

E-SURVEY OF THE MONTH

INDUSTRY PULSE FROM THE HEALTHCARE INTELLIGENCE NETWORK™

White paper analysis of HIN monthly e-survey results on trends shaping the healthcare industry.

The Impact of Retail Clinics

By Laura M. Greene
HIN Communications Editor

Retail clinics — also known as convenient care clinics — are starting to become permanent fixtures in the healthcare community. They are popping up all around the country in department stores like Wal-Mart® and pharmacies such as CVS/pharmacy.® It's easy to see why this medical phenomenon is picking up speed: what's to hate about shorter waits, longer hours and lower fees? Retail clinics also care for minor illnesses that can be tested quickly, and nurse practitioners (NPs) and physician assistants (PAs) can write prescriptions that patients can have filled right in the store.

But there's more to these clinics than convenience and inexpensive visits. Some medical professionals advise consumers that NPs and PAs who operate such clinics do not know your medical history as your primary care physician (PCP) would, such as the medications you may be taking or allergies you may have. They also do not have the ongoing relationships with patients that PCPs do, caution these medical professionals.

According to a University of Michigan study, there are currently over 20 companies operating about 300 retail clinics in the United States, and over 2,000 clinics are expected to open by the end of 2008. With this number on the rise, the Healthcare Intelligence Network conducted a non-scientific online survey in March 2007 where 254 hospitals, physician organizations, health plans and consumers weighed in on the impact of retail clinics on their business.

Are Retail Clinics a Threat to Traditional Healthcare Services?

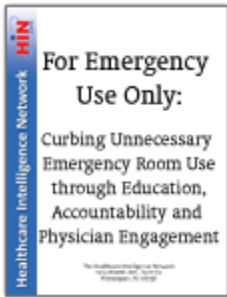
Retail clinics are becoming more prevalent in the United States, a trend that will continue. How does their existence impact hospitals and physician organizations?

Of the hospitals and physician organizations that responded to the survey, 56.5 percent say that retail clinics are considered an opportunity for rather than a threat to their business.

“Retail clinics are here to stay,” said one healthcare provider. “All states need to eliminate practice barriers so that NPs can practice to the full extent of their training. [States also need to] develop lower cost, more convenient healthcare delivery models in non-traditional settings such as



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retail health clinics.”

However, some survey respondents are not so confident that the clinics will have a positive effect overall.

“My organization and I have a very strong bias toward primary care,” said one of the responding healthcare providers.

“We feel it is the optimum setting for the best healthcare, and there is substantial evidence to support that position. Retail clinics are an extension of the ‘doc in a box’ programming that interferes with the primary provider-patient relationship and does not result in positive, long-term, comprehensive outcomes.”

Still, some respondents see the potential retail clinics have to be helpful, if they can avoid certain pitfalls.

“[Retail clinics] could be a good thing if they partnered with physicians in the community,” said another healthcare provider respondent, “but they are cherry-picking encounters and will slough off seriously ill patients.”

Another healthcare provider respondent noted some other caveats.

“[Retail clinics] could be good for primary care if they are carefully run and well coordinated with specialist providers. [But they] could be dangerous if low-level providers try to do everything themselves.”

Competing with Retail Clinics

Even though more than half of the hospitals and physician organizations surveyed view retail clinics as an opportunity for their organization, they are still taking steps such as the following to compete with these

clinics in an effort to provide better service for patients:

- ✓ Expanding marketing efforts to increase brand awareness/loyalty (49.1 percent)
- ✓ Exploring partnership opportunities with other care providers (43.9 percent)
- ✓ Offering extended hours (42.1 percent)
- ✓ Opening additional care sites (36.8 percent)

Health Plans and Retail Clinics: An Uneasy Partnership?

With the current volume of healthcare retail clinics in existence now, coupled with the anticipated amount by the end of 2008, some health plans are starting to take the hint and add these organizations to their networks of healthcare providers. According to the survey, 56 percent of the health plans who responded currently include retail clinics in their networks. Additionally, of the 44 percent that do not, 36.8 percent of respondents plan on doing so within the next year.

Those 25 health plans partnering with retail clinics say they are seeing some very positive results. The survey shows that 42.3 percent has seen an improvement in consumer satisfaction as a result of convenient access for minor conditions and 34.6 percent has seen a reduction in non-urgent emergency room visits. Only 3.9 percent of health plans felt that retail clinics undermine the traditional doctor-patient relationship.

The Consumer’s Perspective

Several factors contributed to the consumer’s decision to use a retail clinic.

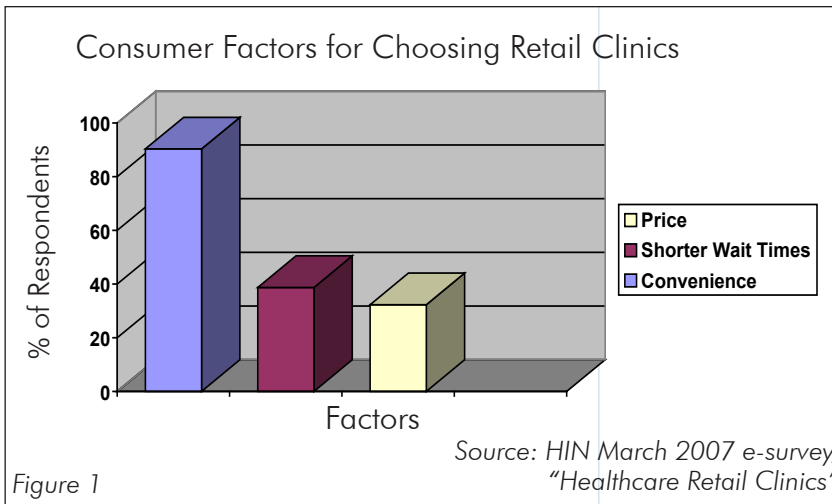


Figure 1

According to the 13.4 percent of survey responders who were consumers, the chief reason was convenience, followed by shorter wait times. Price of doctor visits versus retail clinic visits ranked last on the list of factors. Consumers noted that retail clinics were “less hassle” than an appointment with a PCP. To many consumers, a retail clinic is a quick, easy and effective alternative to the traditional doctor visit.

Consumers are also pleased with the services they received from the retail clinics they have used. Of the 34 consumers who participated in the survey, 35.5 percent were satisfied, 32.3 percent were very satisfied and 32.3 percent were extremely satisfied with the care they received from retail clinics. No participants responded that they were “not very satisfied” or “not at all satisfied” with the service provided by the retail clinic.

Related Resource

According to HIN’s survey, over a third of health plans that responded saw a reduction in non-urgent emergency department (ED) visits since they introduced retail clinics into their plans. As the number of retail clinics in the country begins to grow, this percentage is sure to increase as well.

For Emergency Use Only: Curbing Unnecessary Emergency Room Use Through Education, Accountability and Physician Engagement provides a blueprint for health plans, hospitals and providers desiring to address and reduce unnecessary ED utilization in their populations.

In this 35-page special report, **Roberta Burgess**, clinical case manager for Community Care Plan of Eastern Carolina, and **Gerald Kiplinger**, vice president and executive director of the Georgia Enhanced Care program for APS Healthcare, detail how to target and reduce unnecessary and inappropriate ED use. For more information, please visit <http://store.hin.com/product.asp?itemid=3566>.

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