REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 5 - A-07

Subject: Update on Store-Based Health Clinics

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Referred to: Reference Committee G
(Steve Kanig, MD, Chair)

At the 2006 Annual Meeting, the House of Delegates adopted as amended the recommendations in Council on Medical Service Report 7 (A-06), "Store-Based Health Clinics." The House of Delegates also requested the AMA to continue to monitor the effects of store-based health clinics on the health care marketplace, and report back to the House.

As noted in CMS Report 7 (A-06), the market response to store-based health clinics is partly attributed to a segment of the population that increasingly values convenience in accessing health care services. For physicians, store-based health clinics may raise concerns about the impact on their practices, the potential interruption of the physician-patient relationship, and a possible reduction in coordination of care for patients. Council on Medical Service Report 7 (A-06) concluded that the most effective course of action for the AMA was to advocate the adoption of the recommendations in the report, which established a series of key principles to guide in the establishment and operation of store-based health clinics (Policy H-160.921, AMA Policy Database).

This report highlights the store-based health clinic market and its projected growth in the US; summarizes recent consumer trends; elaborates on changes physicians have made to their practices in order to compete with store-based health clinics; summarizes policy and actions of the AMA, and other professional organizations; and reviews recent state legislative activities in response to these clinics.

THE MARKET FOR STORE-BASED HEALTH CLINICS

In 2006, there were more than 200 store-based health clinics nationwide. The California Healthcare Foundation (CHCF) found that approximately 13 companies have contracted with various retailers in the US to develop store-based health clinics. An additional 1,000 store-based health clinics are projected to open by the end of 2007. MinuteClinic, RediClinic, and Take Care Health Systems continue to be among the top industry leaders of store-based health clinics.

MinuteClinic was the industry pioneer incorporated nearly seven years ago, and now has more than 150 clinics in 26 cities. In 2006, MinuteClinic was acquired by CVS Corporation. Accordingly, the majority of MinuteClinics are now housed in CVS pharmacies. MinuteClinic plans to open 300-500 more clinics in the next two to four years. MinuteClinic is an in-network provider for nearly 40 regional and national insurers, and accepts Medicare and Medicaid patients. This company reports that approximately 20% of its patients are uninsured. These clinics also offer a 24 hour hotline for any follow-up questions patients may have after their visits.

Take Care Health Systems ("Take Care"), operates the majority of its 42 "health corner clinics" in Brooks Eckerd Pharmacies and Walgreens. The new partnership with Walgreens has rapidly expanded the growth of Take Care in the past year. These clinics are located in the Kansas City, St. Louis, Pittsburgh, and Chicago areas. Take Care plans to open 200 more stores in 2007, and have nearly 1,000 clinics open by 2009. Take Care is an in-network provider for about ten health insurers, and accepts Medicaid and Medicare patients.

RediClinic has 29 clinics in five states, and are located in Wal-Mart, H-E-B, and some Walgreens stores. Aetna, Humana, and UnitedHeathcare insurance cover RediClinic visits. Wal-Mart stores report that between 25% and 40% of their clinic visitors are uninsured.

Amidst the continued growth of store-based health clinics, one company, California-based Wellness Express, closed its stores last year. Wellness Express reported that it was unable to raise sufficient funds from venture capital firms in order to sustain operations. In addition, Take Care closed about 10 clinics in 2006 in the Portland, Oregon area. Take Care concluded that the market response to store-based health clinics was low in Portland.

CONVENIENT CARE ASSOCIATION

In September 2006, a trade organization, the Convenient Care Association (CCA), was created in order to enable store-based health clinics to share best practices, establish common standards of operation, and develop professional relationships with the medical community and health care providers. In addition, the CCA has established a Clinical Advisory Board to provide input and guidance on the creation of national, industry-wide quality standards for store-based health clinics. Some standards may include peer and physician review, and the collection of patient outcomes and satisfaction at store-based health clinics. Currently, there are 18 CCA members, including RediClinic and Take Care. CCA's board president is Hal Rosenbluth, the co-founder of Take Care. In 2007, CCA is planning to recruit health care leaders to join the CCA's Clinical Advisory Board.

RECENT SURVEYS

In January 2007, Forrester Research published a survey of nearly 11,000 households on the public's perception, and the use of store-based health clinics. Of those responding to the survey, only 3% of the respondents had visited a store-based health clinic. Forrester Research found that store-based health clinic visitors generally are younger than non-visitors, more affluent, and more likely to have children. There was no significant difference in health status and the likelihood of having commercial health insurance between visitors and non-visitors.

The survey found that convenience was the main motivating factor for people to visit store-based health clinics rather than improved quality of care. The top reasons for visiting a store-based health clinic were convenient hours of operation (56%), convenience of the location (48%), and longer wait times for an appointment with a health care provider (28%). Only 9% of respondents visited a store-based health clinic because other options for receiving health care services were more expensive. Few visitors reported that customer service was better at store-based health clinics (15%), or that store-based health clinics offer a better value than a typical doctor office visit (14%). Nevertheless, 55% of the respondents who visited a store-based health clinic reported that they were very likely to use a clinic again in the future.

A February 2007 survey, conducted by *Consumer Reports*, surveyed patients and doctors on their satisfaction rates (e.g., access and compliance) with one another. The top patient complaints about doctors were the time spent in the waiting room, with nearly one in four patients (24%), reporting a wait of 30 minutes or longer, and difficulties scheduling an appointment within a week (19%). It is these types of patient complaints that may attribute to the increased interest in store-based health clinics.

PHYSICIAN RESPONSE TO STORE-BASED HEALTH CLINICS

Some physicians have responded to store-based health clinics by becoming more competitive and making changes to their practices, such as extending their office hours and forming their own clinics.

Physicians and Clinics

Some physicians have begun to compete with store-based health clinics by owning and operating them, and in some cases staffing the clinics with physicians. Physician compensation for working with store-based health clinics varies, with some physicians receiving hourly fees and others being paid through their employer (e.g., medical group). Solantic is staffed and owned by physicians, who are on-site at the clinic at all times. Located throughout Florida, Solantic has clinics located inside retail stores and also freestanding clinics. Within three days of the visit, Solantic patients receive a follow-up call from the clinic to check on their condition.

QuickHealth, headquartered in Burlingame, California, has six clinics in the Bay Area and Fresno and plans to open about 30 more clinics by the end of the year. QuickHealth is unique from several of its competitors in that it targets the uninsured and underinsured and is staffed by physicians, nurses, and medical assistants that work for the QuickHealth Medical Corporation. Health insurance is not required at QuickHealth locations. A standard visit costs $39, and additional services and tests are available at a higher cost.

NOW Medical Centers, known as both NOW Express Care and NOW Urgent Care, are modeled after the convenience of store-based health clinics (e.g., no appointments, open seven days a week). NOW Urgent Care clinics offer physician access onsite and NOW Express Care satellite centers have nurse practitioners (NPs) onsite with physicians on call. Currently, there are 13 clinics located in the Twin Cities, and St. Louis. NOW Medical Centers has partnered with Cub Foods, and the SUPERVALU Corporation, a former partner of MinuteClinic, and plans to open clinics in Chicago, Milwaukee, Philadelphia, and other cities.

ProHealth Physicians is another medical group owned and operated by physicians. Based in Connecticut, ProHealth is a collaboration of nearly 200 private practice physicians and has the largest group of primary care physicians in the state. In 2006, ProHealth opened a walk-in clinic named MedAccess, and plans to open six more clinics in Putnam Price Chopper grocery stores. MedAccess has physicians on staff along with NPs and physician assistants (PAs), who are all a part of ProHealth Physicians. MedAccess accepts health insurance, and uninsured patients reportedly are charged a flat fee of $45. In comparison to other store-based health clinics, ProHealth believes that its clinic will better protect the physician-patient relationship, since ProHealth has professional associations with local hospitals, specialists, and physician groups for patient referrals.

TransforMED

In response to the changing health care environment and the emergence of store-based health clinics, the American Academy of Family Physicians (AAFP) has developed a national practice redesign initiative entitled TransforMED, Empowering Medical Practices, to improve physicians' office efficiency and patient care. Based upon the recommendations of the Future of Family Medicine's report, the focal point of this initiative is the medical home model. TransforMED also attempts to demonstrate how physicians can adapt to the emergence of store-based health clinics. For example, core components of TransforMED are patient-centered care, eliminating scheduling and communication barriers, using advanced database information systems, and redesigning a more functional office. Many of these components are achieved through open access scheduling, online appointments, electronic medical records, and outcomes analysis. With open access scheduling, patients are seen on the day they call for an appointment regardless of the reason for their visit. For example, some physicians have expanded their walk-in hours for patients during the patient's lunch hour and postponed some tasks (e.g., hospital rounds) until later in the day. TransforMED's goals are to empower physicians to provide comprehensive and accessible services to their patients on an ongoing basis.

RELEVANT AMA POLICY

It is AMA policy (H-160.921[1]) that any individual, company, or other entity that establishes and/or operates store-based health clinics should adhere to the following principles:

- Store-based health clinics must have a well-defined and limited scope of clinical services, consistent with state scope of practice laws.

- Store-based health clinics must use standardized medical protocols derived from evidence-based practice guidelines to ensure patient safety and quality of care.

- Store-based health clinics must establish arrangements by which their health care practitioners have direct access to and supervision by MD/DOs, as consistent with state laws.

- Store-based health clinics must establish protocols for insuring continuity of care with practicing physicians within the local community.

- 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.

- 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 the limitation in the types of illnesses that can be diagnosed and treated.

- Store-based health clinics must establish appropriate sanitation and hygienic guidelines and facilities to insure the safety of patients.

- Store-based health clinics should be encouraged to use electronic health records as a means of communicating patient information and facilitating continuity of care.

- Store-based health clinics should encourage patients to establish care with a primary care physician to ensure continuity of care.

AMA AND FEDERATION ACTIVITIES

Since the establishment of the principles contained in Council on Medical Service Report 7 (A-06), the AMA and the Federation have been engaged in a number of activities related to store-based health clinics.

Co-payments and Store-Based Health Clinics

In June 2006, a letter from the AAFP Board Chair to the Chief Executive Officer of Blue Cross Blue Shield of Minnesota (BCBS MN) voiced concerns regarding financial incentives given to patients that visit store-based health clinics. Currently, BCBS MN reduces or waives co-payments when patients visit store-based health clinics. In the letter, the AAFP encouraged BCBS MN "to establish co-payment rates that are the same whether the patient seeks care from their family physician/personal medical home or a retail clinic." The AAFP opposed the insurer's policies since it unfairly incentivizes patients to visit a store-based health clinic rather than a physician's office.

The AMA received a letter from the President of the Medical Association of the State of Alabama (MASA) raising similar concerns regarding the recent trend of insurers waiving co-payments for patients who use store-based health clinics. The AMA concurred with the concerns raised by AAFP and the MASA.

Wal-Mart Retail Health Clinic Summit

In August 2006, the AMA, AAFP, American Academy of Pediatrics (AAP), and the American Academy of Nurse Practitioners (AANP) met with several store-based health clinic representatives at the Wal-Mart Retail Health Clinic Summit in Bentonville, Arkansas. At the summit, the AAFP acknowledged the competitive aspect of the business, noting that many physicians have responded to these clinics by offering open access scheduling to provide convenience to patients. The AAFP discussed the establishment of some form of recognition given to store-based health clinics that adhere to the medical association's principles. Since the summit, the AAFP has worked proactively with store-based health clinics to develop an "Agreement in Support of Desired Attributes." According to the AAFP, this agreement does not make the AAFP an "endorser" of store-based health clinics, but indicates an agreement between the clinic and the association's guidelines on how a store-based health clinic should operate. To date, the AAFP has worked independently of other medical associations, and three store-based health clinics have signed on to AAFP's policies and by doing so pledge to support and comply with AAFP's desired store-based health clinic attributes.

AAP Policy on Store-Based Health Clinics

The AAFP, the American College of Physicians (ACP), and the AMA have developed similar principles to help facilitate the operation of store-based health clinics. In contrast, the AAP issued a policy statement in September 2006, that opposes store-based health clinics as an appropriate source of medical care for infants, children, and adolescents. The AAP believes that health care issues for children are distinct from adults, since child health is marked by developmental

milestones, and each visit allows parents and physicians the opportunity to talk about expectations and healthy choices. The AAP's opposition to the use of store-based health clinics is also based upon the belief that these clinics do not fit the "medical home" model. In addition, the AAP believes that store-based health clinics may increase the fragmentation of patient care; and threaten the provision of episodic care to children with special health care needs and chronic conditions, which may not be readily identifiable within this health care delivery model. At the same time, the AAP acknowledged that these clinics have already emerged and could potentially expand in the current health care market. Therefore, the AAP released five principles to guide store-based health clinics:

- Support the medical home model;
- Ensure prompt communication with a physician;
- Use evidence-based medicine;
- Take necessary precautions to prevent contagious diseases; and
- Oppose the waiving/lowering of cost-sharing for patients that visit store-based health clinics.

STATE LEGISLATIVE ACTIVITIES

The AMA Advocacy Resource Center continues to track state legislative activities and provisions that may affect the implementation and operation of store-based health clinics. Currently, several states have bills pending in their legislatures on the regulation of store-based health clinics. The following are highlights of some recent state laws.

- California—Store-based health clinics are required to be a part of a medical corporation owned by a physician. The medical corporation is required to hire the medical staff (e.g., NPs and PAs), in comparison to store-based health clinics (e.g., MinuteClinic) hiring the medical staff.
- Florida—Health care practitioners are required to wear a name tag or orally explain to patients which license they hold. Another law requires a sign to be posted at clinics notifying patients whether or not a physician is on-site. Also, if a patient has a choice to be seen by a physician or NP, the law mandates that a patient be given the choices in writing.
- Missouri—Store-based health clinics must have a physician immediately available for consultation at all times. An NP and a physician must work together for at least 30 days prior to the NP practicing separately, including at a store-based health clinic location.

DISCUSSION

Since the development of Council Report 7 (A-06), the market for store-based health clinics has continued to grow and receive media attention. In the last year, at least an additional 100 clinics have opened, with many more clinics projected to open in the next few years. At the same time, some store-based health clinics have faced difficulties and closed. Store-based health clinics can help patients receive quick access to a medical professional when they cannot schedule a same day appointment with their physician. Within the context of a pluralistic market-based system, those

who value convenience in accessing health care services may choose store-based health clinics—just as others may choose services provided by concierge physician practices.

Some physicians have responded to the emergence of store-based health clinics by extending their office hours and forming their own clinics. Physician-owned store-based health clinics are able to offer patients immediate access to a physician, additional physician oversight, a larger network of specialists, and access to local hospitals. Physician collaboration with store-based health clinics enable physicians to expand their practices, establish a "medical home," and better ensure that patients are receiving follow-up care when necessary. For example, the AAFP initiative, TransforMED, has helped physicians make their practices more efficient and accessible to patients with open access scheduling and better functioning office designs. The Council encourages physicians to continue to work to change their own practices to become more accessible to their patients.

Consistent with the approach taken by several national medical societies, the Council continues to believe that the most effective course of action for the AMA is to advocate that store-based health clinics adhere to the guidelines adopted by the House of Delegates. In light of recent reports that some health insurers waive and/or lower co-payments for patients who seek treatment at store-based health clinics, the Council recommends amending Policy H-160.921 to add a principle prohibiting this practice. These financial incentives may inappropriately steer patients to these clinics primarily on the basis of cost rather than quality of care. The Council will continue to track emerging issues related to store-based health clinics, as appropriate.

RECOMMENDATIONS

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

1. That Policy H-160.921 be amended by addition of the following:

   (3) Health insurers and other third-party payers should be prohibited from waiving and/or lowering co-payments only for patients that receive services at store-based health clinics. (Modify HOD Policy)

2. That our AMA continue to monitor store-based health clinics, and report back to the House of Delegates as appropriate. (Directive to Take Action).

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

Fiscal Note: No Significant Fiscal Impact