Impact of Retail Medicine on Population & Disease Management

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Session Overview

- Introduction
- How did the industry get where it is today?
- Where do these clinics stand today in terms of access, patients, treatments, services and service integration
Industry History and Background

- The first convenient care clinic (CCC) opened in 2000, operated by what is now MinuteClinic.

- The Convenient Care Association (CCA) was incorporated in October 2006 with about 150 CCCs in operation.

- Today there are more than 1000 clinics operated by over forty companies across America.

- Projections are for there to be at least 1500-1600 CCCs in the United States by the end of 2008.
What are Convenient Care Clinics?
CCCs are:

- Small healthcare facilities, located in convenient, accessible settings.
- Open evenings, weekends and extended weekday hours.
- Available without appointments.
- Staffed by certified nurse practitioners (NPs), physician assistants (PAs), and/or MDs or DOs.
- Limited in scope of service, including treatment of common conditions (sore throat, cold, flu, rashes), vaccinations, health screenings and preventive care.
Convenient Care Clinics:

- Accept most insurance plans.
- Are affordable to patients without health insurance (average cost of visit is $60).
- Clearly post pricing, so patients can review costs before receiving services.
- Maintain referral networks of local healthcare providers.
- Use electronic medical records which can be shared with other medical providers at a patient’s request, and patient walks away with own health record.
CCC Locations

- Typically ~250-500 square feet in size.
- May be one or two exam rooms, as well as a small reception/check-in area.
- Clinic design includes a sink and running water in the exam room.
- Restroom facilities are in close proximity.
CCC Locations

Photos courtesy of Take Care Health Systems (top left) and Geisinger CareWorks (bottom right).
Benefits of Convenient Care

CCC are accessible, affordable, and of high quality.
Essential Components of CCCs

- Specified range of services
- Staffed by certified NPs, PAs or MDs
- Most major insurance accepted at clinics
- NPs, PAs or MDs evaluate, diagnose, treat and educate
- Use of evidence-based medicine enhances treatment
- EHRs serve as decision support tools & help patients communicate with PCPs
Industry Drivers

- The expansive growth of CCCs has been primarily driven by patient need and desire for more accessible health care.

- CCC patients appreciate the convenience factor of these clinics.

- Employers and third-party payers support the clinics because they foster better preventive health care, and so reduce overall public health costs.

- Patients respond to the quality of care given in the clinics.
What makes CCCs cost-efficient

**Scope of Service**
- Basic acute care as well as preventive care
- Evidence-based medicine practiced

**Cost Structure**
- Low overhead
- Simple practice structure
- Labor costs controlled through NP and PA practice

**Consumer Appeal**
- Conveniently located
- Time-efficient
- Pricing is transparent

Slide adapted from Scott & Co.
Why the need for this new model?

- Increasing shortage of primary care physicians.
- 35% of current physicians are nearing retirement.
- Fewer than 30% of current medical students say they intend to be primary care physicians.
- Significant annual increases in health insurance deductibles and co-pays.
- Growing popularity of ‘consumer-driven’ health plans.
- Rapid growth of uninsured population that now includes 47 million people.
- Increasing time pressure on consumers, especially women in dual-income families (women generally are the family shoppers and health care decision-makers) and families with children living at home, who need time- and cost-efficiency and convenience.
Where does the industry stand on:

- Access
- Patients
- Treatments and services
- Integration with the medical community
Access

- CCCs’ services are simple to provide and quick and easy to obtain.
- CCCs are located in high-traffic retail settings that are easy to get in and out of.
- CCCs are open 7 days a week, including weeknights, weekends, and holidays.
- CCCs do not require appointments and visits take only about 15 minutes.
Patients

- The majority of CCC patients are younger adults (between the ages of 25 and 45) who are parents.

- CCC patients span all sociodemographic categories.

- Most people come to CCCs for sick-visits.

- Convenience and word-of-mouth drive new users.

* All data on this slide collected directly from CCA members
Treatments and Services

- CCCs offer a limited range of basic health care services, including physicals, health screenings, and vaccinations.
- Prices are displayed outside of the exam room, and costs are low enough to be affordable to those without insurance, though most insurance is accepted, as well.
- The most common ailments seen in CCCs include upper respiratory illnesses, ear infections, pink eye, rashes and other skin irritations, and minor cuts and injuries. Around 75% of CCC services are for the same set of complaints.
Integration

- CCCs establish referral networks with local PCPs, specialists, and emergency services so that patients who need immediate, specified, or on-going care can be connected with the appropriate provider.

- CCA developed industry-wide Quality and Safety Standards, building upon the standards recommended by the AMA, AAP, and AAFP.

- CCCs support the medical home by connecting the 30% of CCC patients who do not have a PCP with one.
Industry Statistics

- The number of CCCs grew by more than 400% from 2006 to 2007.
- Estimates are for the number of clinics to as much as double again by the end of 2008.
- CCCs have already served more than 3.5 million patients.
- CCCs operate in over half the states, with aggressive expansion plans over the coming year.
Industry Statistics Cont’d

- A survey of CCA members indicated that as many as 40% or more of patients visiting the clinics would have either gone to an emergency room, an urgent care center, or foregone care altogether had there not been a CCC.

- Collectively, CCCs boast a 98% patient satisfaction rate.
Factors impacting the industry
Current Regulations

All CCA Members comply with existing local, state and federal laws and guidelines applicable to traditional healthcare providers, including, but not limited to:

- Laws regarding infection control
- Laws regarding provider licensure and referral
- Laws regarding patient privacy
- Other applicable laws (e.g., ADA)
Direct Clinic Regulation Challenges

- Imposition of clinic-specific permitting requirements.
- Restrictions on advertising.
- Requirements as to configuration of clinic space and lay-out.
- Prohibition of clinic operation in a retail setting where tobacco and alcohol are also sold.
Provider Regulation Challenges

- Wide spectrum of NP regulation across the 50 states.

- Attempts to limit NP and PA scope of practice to certain conditions or limit prescriptive authority based on practice setting.

- Require physician oversight based upon:
  - Mileage to nearest collaborating physician.
  - A physician present on-site with a NP and/or PA.
  - A specified ratio of physicians to NPs and PAs.
Corporate Practice of Medicine Challenges

- Addresses clinic business structure.
- Prohibits companies that are not owned by health care professionals from employing health care professionals to provide health services.
- Not the national norm, but are in place in a number of large states, including California and New York.
Operating Costs

- CCCs are fairly inexpensive to open and operate, because of low overhead and simple service structure.

- CCCs are cost-effective for consumers regardless of their insurance status.

- However, CCCs take at least 1 year and can take as many as 3 years to become profitable, and therefore can be a challenge to run in terms of sustainability.
Policy Opportunities Within:

- The medical community
- The public
- Policy-makers
The Medical Community’s Perception

- Contrary to many stated concerns, CCCs do not disrupt care, and in fact enhance care for those who otherwise lack an entry into the system.

- The quality of care provided by CCC NPs and PAs is consistently high with good patient outcomes and satisfaction.

- CCCs maintain robust electronic health records and referral networks to ensure continuity and appropriate level of care.
The Public’s Perception

- CCCs provide an easily accessible and affordable entry point into the healthcare system.

- Consumers express high satisfaction with the care they receive at CCCs.

- Consumer support is driving the rapid expansion of the industry.

- CCCs provide a release point for overburdened emergency rooms and physician practices.
The Policy-Makers’ Perception

With health care costs rising, many states are looking for cost-effective ways to increase health care access.

Governors are looking to CCCs and the increased use of NPs as a way to increase access to quality health care and reduce expensive, unnecessary emergency room usage.

- **Example**: Pennsylvania’s state health care reform plan goes beyond insurance issues and:
  - Provides incentives for health care providers that stay open past normal business hours.
  - Encourages the practice of advanced practice nurses in a broad range of settings.
Healthcare Solutions: Cost

Consider the average costs of treating flu, one of the most common ailments seen by CCC providers, based on data collected between 2001 and 2003 by the Agency for Healthcare Research and Quality:

- Emergency Room Treatment: $397
- Ambulatory Care: $116
- Prescription Medication: $52
- Flu Shot in CCCs: approximately $30
- Flu Treatment in CCCs: $60

OVERALL AVERAGE ANNUAL COSTS OF TREATING FLU IN U.S. BETWEEN 2001 and 2003: $850 million

* All amounts calculated in 2003 dollars
Healthcare Solutions: Quality


- According to a 2007 Harris Interactive Poll, consumers rate highly their satisfaction with both the convenience (83%) and the quality of care (90%) provided in the clinics. (Bright, *Wall Street Journal*, Mar. 29, 2007)
Healthcare Solutions: Need

- 30% of the patients who visit the average CCC do not have a medical home. CCCs provide a starting point for them, and refer them to PCPs, or other delivery points as needed.

- Industry stakeholders, the public, and government leaders are recognizing that CCCs fill a growing need for all healthcare consumers.
Take-Home Message

Our values can be refined into 7 core principles:

1. We support the medical home model.
2. We employ qualified clinicians.
3. We increase access to quality health care.
4. We partner with traditional health care providers.
5. We are committed to price transparency.
6. We are committed to the use of electronic health records.
7. We are committed to monitoring quality and cost.
Future Directions

- Continued growth in numbers of CCCs with simultaneous contraction in number of companies operating CCCs.

- Continued challenges by state-level legislators and regulators unfamiliar with the model.

- Continued CCA commitment to high-quality care, driven by Quality and Safety Standards, and reinforced through empirical research.

- Eventual integration into healthcare marketplace as industry becomes more established.
For More Information:

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