

Walmart to close its 51 health centers and virtual care service

April 30 2024, by Michelle Chapman



A shopper loads her car after shopping at a Walmart in Pittsburgh, Thursday, Feb. 22, 2018. Walmart announced Tuesday, April 30, 2024, is closing its health centers and virtual care service, as the retail giant has struggled to find success with the offerings. AP Photo/Gene J. Puskar, File)

Walmart is closing its health centers and virtual care service after

struggling to find success with the offerings, the U.S. retailer said Tuesday.

The Bentonville, Arkansas-based company said that after managing the clinics it launched in 2019 and expanding its telehealth program, it concluded "there is not a sustainable business model for us to continue."

Walmart had 51 [health centers](#) in five states, with the goal of helping people save money on their health care needs.

"This is a difficult decision, and like others, the challenging reimbursement environment and escalating operating costs create a lack of profitability that make the care business unsustainable for us at this time," the company said in a statement.

The planned closure of the Walmart Health centers comes after the company announced in March 2023 that it planned to add more than two dozen health centers to some of its stores this year. At the time, the company said that it was looking to open 28 centers in 2024, mostly in Dallas and Houston. It also was planning to expand into the Phoenix and Kansas City, Missouri, areas.

Walmart is among several retailers that sought to build a presence with [medical clinics](#) and make health care more accessible. But some have struggled.

Walgreens spent more than \$5 billion a few years ago to acquire a majority stake in VillageMD and planned to add hundreds of clinics to its stores. In late March, the company announced the closure of 140 of its VillageMD primary care clinics and plans to shutter 20 more to boost profitability. The announcement came after Walgreens recorded a \$5.8 billion, after-tax impairment charge for VillageMD in its most recent quarter as it adjusted the asset's value.

Although the United States has a shortage of primary care doctors, building a network of primary care clinics can be challenging even for established companies, according to health care researchers and analysts.

Many people who already have a doctor may be reluctant to leave, and some may not want to get care in a store or retail setting. Clinics also may have to spend a lot of money to treat and improve the health of new patients who haven't been seeing a doctor.

Walmart does not yet have specific dates for when its health centers will close, but said that it will share that information when it's available. The company said that employees that worked at its health centers are eligible to transfer to any other Walmart or Sam's Club location.

Walmart still runs almost 4,600 pharmacies and more than 3,000 vision centers in the U.S.

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