

REPORT 7 OF THE COUNCIL ON MEDICAL SERVICE (A-06)  
Store-Based Health Clinics  
(Reference Committee G)  
(June 2006)

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. 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; and discusses the impact of store-based health clinics from the perspectives of patients, employers, insurers, and retailers.

Store-based health clinics are generally located in pharmacies, shopping malls, and retail stores. The majority of store-based health clinics are staffed by nurse practitioners and/or physician assistants. 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 minor different 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, 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 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.

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. While sharing many of these concerns, the Council believes that the most effective course of action for the AMA at this time would be to advocate key principles to guide the establishment and operation of store-based health clinics.

# REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 7 - A-06  
(June 2006)

Subject: Store-Based Health Clinics

Presented by: Joseph P. Annis, MD, Chair

Referred to: Reference Committee G  
(C. Bruce Malone, MD, Chair)

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

## 8 9 CHARACTERISTICS OF STORE-BASED HEALTH CLINICS

10  
11 Store-based health clinics are generally located in retail stores, supermarkets, pharmacies, and  
12 shopping malls. The majority of store-based health clinics are staffed by nurse practitioners and/or  
13 physician assistants. Unlike a physician's office, the examining room in a typical store-based  
14 health clinic only consists of a few items such as a desk, computer, and mini lab, while the "waiting  
15 room" consists of the store itself.

16  
17 Store-based health clinics typically provide limited medical services for minor ailments to patients  
18 who are about 18 months of age or older. On average, these clinics treat about 30 minor illnesses  
19 (e.g., colds, ear infection, strep throat), perform screenings (e.g., diabetes, blood pressure, Lyme  
20 Disease), and administer vaccines (e.g., hepatitis B, chicken pox, pneumonia). Store-based health  
21 clinics do not treat medical emergencies and are not intended for people with recurring illnesses.  
22 Accordingly, store-based health clinics do not refill prescriptions that involve continuity of care,  
23 such as birth control pills, heart medication, and anti-depressants. Payment for medical services at  
24 store-based health clinics tend to vary, with some clinics accepting health insurance while others  
25 only accept cash. The average cost of services reported by most store-based health clinics range  
26 from about \$30 to \$110.

## 27 28 THE EMERGENCE OF STORE-BASED HEALTH CLINICS

29  
30 In 2000, the first store-based health clinic was established in St. Paul, Minnesota, as a partnership  
31 between QuickMedx and Cub Foods. At that time, the clinic provided services for only seven  
32 common medical conditions. QuickMedx's business continued to grow, and in 2002, QuickMedx  
33 changed its name to MinuteClinic. Since 2002, MinuteClinic has opened about 100 clinics in ten  
34 cities, and is projected to open 300-500 more clinics in the next three to five years. MinuteClinic  
35 estimates that its clinics have a combined total of about 300,000 patient visits a year.  
36 MinuteClinic's retail partners include CVS, Target, Cub Foods, and other retailers.

1 At the time this report was written, there were at least nine companies contracting with various  
2 retailers in the U.S. to develop store-based health clinics. Along with MinuteClinic, the largest,  
3 more established store-based health clinics include Take Care Health Systems headquartered in  
4 Conshohocken, Pennsylvania, and RediClinic based out of Houston, Texas. Take Care Health  
5 Systems, is partnering with Rite Aid, and possibly Walgreens, and plans to open 1,300 store-based  
6 health clinics by 2007.

#### 7 8 DEVELOPMENT AND USE OF MEDICAL PROTOCOLS

9  
10 Based on the review of the literature made available by the companies that have established store-  
11 based health clinics, it appears that most have developed medical protocols to guide the operation  
12 of the clinics. For example, MinuteClinic states that its medical protocols are based upon practice  
13 guidelines established by the American Academy of Family Physicians, the American Academy of  
14 Pediatrics, and the Minnesota Institute for Clinical Systems Improvement. MinuteClinic and a few  
15 other store-based health clinics report using medical diagnosis software that mimics physician  
16 decision-making by leading staff through various standard medical protocols. In addition,  
17 RediClinic reports that it uses software that tracks the number of times a patient visits the clinic.  
18 After a certain number of visits, the software alerts the health care practitioner to advise the patient  
19 to seek medical attention from a physician, rather than continuing to visit the store-based health  
20 clinic.

21  
22 Most companies state that the health care practitioners who work in store-based health clinics are  
23 required to consult with a physician on a regular basis. From a review of the available literature, it  
24 appears that the majority of health care practitioners at store-based health clinics are in close  
25 contact with local area physicians, and fax patients' medical charts to physicians daily. Some of  
26 the companies emphasize that their physician consultants are "always" available, in case the health  
27 care practitioners have medical-related questions. Irrespective of potential differences in state  
28 scope of practice laws, MinuteClinic states that it requires nurse practitioners to operate under the  
29 consultation of an on-call physician at all times, at a ratio of five to one.

#### 30 31 PERSPECTIVES OF PATIENTS, EMPLOYERS, INSURERS, AND RETAILERS

32  
33 An October 2005 Wall Street Journal Online Poll, conducted by Harris Interactive, surveyed the  
34 public's perceptions and attitudes on store-based health clinics. Although only 7% of the  
35 respondents reported that they had ever used a store-based health clinic, 41% said that they would  
36 be very likely or somewhat likely to use such a clinic. Similarly, although 75% of respondents  
37 raised concerns about quality of care, 78% of them agreed that store-based health clinics could  
38 provide a fast and easy way to receive basic medical services.

#### 39 40 Patients

41  
42 In general, store-based health clinics are appealing to individuals and families because they are  
43 quick, convenient, and affordable. Store-based health clinics are typically open seven days a week  
44 and require no appointment. On average, visits take 15 minutes and waiting time is minimal.  
45 While waiting, patients often receive a pager and have time to shop in the retail store. From a  
46 review of available literature, it appears that the cost of services provided at store-based health  
47 clinics are often less than the cost of services provided in most physician offices.

1 Employers

2  
3 Some employers report being able to better contain health care costs when employees use either  
4 store or work-based clinics to treat their minor illnesses and receive screenings for medical  
5 conditions. For example, employers such as Target, Bank of America, and General Mills have  
6 supported and/or encouraged their employees to utilize store-based health clinics. Some companies  
7 have reported savings of \$100,000 or more per year with the aid of store-based health clinics in  
8 promoting employee health and decreasing absenteeism in the workplace.

9  
10 Similarly, work-based clinics, in some cases, have proven to be effective in containing health care  
11 costs. Some employers reported having reduced health care costs by as much as 25% through the  
12 use of onsite clinics. Best Buy, Guidant, and Gillette are a few of the companies that have clinics  
13 onsite.

14  
15 Insurers

16  
17 Health insurers increasingly appear to be offering health insurance policies that incorporate the  
18 services of store-based health clinics. The addition of store-based health clinic services may give  
19 patients an added incentive to visit such clinics at a lower cost, and may help insurers to contain  
20 health care costs. At the time this report was written, some insurers (e.g., Cigna, United  
21 HealthCare, and some Blue Cross Blue Shield plans) had contracted with store-based health clinics  
22 and reduced co-payments for patients who go to store-based health clinics for selected primary care  
23 services. Some insurers reportedly are paying these clinics significantly less than they are paying  
24 physicians for some of these services, thereby raising concerns that they eventually may attempt to  
25 drive down future payments to physicians.

26  
27 Retailers

28  
29 Retailers have obvious incentives to open clinics in their stores, since it can potentially increase  
30 sales of prescription drugs and other non-health care products. For example, MinuteClinic found  
31 that 95% of patients receiving a prescription at one of its store-based health clinics had their  
32 prescriptions filled at the same store. MinuteClinic also found that 50% of people that visited its  
33 clinics made other purchases in the retail store. It has been speculated that many retail pharmacies  
34 have embraced store-based health clinics in order to increase prescription drug sales that have been  
35 slowly declining due to competition from mail-order pharmacies.

36  
37 STATE EXPERIENCES WITH STORE-BASED HEALTH CLINICS

38  
39 At the American Medical Association's State Legislative Strategy Conference in January 2006,  
40 representatives of the Minnesota Medical Association (MMA) and the Rhode Island Medical  
41 Society (RIMS) briefed meeting participants on their experiences with companies implementing  
42 store-based health clinics in their states. In general, state experiences with store-based health  
43 clinics vary from state to state, depending on the state's licensure requirements, and as well as  
44 other issues pertaining to specific clinic operations.

45  
46 Initially, in 2002, the MMA's primary concern was the potential impact store-based health clinics  
47 would have on the practice of primary care physicians, and the threat to patients' continuity of care.  
48 Over time, the MMA has found that the level of concern regarding the impact of store-based health

1 clinics on primary physician practices has declined. Contrary to their expectations, MMA members  
2 have had minimal objections about either medical outcomes or quality of care at store-based health  
3 clinics in Minnesota. The MMA also reported effective communication between store-based health  
4 clinics and primary care physicians in referring patients. These store-based health clinics report  
5 high patient satisfaction, and as a result, the clinics seem to have integrated well in serving the  
6 needs of Minnesota residents while operating with a consistent but limited scope of services.

7  
8 The RIMS conveyed to the meeting participants that store-based health clinics are the inevitable  
9 result of consumers looking for an affordable and convenient health care model. However, the  
10 RIMS raised several concerns with the implementation of store-based health clinics in their state  
11 (e.g., cherry picking, continuity of care after hours, fragmentation of patient care, absence of  
12 plumbing). First, RIMS was concerned about the potential lack of access to care after store-based  
13 health clinics have closed. Without some prearranged system to access after-hours care, patients  
14 who could potentially suffer from complications after being treated at a store-based health clinic  
15 could be at risk. Second, the RIMS called for a greater commitment to needier populations and not  
16 to “cherry pick” the locations of store-based health clinics, all of which were planned to be located  
17 in affluent areas. Third, because of the possibility that some store-based health clinics may lack  
18 access to plumbing, RIMS reported that this violated Rhode Island’s licensure requirements. It has  
19 been suggested that this last concern also could be a potential violation of Occupational Safety and  
20 Health Administration (OSHA) rules and regulations. To date, no store-based health clinics have  
21 received a state license to operate in Rhode Island.

#### 22 23 GUIDELINES FROM THE AMERICAN ACADEMY OF FAMILY PHYSICIANS

24  
25 The American Academy of Family Physicians (AAFP) has taken a cautious yet pluralistic approach  
26 to a health care market that includes store-based health clinics. In December 2005, the AAFP  
27 created a list of desired attributes that it feels are critical in order for patients to receive adequate  
28 continuity/coordination of care and quality of care. At that time, the chair of the AAFP Board of  
29 Directors stated that rather than attempting to stop the retail clinic model from emerging in the  
30 health care marketplace, the goal should be “to ensure that the clinics provide accurate information  
31 and operate under desired AAFP guidelines.” The AAFP’s desired attributes for store-based health  
32 clinics include the following:

- 33
- 34 • Scope of Service - Store-based health clinics must have a well-defined and limited scope of  
35 clinical practices.
  - 36
  - 37 • Evidence-Based Medicine - Clinical services and treatment must be evidence-based and quality  
38 improvement oriented.
  - 39
  - 40 • Team-Based Approach – The clinic should have a formal connection with physician practices  
41 in the local community, preferably with family physicians, to provide continuity of care. Other  
42 health professionals such as nurse practitioners, may only operate in accordance with state and  
43 local regulations. Ideally, other health professionals should be part of a “team-based”  
44 approach, with physician supervision, as prescribed by the Future of Family Medicine report.

- 1 • Referrals – The clinic must have a referral system to physician practices or to other entities  
2 appropriate to the patient’s symptoms beyond the clinic’s scope of work. The clinic should  
3 encourage all patients to have a “medical home.”  
4
- 5 • Electronic Health Records (EHRs) – The clinic should include an EHR system sufficient to  
6 gather and communicate the patient’s information with the family physician’s office,  
7 preferably one that is compatible with the Continuity of Care Record supported by the AAFP  
8 and others.  
9

#### 10 RELEVANT AMA POLICY AND ACTIVITIES

11  
12 Store-based health clinics appear to be consistent with long-standing AMA policy on pluralism  
13 (Policies H-165.920[7], H-160.975, H-165.944 [2], and H-165.920[1], AMA Policy Database).  
14 Most notably, the AMA supports free market competition among all modes of health care delivery  
15 and financing, with the growth of any one system determined by the number of people who prefer  
16 that mode of delivery, and not determined by preferential federal subsidy, regulations, or  
17 promotion (Policy H-165.985 [1]).  
18

19 The AMA also has established policy that addresses the physician-patient relationship, physician  
20 extenders, and continuity of care. The AMA encourages policy development and advocacy in  
21 preserving the doctor-patient relationship (Policies H-100.971 and H-140.920). The AMA has  
22 extensive policy on guidelines for the integrated practice of physicians with physician assistants  
23 and nurse practitioners (Policies H-160.950, H-135.975, and H-360.987). Policy H-160.947  
24 encourages physicians to be available for consultation with physician assistants and nurse  
25 practitioners at all times, either in person, by phone, or by other means. Policy H-425.997  
26 encourages the development of policies and mechanisms that assure continuity and coordination of  
27 care for patients. Finally, the AMA believes that full and clear information regarding benefits and  
28 provisions of a particular health care system should be available to the consumer (Policy  
29 H-165.985 [3]).  
30

31 With respect to scope of practice issues, the AMA has established a Scope of Practice Partnership  
32 with members of the Federation as a means of using legislative, regulatory, and judicial advocacy  
33 to restrain the expansion of scope of practice laws for allied health professionals that threaten the  
34 health and safety of patients. A report of the Board of Trustees is before the House of Delegates at  
35 the 2006 Annual Meeting on the ongoing issues and activities of the Scope of Practice Partnership.  
36

#### 37 PRINCIPLES TO GUIDE THE ESTABLISHMENT AND OPERATION OF STORE-BASED 38 HEALTH CLINICS

39  
40 Although the concept of store-based health clinics appears to be consistent with the market-based,  
41 pluralistic health care delivery systems supported by long-standing AMA policy, there are some  
42 areas of obvious concern with the operation of such clinics, particularly as they relate to patient  
43 awareness, physician oversight, and continuity of care. Similar to the approach taken by the  
44 AAFP, the Council believes that it would be best to help facilitate how store-based health clinics  
45 operate in the market, in order to insure that optimal care is provided to patients. Therefore, the  
46 Council recommends that the following eight principles should be advocated with respect to the  
47 establishment and operation of store-based health clinics:

- 1 1. *Store-based health clinics must have a well-defined and limited scope of clinical services,*  
2 *consistent with state scope of practice laws.* Clear definitions of the scope of clinical  
3 services offered at store-based health clinics will demonstrate the limitations of the services  
4 provided, and should increase the knowledge of patients who seek services at such clinics.  
5
- 6 2. *Store-based health clinics must use standardized medical protocols derived from evidence-*  
7 *based practice guidelines to insure patient safety and quality of care.* It is important that  
8 the medical decision-making protocols used by health care practitioners in store-based  
9 health clinics are developed from evidence-based practice guidelines, preferably those  
10 developed by the medical profession.  
11
- 12 3. *Store-based health clinics must establish arrangements by which their health care*  
13 *practitioners have direct access to and supervision by physicians.* Long-standing AMA  
14 policy encourages physicians to be available for consultation with physician assistants and  
15 nurse practitioners at all times, either in person or by phone or other means. When health  
16 care practitioners have direct access to physicians, the lines of communication are open to  
17 contact physicians daily with medical-related questions. In addition, consistent  
18 interactions between physicians and health care practitioners will help in coordinating the  
19 care of patients.  
20
- 21 4. *Store-based health clinics must establish protocols for ensuring continuity of care with*  
22 *practicing physicians within the local community.* Store-based health clinics should  
23 develop systems that appropriately coordinate care between store-based health clinics and  
24 physician offices in the local area. Continuity of care is necessary to ensure that patients  
25 are receiving optimal medical care for their conditions.  
26
- 27 5. *Store-based health clinics must establish a referral system with physician practices or*  
28 *other facilities for appropriate treatment if the patient's conditions or symptoms are*  
29 *beyond the scope of services provided by the clinic.* In some instances, patients who visit  
30 store-based health clinics may have serious medical conditions. By establishing a  
31 physician referral system, patients with serious medical conditions can easily be referred to  
32 a physician's office or, if necessary, to an emergency facility.  
33
- 34 6. *Store-based health clinics must clearly inform patients in advance of the qualifications of*  
35 *the health care practitioners who are providing care, as well as the limitation in the types*  
36 *of illnesses that can be diagnosed and treated.* Patients should know in advance what  
37 types of medical services are offered and understand that health care practitioners working  
38 in store-based health clinics might not be able to diagnose and treat certain conditions. It is  
39 important that patients are aware that store-based health clinics are not a substitute for  
40 visiting a physician, and occasional clinic visits should be complemented by regular care  
41 visits with a physician.  
42
- 43 7. *Store-based health clinics must establish appropriate sanitation and hygienic guidelines*  
44 *and facilities to insure the safety of patients.* It is critical that sanitation and hygienic  
45 guidelines established by store-based health clinics are similar to protocols used by  
46 physician practices. As previously noted, concerns have been raised in some regions of the  
47 country regarding the lack of such guidelines and facilities that may violate OSHA rules  
48 and regulations.

- 1           8. *Store-based health clinics should be encouraged to use electronic health records (EHRs)*  
2           *as a means of communicating patient information and facilitating continuity of care.*  
3           EHRs may make the sharing of patient information and the referral process more efficient  
4           between store-based health clinics and physician offices.

5  
6           DISCUSSION

7  
8           The development and growth of store-based health clinics is part of a market response to a segment  
9           of the population that increasingly values greater convenience in accessing health care services. In  
10          general, store-based health clinics are able to fulfill the immediate needs of patients with minor  
11          conditions with less waiting time, more flexible evening and weekend hours, and in some cases,  
12          lower out-of-pocket expenses.

13  
14          There are clear incentives for employers, health insurers, and retailers to participate in the  
15          implementation and operation of store-based health clinics. Employers and insurers report being  
16          able to contain health care costs by using store-based health clinics. Some employers also report  
17          that the services employees receive from store-based health clinics may help to increase  
18          productivity in the workplace. Retailers state that store-based health clinics help them to gain  
19          additional store traffic, which can potentially increase their opportunities to attain greater sales on  
20          prescription drugs and other non-health related products.

21  
22          As a result of the emergence of store-based health clinics, many physicians have begun to evaluate  
23          making changes to their practices in order to become more accessible to patients. A number of  
24          physicians are extending office hours to evenings and/or the weekends, and creating early morning  
25          sick call hours to accommodate patients without appointments. Other physicians have chosen to  
26          partner with store-based health clinics and/or be a part of store-based health clinics' physician  
27          referral networks.

28  
29          In some ways, store-based health clinics may be seen as one end of the spectrum of the health care  
30          market, with "concierge care" on the other end. In the Council's 2002 report on "Special  
31          Physician-Patient Contracts" (Council on Medical Service Report 9, A-02), the Council concluded  
32          that concierge practices were consistent with AMA policy on pluralism in the delivery and access  
33          to health care.

34  
35          Nonetheless, many physicians remain concerned about the impact store-based health clinics may  
36          have on their practices, the physician-patient relationship, and the coordination of care for patients.  
37          Further, among the unresolved issues that could be of future concern are the potential impact of  
38          state corporate practice of medicine laws on the formation of store-based health clinics; the  
39          possible application of Stark law regulations on contractual arrangements between physicians and  
40          store-based health clinics; and the potential implications of store-based health clinics that "cherry  
41          pick" locations that primarily have an affluent customer base.

42  
43          While sharing these concerns, the Council believes that the most effective course of action for the  
44          AMA at this time would be to advocate key principles to guide the establishment and operation of  
45          store-based health clinics. Store-based health clinics are a relatively new development and, if  
46          sustainable, will help give the Council a better indication of its long-run impact on physician  
47          practices and health care delivery. The Council will continue to monitor the growth and impact of  
48          store-based health clinics and will report back to the House of Delegates as appropriate.

1 RECOMMENDATION

2  
3 The Council on Medical Service recommends that the following be adopted and the remainder of  
4 the report be filed:

- 5  
6 1. That it be the policy of our American Medical Association that any individual, company, or  
7 other entity that establishes and/or operates store-based health clinics should adhere to the  
8 following principles:  
9
- 10 a. Store-based health clinics must have a well-defined and limited scope of clinical services,  
11 consistent with state scope of practice laws.
  - 12  
13 b. Store-based health clinics must use standardized medical protocols derived from evidence-  
14 based practice guidelines to insure patient safety and quality of care.
  - 15  
16 c. Store-based health clinics must establish arrangements by which their health care  
17 practitioners have direct access to and supervision by MD/DOs, as consistent with state  
18 laws.
  - 19  
20 d. Store-based health clinics must establish protocols for ensuring continuity of care with  
21 practicing physicians within the local community.
  - 22  
23 e. Store-based health clinics must establish a referral system with physician practices or other  
24 facilities for appropriate treatment if the patient's conditions or symptoms are beyond the  
25 scope of services provided by the clinic.
  - 26  
27 f. Store-based health clinics must clearly inform patients in advance of the qualifications of  
28 the health care practitioners who are providing care, as well as the limitation in the types of  
29 illnesses that can be diagnosed and treated.
  - 30  
31 g. Store-based health clinics must establish appropriate sanitation and hygienic guidelines and  
32 facilities to insure the safety of patients.
  - 33  
34 h. Store-based health clinics should be encouraged to use electronic health records as a means  
35 of communicating patient information and facilitating continuity of care.
  - 36  
37 i. Store-based health clinics should encourage patients to establish care with a primary care  
38 physician to ensure continuity of care. (New HOD Policy)
- 39  
40 2. That our AMA continue to monitor the effects of store-based health clinics on the health care  
41 marketplace, and report back to the House of Delegates. (Directive to Take Action)

References for this report are available from the AMA Division of Socioeconomic Policy  
Development.

Fiscal Note: No significant fiscal impact.