

Health Care Market Oversight

Kroger-Albertsons Community Review Board Public Hearing – April 24, 2024

Questions for Kroger, Albertsons, and C&S

1. When Kroger, Albertsons, and C&S say they have no plans to close stores, what specifically does that mean?
 - a. Do the entities commit to keeping the existing stores and pharmacies in Oregon open after the merger and divestiture?
 - b. What is the duration of the commitment to not close stores (e.g., how many years)?
 - c. Does this commitment extend to retail pharmacies?
2. When Kroger, Albertsons, and C&S say they have no plans to eliminate frontline positions, what specifically does that mean?
 - a. Does this extend to pharmacy staff?
 - b. Will C&S offer employment contracts to all current staff (including pharmacy staff) at divested stores?
3. When Safeway and Albertsons combined in 2015, stores were divested to Haggen, which quickly closed stores and filed for bankruptcy. Why would this merger have a different outcome?
 - a. What are Kroger, Albertsons, and C&S doing to ensure a different outcome?
4. How did Kroger and Albertsons identify stores to divest? When will the list of divested stores in Oregon be made public?
5. What was Kroger and Albertsons' process to identify C&S as the buyer of divested stores? How did Kroger and Albertsons determine that C&S would be a viable operator?
6. What makes C&S confident that they can successfully operate hundreds of retail stores and pharmacies?
 - a. What management personnel does C&S currently have dedicated to setting up and running the pharmacy business? Describe their experience/background.
 - b. How will C&S ensure it has enough retail associates, pharmacists, pharmacy technicians, and other frontline staff to operate the stores and pharmacies on Day 1 (after the divestiture)?
 - c. How does the new divestment plan, announced on April 22, affect C&S's plans to operate pharmacies in Oregon?¹
7. How will you minimize any negative impacts on smaller and rural communities and populations that rely on pharmacies, such as people with disabilities and older adults?
8. How will the merged Kroger & Albertsons integrate their pharmacy operations?

¹ Updated as of April 22, 2024.

- a. Will the merged company have centralized operations, use the same platforms, etc.?
 - b. Will certain tasks (e.g., responding to customer service calls or processing automatic refills) be outsourced from local pharmacies to a central location?
 - c. Will Kroger and Albertsons pharmacies continue to contract with the same PBMs they currently do, including (in the case of Albertsons, Express Scripts)?
- 9. How will patients/customers of the merged and divested stores be notified of changes to their pharmacy, including changes to branding, ownership, services, or accepted insurance?
 - a. How long before any changes take effect will patients/customers be notified?
 - b. What support will you offer patients/customers to navigate any changes?