

Retail Medical Clinics

A Test Case for Health Care Delivery
Innovation and American Politics

William M. Sage, MD, JD
The University of Texas at Austin

The Wal-Martization of Health Care?

“One of the challenges I’ve made to doctors is, I said, you’re either going to Canada or to Wal-Mart. You can either go to a nationally controlled bureaucratic structure or you can go to the marketplace. But you’re not going to stay in a guild status where you have all the knowledge and you share none of it.”

-- Newt Gingrich

Forbes, Feb. 27, 1995



“Canada” vs. “Wal-Mart”

Government vs. the marketplace

BUT ALSO

Insurance vs. health care services

1990s Health Reform

- Insurance reform (partly succeeded)
 - HIPAA
 - State small group coverage
- Financing reform (failed)
 - Health Security Act
- Purchasing reform (failed)
 - Managed care backlash
- Health care delivery reform (not tried)

Impetus for Retail Clinics

- Failure of government cost control
- Failure of private cost control
- Increased consumer cost-sharing
- Unresponsiveness to consumer preferences
- Politics of “consumer-directed health care”
 - Emphasis on price/quality transparency
 - Tax-favored health spending accounts

Characteristics of Retail Clinics

- Association with brand-name mass retailers
- Leased space model
- Small, low overhead, compact equipment
- Expansive hours with no appointments
- Posted prices for limited services
 - “Get well” and “stay well”
- Mid-level providers
- Decision support and electronic recordkeeping

Access and Retail Clinics

- Low prices and high convenience improve access at the margin
- Does not depend on “take-up” like insurance
- Follows geographic/demographic patterns
 - 50% of U.S. lives within 5 miles of Wal-Mart
 - Supermarkets, pharmacy chains ubiquitous
- On-site medical care for retail workforce

Cost and Retail Clinics

- Commitment to low point-of-service prices
- Aggressive supply chain management
- Transparent pricing for consumers
- Administrative simplification

Quality and Retail Clinics

- Response to variations literature
- Standardization/value-for-money
- Customer service and convenience
- Trusted brand (not insurance-based)
- Reliance on patient self-diagnosis

Example: Antibiotic Use

- High compliance with clinical best practices
- Reassurance instead of prescription
 - Providers expect to follow practice guidelines
 - Practice guidelines can be shared with patients
 - More time available to spend with patients
 - Less delay, less inconvenience for patients
 - Lower cost for patient visit

Innovation and Retail Clinics

- Information (health records, decision support), communications, and diagnostic technology
- Continuous evaluation/reinvention of service model in large retail sector
- Sensitivity to community characteristics/preferences
- Bottom-up definition of “basic medical care”

Uncertainties for Retail Clinics

- Interface with referral system for acute and chronic care
- Patient education and involvement with care
- Continuity of care, especially for children
- Sustainable professional workforce
- Mix of cash and insured business
- Financial relationships with host stores and suppliers
- Data integrity, security, and privacy
- Accountability for medical injury

Conclusion: The Genii Is Not Returning to the Bottle

“The American public cannot have it both ways. They must decide what is more important – money and time– or comprehensive, appropriate care.”

-A Kentucky physician opposing
retail medical clinics