grow at a rate of 25 to 30 percent over the next few years, which would swell the number to 2,800 in 2015, from 1,400 in 2012.

CVS's 800 MinuteClinics already account for most of such outlets, and Mr. Merlo said the company hoped to add another 700 for a total of 1,500 by 2017. For that reason, he said, the decision to stop selling tobacco products "was really more of a discussion about how to position the company for future growth."

The company estimated that the decision would erase 17 cents in earnings per share of stock annually, but that it had identified ways of offsetting the impact on profits. (The earnings hit this year will only be 6 cents to 9 cents a share while the company works through its remaining inventory of tobacco products.)

The company hopes to make up some of the lost revenue and income with a smoking cessation program that it is starting this spring with the goal of getting half a million Americans to stop smoking. "This is a great example of how

we're evolving from a retail company to a health care company," said Helena Foulkes, executive vice president for CVS. "This is the kind of offering we can bring to clients like insurance plans and companies, many of which will pay for such a program."

<http://www.nytimes.com/2014/02/06/business/cvs-plans-to-end-sales-of-tobacco-products-by-october.html>