

STORE-BASED HEALTH CLINICS

EXECUTIVE SUMMARY

Over the past year, growing media attention has focused on the creation of store-based health clinics and their potential growth in the health care market.

Store-based health clinics are generally located in pharmacies, shopping malls, and retail stores. Nurse practitioners and/or physician assistants staff the majority of store-based health clinics. These clinics typically provide limited medical services for minor ailments to patients that are 18 months of age or older. On average, store-based health clinics treat about 30 different minor types of illnesses, perform screenings, and administer vaccines.

The development and growth of store-based health clinics is part of a market response to a segment of the population that increasingly values greater convenience in accessing health care services. In general, store-based health clinics are able to fulfill the immediate needs of patients with minor conditions with less waiting time without an appointment, more flexible evening and weekend hours, and in some cases, lower out-of-pocket expenses.

As a result of the emergence of store-based health clinics, many physicians have begun to evaluate making changes to their practices in order to become more accessible to patients. A number of physicians are extending office hours to evenings and/or weekends, and creating early morning sick call hours to accommodate patients without appointments. Other physicians have chosen to partner with store-based health clinics and/or be a part of store-based health clinics' physician referral networks.

Nonetheless, many physicians remain concerned about the impact store-based health clinics may have on their practices, the physician-patient relationship, and the coordination of care for patients. Current Pennsylvania law requires a physician assistant or nurse practitioner to have a defined collaborative relationship with a physician in certain situations, particularly when prescribing specific drugs.

The Pennsylvania Medical Society believes that the most effective course of action at this time would be to advocate key principles to guide the establishment and operation of store-based health clinics. Therefore, the Society has adopted a series of principles, similar to those adopted by the American Medical Association (AMA) and the American Academy of Family Physicians (AAFP).

Over the past year, growing media attention has focused on the creation of store-based health clinics and their potential for growth in the health care market. This report describes the common characteristics of store-based health clinics and their projected growth in the U.S. market; highlights examples of current clinic operations and protocols; discusses the impact of store-based health clinics from the perspectives of patients, employers, insurers, and retailers; and recommends the adoption of a series of principles to guide the establishment and operation of store-based health clinics.

CHARACTERISTICS OF STORE-BASED HEALTH CLINICS

Store-based health clinics are generally located in retail stores, supermarkets, pharmacies, and shopping malls. Nurse practitioners and/or physician assistants staff the majority of store-based health clinics. Unlike a physician's office, the examining room in a typical store-based health clinic only consists of a few items such as a desk, computer, and mini lab, while the "waiting room" consists of the store itself.

Store-based health clinics typically provide limited medical services for minor ailments to patients who are about 18 months of age or older. On average, these clinics treat about 30 minor illnesses (e.g., colds, ear infection, strep throat), perform screenings (e.g., diabetes, blood pressure, Lyme Disease), and administer vaccines (e.g., hepatitis B, chicken pox, pneumonia). Store-based health clinics do not treat medical emergencies and are not intended for people with recurring illnesses. Accordingly, store-based health clinics do not refill prescriptions that involve continuity of care, such as birth control pills, heart medication, and anti-depressants. Payment for medical services at store-based health clinics tend to vary, with some clinics accepting health insurance while others only accept cash. The average cost of services reported by most store-based health clinics range from about \$30 to \$110. Normally, a list of conditions treated, the types of services provided, and the costs for these services are posted at the clinic.

THE EMERGENCE OF STORE-BASED HEALTH CLINICS

In 2000, the first store-based health clinic was established in St. Paul, Minnesota, as a partnership between QuickMedx and Cub Foods. At that time, the clinic provided services for only seven common medical conditions. QuickMedx's business continued to grow, and in 2002, QuickMedx changed its name to MinuteClinic. Since 2002, MinuteClinic has opened about 100 clinics in ten cities, and is projected to open 300-500 more clinics in the next three to five years. MinuteClinic estimates that its clinics have a combined total of about 300,000 patient visits a year. MinuteClinic's retail partners include CVS, Target, Cub Foods, and other retailers.

As of June 2006, there were at least nine companies contracting with various retailers in the U.S. to develop store-based health clinics. Along with MinuteClinic, the largest most established store-based health clinics include Take Care Health Systems headquartered in Conshohocken, Pennsylvania, and RediClinic based out of Houston, Texas. Take Care Health Systems, is partnering with Rite Aid, and possibly Walgreen's, and plans to open 1,300 store-based health clinics by 2007. Geisinger Health System, headquartered in Danville, Pennsylvania, has announced plans to open several clinics in Weis Supermarkets in 2007.

DEVELOPMENT AND USE OF MEDICAL PROTOCOLS

Based on the review of the literature made available by the companies that have established store-based health clinics, it appears that most have developed medical protocols to guide the operation of the clinics. For example, MinuteClinic states that its medical protocols are based upon practice

guidelines established by the American Academy of Family Physicians, the American Academy of Pediatrics, and the Minnesota Institute for Clinical Systems Improvement. MinuteClinic and a few other store-based health clinics report using medical diagnosis software that mimics physician decision-making by leading staff through various standard medical protocols. In addition, RediClinic reports that it uses software that tracks the number of times a patient visits the clinic. After a certain number of visits, the software alerts the health care practitioner to advise the patient to seek medical attention from a physician, rather than continuing to visit the store-based health clinics.

Most companies state that the health care practitioners who work in store-based health clinics are required to consult with a physician on a regular basis. From a review of the available literature, it appears that the majority of health care practitioners at store-based health clinics are in close contact with local area physicians, and fax patients' medical charts to physicians daily. Some of the companies emphasize that their physician consultants are "always" available, in case the health care practitioners have medical-related questions. Irrespective of potential differences in state scope of practice laws, MinuteClinic states that it requires nurse practitioners to operate under the consultation of an on-call physician at all times, at a ratio of five to one.

PERSPECTIVES OF PATIENTS, EMPLOYERS, INSURERS, AND RETAILERS

An October 2005 Wall Street Journal Online Poll, conducted by Harris Interactive, surveyed the public's perceptions and attitudes on store-based health clinics. Although only 7% of the respondents reported that they had ever used a store-based health clinic, 41% said that they would be very likely or somewhat likely to use such a clinic. Similarly, although 75% of respondents raised concerns about quality of care, 78% of them agreed that store-based health clinics could provide a fast and easy way to receive basic medical services.

Patients

In general, store-based health clinics are appealing to individuals and families because they are quick, convenient, and affordable. Store-based health clinics are typically open seven days a week and require no appointment. On average, visits take 15 minutes and waiting time is minimal. While waiting, patients often receive a pager and have time to shop in the retail store. From a review of available literature, it appears that the cost of services provided at store-based health clinics are often less than the cost of services provided in most physician offices.

Employers

Some employers report being able to better contain health care costs when employees use either store or work-based clinics to treat their minor illnesses and receive screenings for medical conditions. For example, employers such as Target, Bank of America, and General Mills have supported an/or encouraged their employees to utilize store-based health clinics. Some companies have reported savings of \$100,000 or more per year with the aid of store-based health clinics in promoting employee health and decreasing absenteeism in the workplace.

Similarly, store-based health clinics, in some cases, have proven to be effective in containing health care costs. Some employers reported having reduced health care costs by as much as 25% through the use of onsite clinics. Best Buy, Guidant, and Gillette are a few of the companies that have clinics onsite.

Insurers

Health insurers increasingly appear to be offering health insurance policies that incorporate the services of store-based health clinics. The addition of store-based health clinics services may give patients an added incentive to visit such clinics at a lower cost, and may help insurers to contain health care costs. Some insurers (e.g., Cigna, United HealthCare, and some Blue Cross Blue Shield plans) have contracted with store-based health clinics and have reduced co-payments for patients who go to store-based health clinics for selected primary care services. Insurers reportedly are paying these clinics less than they are paying physicians for some of these services, thereby raising concerns that they eventually may attempt to drive down future payments to physicians.

Retailers

Retailers have obvious incentives to open clinics in their stores, since it can potentially increase sales of prescription drugs and other non-health care products. For example, MinuteClinic found that 95% of patients receiving a prescription at one of its store-based health clinics had their prescriptions filled at the same store. MinuteClinic also found that 50% of people that visited its clinics made other purchases in the retail store. It has been speculated that many retail pharmacies have embraced store-based health clinics in order to increase prescription drug sales that have been slowly declining due to competition from mail-order pharmacies.

STATE EXPERIENCES WITH STORE-BASED HEALTH CLINICS

At the AMA's State Legislative Strategy Conference in January 2006, representatives of the Minnesota Medical Association (MMA) and the Rhode Island Medical Society (RIMS) briefed meeting participants on their experiences with companies implementing store-based health clinics in their states. In general, state experiences with store-based health clinics vary from state to state, depending on the state's licensure requirements, as well as other issues pertaining to specific clinic operations.

Initially, in 2002, the MMA's primary concern was the potential impact store-based health clinics would have on the practice of primary care physicians, and the threat to patients' continuity of care. Over time, the MMA has found the level of concern regarding the impact of store-based health clinics on primary physician practices has declined. Contrary to their expectations, MMA members have had minimal objections about either medical outcomes or quality of care at store-based health clinics in Minnesota. The MMA also reported effective communication between store-based health clinics and primary care physicians in referring patients. These store-based health clinics report high patient satisfaction, and as a result, the clinics seem to have integrated well in serving the needs of Minnesota residents while operating with a consistent but limited scope of services.

The RIMS conveyed to the meeting participants that store-based health clinics are the inevitable result of consumers looking for an affordable and convenient health care model. However, the RIMS raised several concerns with the implementation of store-based health clinics in their state (e.g., cherry picking, continuity of care after hours, fragmentation of patient care, absence of plumbing). First, RIMS was concerned about the potential lack of access to care after store-based health clinics have closed. Without some prearranged system to access after-hours care, patients who could potentially suffer from complications after being treated at a store-based health clinic could be at risk. Second, the RIMS called for a greater commitment to needier populations and not to "cherry pick" the location of store-based health clinics, all of which were planned to be

located in affluent areas. Third, because of the possibility that some store-based health clinics may lack access to plumbing, RIMS reported that this violated Rhode Island's licensure requirements. It has been suggested that this last concern also could be a potential violation of Occupational Safety and Health Administration (OSHA) rules and regulations. To date, no store-based health clinics have received a state license to operate in Rhode Island.

GUIDELINES FROM THE AMERICAN ACADEMY OF FAMILY PHYSICIANS

The American Academy of Family Physicians (AAFP) has taken a cautious yet pluralistic approach to a health care market that includes store-based health clinics. In December 2005, the AAFP created a list of desired attributes that it feels are critical in order for patients to receive adequate continuity/coordination of care and quality of care. At that time, the chair of the AAFP Board of Directors stated that rather than attempting to stop the retail clinic model from emerging in the health care marketplace, the goal should be "to ensure that the clinics provide accurate information and operate under desired AAFP guidelines." The AAFP's desired attributes for store-based health clinics include the following:

- Scope of Service – Store-based health clinics must have a well-defined list of services that are within the scope of practice of the practitioner.
- Evidence-Based Medicine – Clinical services and treatment must be evidence-based and quality improvement oriented.
- Team-Based Approach – The clinic should have a formal connection with physician practices in the local community, rather than remote corporate practices, to provide continuity of care. Other health professionals such as nurse practitioners may only operate in accordance with state and local regulations. Ideally, other health professionals should be part of a "team-based" approach.
- Referrals – The clinic must have a pre-arranged referral system to physician practices or to other entities appropriate to the patient's symptoms beyond the clinic's scope of work. The clinic should encourage all patients to have a "medical home."
- Electronic Health Records (EHRs) – The clinic should include an EHR system sufficient to gather and communicate the patient's information with other health care providers.

RELEVANT AMA AND MEDICAL SOCIETY POLICY AND ACTIVITIES

Store-based health clinics appear to be consistent with long-standing AMA policy on pluralism (Policies H-165.920[7], H-160.975, H-165.944[2], and H-165.920[1], AMA Policy Database). Most notably, the AMA supports free market competition among all modes of health care delivery and financing, with the growth of any one system determined by the number of people who prefer that mode of delivery, and not determined by preferential federal subsidy, regulations, or promotion (Policy H-165.985[1]).

The AMA also has established policy that addresses the physician-patient relationship, physician extenders, and continuity of care. The AMA encourages policy development and advocacy in preserving the doctor-patient relationship (Policies H-100.971 and H-140.920). The AMA has extensive policy on guidelines for the integrated practice of physicians with physician assistants and nurse practitioners (Policies H-160.950, H-135.975, and H-360.987). Policy H-160.947

encourages physicians to be available for consultation with physician assistants and nurse practitioners at all times, either in person, by phone, or by other means. Policy H-425.997 encourages the development of policies and mechanisms that assure continuity and coordination of care for patients. Finally, the AMA believes that full and clear information regarding benefits and provisions of a particular health care system should be available to the consumer (Policy H-165.985[3]).

The Pennsylvania Medical Society has also established policy related to allied health providers (Policies 35.989, 35.990, 35.991, and 35.992). Additionally, Medical Society policies are consistent with those of the AMA with respect to pluralism. Current Pennsylvania law requires a physician assistant or nurse practitioner to have a defined collaborative relationship with a physician in certain situations, particularly when prescribing specific drugs. As in other practice relationships which exist between physicians and advanced health practitioners, the Medical Society would advise physicians affiliated with store-based health clinics to carefully assess their liability exposure.

DISCUSSION

The development and growth of store-based health clinics is part of a market response to a segment of the population that increasingly values greater convenience in accessing health care services. In general, store-based health clinics are able to fulfill the immediate needs of patients with minor conditions with less waiting time, more flexible evening and weekend hours, and in some cases, lower out-of-pocket expenses.

There are clear incentives for employers, health insurers, and retailers to participate in the implementation and operation of store-based health clinics. Employers and insurers report that they are able to contain health care costs by using store-based health clinics. Some employers also report that the services employees receive from store-based health clinics may help to increase productivity in the workplace. Retailers state that store-based health clinics help them to gain additional store traffic, which can potentially increase their opportunities to attain greater sales on prescription drugs and other non-health related products.

As a result of the emergence of store-based health clinics, many physicians have begun to evaluate making changes to their practices in order to become more accessible to patients. A number of physicians are extending office hours to evenings and/or the weekends, and creating early morning sick call hours to accommodate patients without appointments. Other physicians have chosen to partner with store-based health clinics and/or be a part of store-based health clinics physician referral networks.

In some ways, store-based health clinics may be seen as one end of the spectrum of the health care market, with “concierge care” on the other end. The Medical Society has concluded that concierge practices were consistent with Society policy on pluralism in the delivery and access to health care.

Nonetheless, physicians remain concerned about the impact store-based health clinics may have on their practices, the physician –patient relationship, and the coordination of care for patients. Further, among the unresolved issues that could be of future concern are the potential impact of state corporate practice of medicine laws on the formation of store-based health clinics; the possible application of Stark regulations on contractual arrangements between physicians and store-based health clinics; and the potential implications of store-based health clinics that “cherry pick” locations that primarily have an affluent customer base.

For these reasons, the Medical Society believes that the most effective course of action at this time would be to advocate key principles to guide the establishment and operation of store-based health clinics. Store-based health clinics are a relatively new development and, if sustainable, will help give the Medical Society a better indication of its long-run impact on physician practices and health care delivery. The Medical Society will continue to monitor the growth and impact of store-based health clinics, with a particular focus on assuring that these clinics do not violate the corporate practice of medicine doctrine in Pennsylvania and will work with state agencies to assure quality, safe care to the patients of the commonwealth.

RECOMMENDATIONS

- 1 That it be the policy of the Pennsylvania Medical Society that any individual, company, or other entity that establishes and/or operates store-based health clinics should adhere to the following principles:
 - a. Store-based health clinics must have a well-defined list of services, consistent with state scope of practice laws.
 - b. Store-based health clinics must use standardized protocols derived from evidence-based practice guidelines to insure patient safety and quality of care.
 - c. Store-based health clinics must establish prior arrangements by which their health care practitioners have direct access to physicians and other health care practitioners in accordance with state laws.
 - d. Store-based health clinics must establish protocols for ensuring continuity of care with practicing physicians within the local community.
 - e. Store-based health clinics must establish a referral system with physician practices or other facilities for appropriate treatment if the patient's conditions or symptoms are beyond the scope of services provided by the clinic.
 - f. Store-based health clinics must clearly inform patients in advance of the qualifications of the health care practitioners who are providing care, as well as any limitation in the types of illnesses that can be diagnosed and treated. Such qualifications must be within existing scopes of practice and not reflect an increase in independent practice.
 - g. Store-based health clinics must establish appropriate sanitation and hygienic guidelines and facilities to insure the safety of patients.
 - h. Store-based health clinics should be encouraged to use electronic health records (EHRs) as a means of communicating patient information and facilitating continuity of care.
 - i. Store-based health clinics should encourage patient to establish a "medical home" to ensure continuity of care.
2. That the Pennsylvania Medical Society continue to monitor the effects of store-based health clinics on both the delivery of patient care and on the health care marketplace in Pennsylvania.