



Health Care

## Rite Aid is leaving Michigan. Why isn't it saying so?

By Dustin Walsh



Credit: Mickey Ciokajlo/Crain's Detroit Business

A "store closing" sign outside of the Rite Aid at 37399 6 Mile Road in Livonia.

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Pharmacy giant Rite Aid is exiting the state of Michigan.

It's a result of the Philadelphia-based pharmacy chain's restructuring under Chapter 11

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Credit: Mike Lee/Crain's Detroit Business

A sign in the window of the Rite Aid store at 25610 Pontiac Trail in South Lyon indicating the pharmacy had officially closed July 17 as a part of the store's impending closure.

Instead, Rite Aid is dribbling out store closures sporadically through filings in its

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Coincidentally, store managers across the state seem to know which stores are closing and whose prescriptions are being transferred to Walgreens — the competitor acquired the scripts in a deal in court. In mid-June, Rite Aid held a conference call with its Michigan and Ohio pharmacists and told them it would close all but a tiny number of its stores in a series of waves over the coming weeks, [according to media reports](#).

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Credit: Amy Barczy/Crain's Detroit Business

Shelves are mostly empty at the Rite Aid store at 107 Kercheval Ave. in Grosse Pointe Farms as it prepares to close July 28.

All while Rite Aid corporate refuses to publicly communicate the closing of the remaining 48 stores in Michigan.

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Alex Calderone, president of Birmingham turnaround firm Calderone Hudson Group, said the stark communication is likely a result of the complex negotiations that are occurring between lawyers, the court and creditors.

“Specifically, landlord negotiations, consolidation analysis, population or demographic analysis, and a number of other factors must be considered,” Calderone wrote in an email to Crain’s. “No plan is typically ever static, and pieces of the puzzle are constantly moving around during these types of turnaround situations. Plans for store closures across Michigan may just not be set in stone yet. Alternatively, a preliminary plan for closures could exist, but the plan could be reliant on a number of elements of execution that are not fully vetted. I think the most logical reason for the delayed announcement is simply that this is a complex undertaking that requires more planning and that any announcement at this point in time could be premature and potentially more disruptive to the process than simply keeping the details close to the vest.”

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Mark Glasper, CEO of the Michigan Pharmacists Association, said he, not his group, has not heard of any complaints due to the confusion the closings may be causing.

But experts do fear Rite Aid's departure will lead to "pharmacy deserts" across the state.

In the last 17 years, the state of Michigan has lost more than 500 retail pharmacies. In dozens of towns in the state, a pharmacy is more than 10 miles away — pushing them outside the nearly 90% of Americans who live within a five-mile commute to the nearest location to get medications.

Rite Aid has announced more store closures in Michigan than in any other state. The pharmacy giant has announced 119 closures in Ohio, 100 in Pennsylvania and 91 in California. The closures are occurring in 16 states total.

However, more closings are likely expected, but it's unlikely to be announced outside the Delaware bankruptcy court.

By **Dustin Walsh**

Dustin Walsh is a senior reporter for Crain's Detroit Business, covering health care with a focus on industry change and operations, as well as the state's emerging cannabis industry. He is also a regular columnist on all things health, labor, economics and more.

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