

Health Plans Embrace Retail Clinics

Convenient care clinics, as they like to be called, are spreading quickly because members and plans like them

By Kathryn J. Alexander

In the past 12 months retail clinics have spread like a rash over the health care landscape — the kind of rash they can easily treat in 15 minutes or less, for around half the cost of a visit to a traditional primary care physician's office. At the start of 2007, there were 150 retail clinics. Now, one year later, there are over 900 clinics in major markets across the country, with analysts and operators predicting even more explosive growth.

With no high-tech medical equipment, usually no on-site physician, and, until recently, almost no brand name recognition because of its novelty in the marketplace, this health care dynamo appears to be raising expectations for how medical care will be delivered and responding adeptly to the changing behavior of health care consumers.

The typical retail clinic

Retail clinics are small medical clinics, open seven days a week, with early morning and evening hours. They are mostly in grocery and pharmacy chain stores. Staffed by nurse practitioners and set up to diagnose and treat about 20 common medical conditions, such as ear infections, strep throat, and poison ivy, these clinics provide prompt basic medical services in addition to immunizations and back-to-school physicals — all on a walk-in basis.

Retail clinics, also referred to as “convenient care clinics,” are primarily owned by for-profit companies. The two largest are MinuteClinic with 458 clinics and Take Care Health Systems, now owned by Walgreens, with 131 clinics. Both Target and Wal-Mart, which have so far not entered the market in a significant way, now report aggressive plans to put retail clinics in many of their stores. Wal-Mart executives say their chain could have 2,000 in-

store clinics within the next five to seven years. In addition, an increasing number of hospital systems, most recently the Mayo Clinic, have also established their own clinics, and others are planning to do so.

The retail clinic concept has been best described as an example of health care that delivers the right care, in the right place, for the right cost. With an estimated 1 million visitors last year to MinuteClinic, and a reported 360,000 visitors to the Take Care clinics since 2005, this formula for health care



delivery has clearly attracted consumers and their insurers.

Patient or customer?

Expectations evolve. The newest generation of consumers, some of them long referred to as the “me” generation, is gradually changing the traditional patient/provider relationship.

Increasingly, when it comes to their health care needs, these former patients are now expecting to be treated like customers — valued customers. Not surprisingly, this significant segment of consumers is responding positively to the concept of health

care providers taking services directly to them.

Jack Lord, MD, senior vice president and chief innovation officer of Humana, addressed this transition taking place in the patient/provider relationship, observing, "Too often we've asked people to conform to us and the way we want to do business, but consumers want health care to fit into their lives. Establishing retail clinics is a move in that direction." (See "Consumers Receptive to Innovation," at right.)

The right care

Retail clinics post a menu-like list of services for customers. This list includes the diagnoses and conditions they treat and the corresponding cost of care. The five most common conditions treated by the largest provider, MinuteClinic, are sore throat, bronchitis, sinusitis, conjunctivitis, and female urinary tract infections. With an average waiting time of 15 minutes, this formula of providing care for a predetermined and limited number of diagnoses allows retail clinics to deliver quicker, more efficient medical attention than found in an urgent care center or a busy primary care practice.

Clinics will refer out people whose needs are serious, and consumers themselves seem to understand the concept of appropriate level of care when seeking treatment at a retail clinic, since only a small percentage of clinic customers are referred out for emergency care.

The right place

It appears that the convenience factor plays a significant role for the most frequent users of the retail clinic: moms age 28 to 42 and their children. Since most clinics are in grocery stores and large chain drugstores, their operators have put themselves directly in the path of their most important consumers.

One should not underestimate the importance of convenience. "These clinics enable people who have very different lifestyles — for example, a mom with kids or someone with two jobs — to access care in their busy lives." Retail clinics can provide care for people in varying economic and social circumstances.

Lord cites an especially unconventional and

creative approach to linking medical provider and consumer. "In London, where I spend a great deal of time, there are providers considering placing retail clinics in the Tube [subway] stations. This is another example of bringing health care directly into people's lives."

Appropriate setting

Regina Herzlinger, professor of business administration at Harvard Business School, an expert in

Consumers receptive to innovation

When it comes to retail clinics, consumers are a pretty receptive bunch, according to findings from Deloitte's 2008 Survey of Health Care Consumers.

The findings from the survey indicate that consumers are comfortable seeking care from retail clinics, especially if the appropriate medical personnel staff it and up-to-date computer equipment is used.

Sixteen percent of consumers have used a walk-in clinic in a pharmacy, shopping center, store, or other retail setting, and 34 percent say they might do so again.

If the clinic is staffed by a nurse practitioner, 44 percent say they would be comfortable with the accuracy, safety, and quality of care offered at the clinic. That comfort level rises to 45 percent if the nurse practitioner uses a computer-based system that enables him to access electronic patient records, check for drug or allergy interactions, or confirm treatment recommendations.

Nearly half (48 percent) of consumers say they would be comfortable if the nurse practitioner were affiliated with a local physician's office.

Paul Keckley, executive director of the Deloitte Center for Health Solutions, says the growing prevalence of the retail clinic is not a fad, but a trend. "It's consistent with other new innovations that are consumer-driven."

"The retail clinic model is a convergence of three processes: diagnostics and preventive care (a domain of managed care); lifestyle modification and medication adherence; and easy and convenient delivery of care."

He thinks the survey findings support health insurers' efforts to improve the current primary care system, which is often episodic, not coordinated, and not often evidence-based.

"Insurers should be favorably inclined toward the use of retail clinics," says Keckley. "A retail clinic would help insurers reach their goals of coordinating care, reducing avoidable costs, improving medication adherence, and improving consumer satisfaction."

— Tony Berberabe

