



Retail Clinics – The Care and Business Model, Players, and the Future

SCOTT & CO

**April 24, 2008
Federal Trade Commission**

Retail Clinics – an overview

- **Clinic Players: The Care and Business Model, Operators, Retailers and Consumers**

- **What will most impact Retail Clinics in next 12-36 months?**

Traditionally retail clinics are **inside a store**, operated by a clinic provider

- Inside a retail store
- Offer routine medical care on an ongoing basis
- Staffed with NPs who can write prescriptions



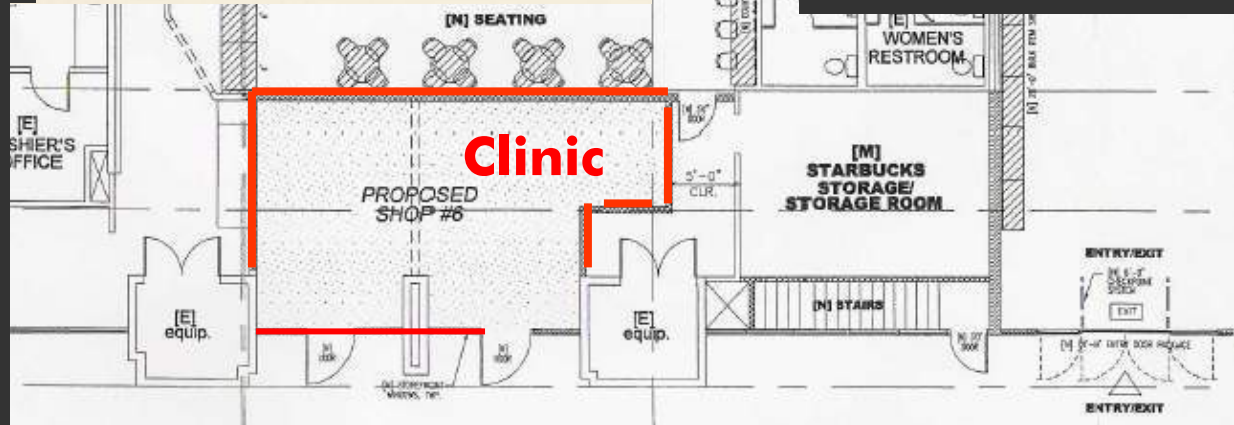
No Appointment Necessary

MONDAY-FRIDAY... 9am-5pm
SATURDAY... 9am-4pm
SUNDAY... 11AM-5PM

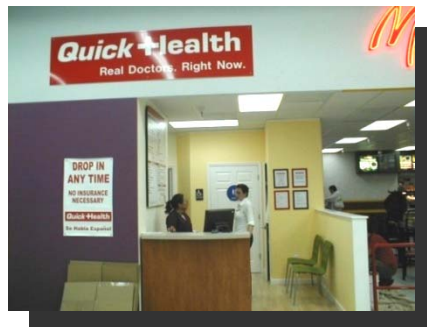
**MEDPOINT+
express**

Services Provided	Price	Services Provided	Price
Health Conditions		Immunizations	
Cough/Upper Respiratory	\$ 45	Hepatitis B	\$ 90*
Female Urinary Infection*	\$ 45	Influenza (Seasonal)	\$ 22
Influenza (Flu)	\$ 45	Mumps/Meningitis/Whooping Cough	\$ 75
Seasonal Allergies	\$ 45	MMingitis	\$ 15
Sinus Infection	\$ 45	Pneumonia	\$ 37
Strep Throat/Laryngitis*	\$ 45	Tetanus	\$ 28
Screenings		Specific Conditions	
Cholesterol	\$ 12	Adrenals Foot	\$ 38
Diabetes (Hemoglobin A1C)	\$ 29	Cold Sores	\$ 38
Influenza (Flu)	\$ 20	Ear Infections	\$ 45
Mono	\$ 20	Hives/Rash	\$ 45
Pregnancy	\$ 21	Impetigo	\$ 45
Strep	\$ 20	Insect Bite	\$ 38
Tuberculosis	\$ 31	Pink Eye	\$ 45
Urine	\$ 4	Psoriasis Icy	\$ 45
Wellness	\$ 29	Ringsworm	\$ 38
Physicals		Styes	\$ 45
Camp	\$ 40	Swimmer's Ear	\$ 45
Sports	\$ 40		

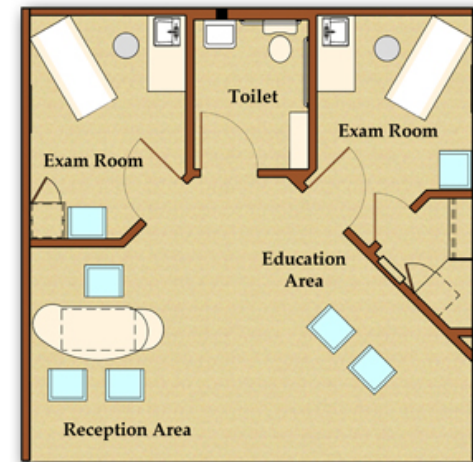
*Some services may be provided by a nurse practitioner. Prices are subject to change without notice.



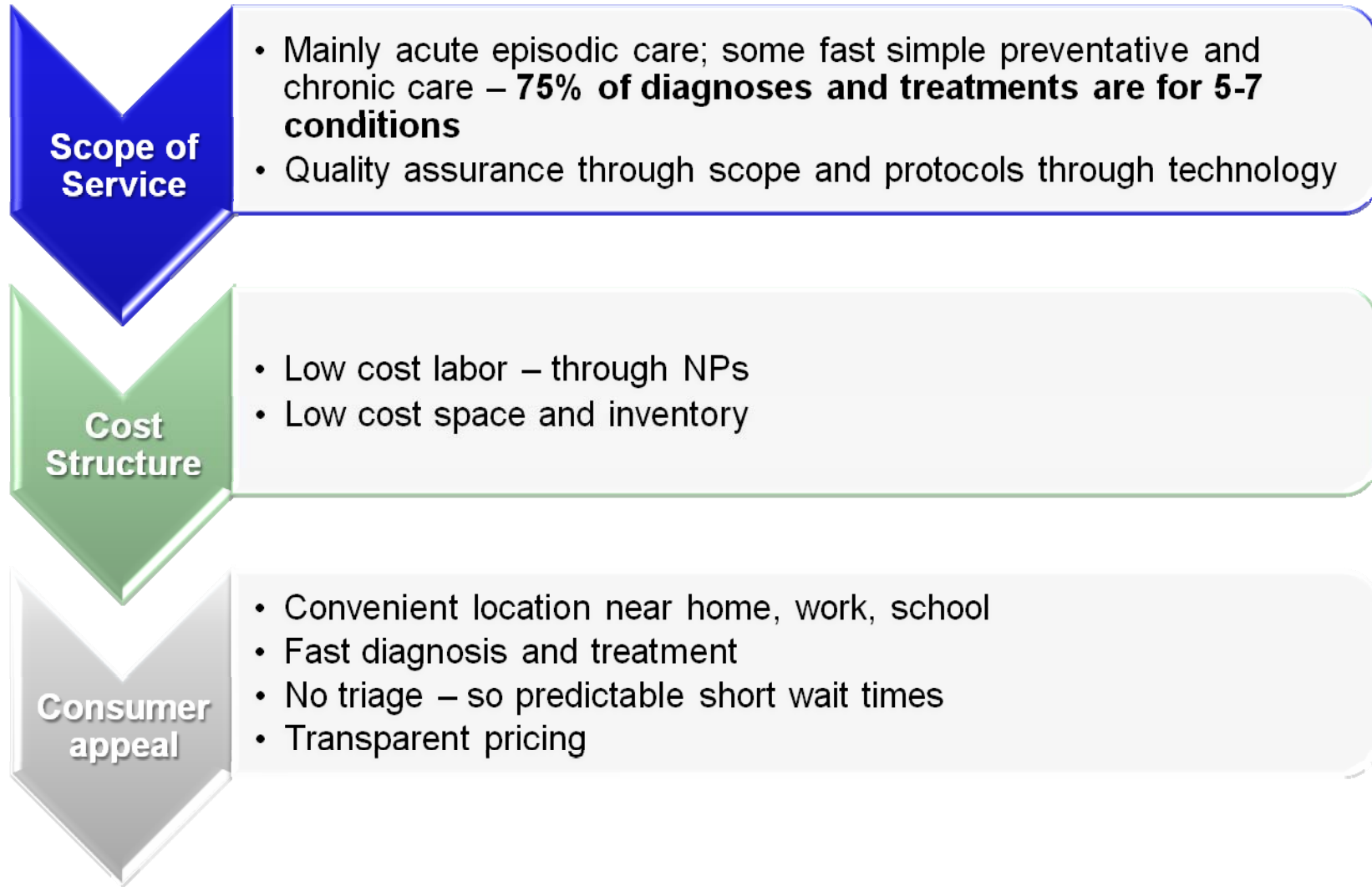
Retail clinics in grocery, drug and mass merchandise stores



DIAGNOSTIC TESTS +		
ALLERGY	59.0	
Cholesterol & Lipid Profile	29.0	
Diabetes Screening	29.0	
Drug Screening	49.0	
Flu Shot	19.0	
HIV	19.0	
Uter Function (UT & LT)	69.0	
Monoclonal	29.0	
Obstetric	19.0	
Pap Smear	49.0	
STD Panel	19.0	
Substance Use PPD Skin Test	29.0	
Uterine	149.0	
	29.0	
	29.0	
	19.0	

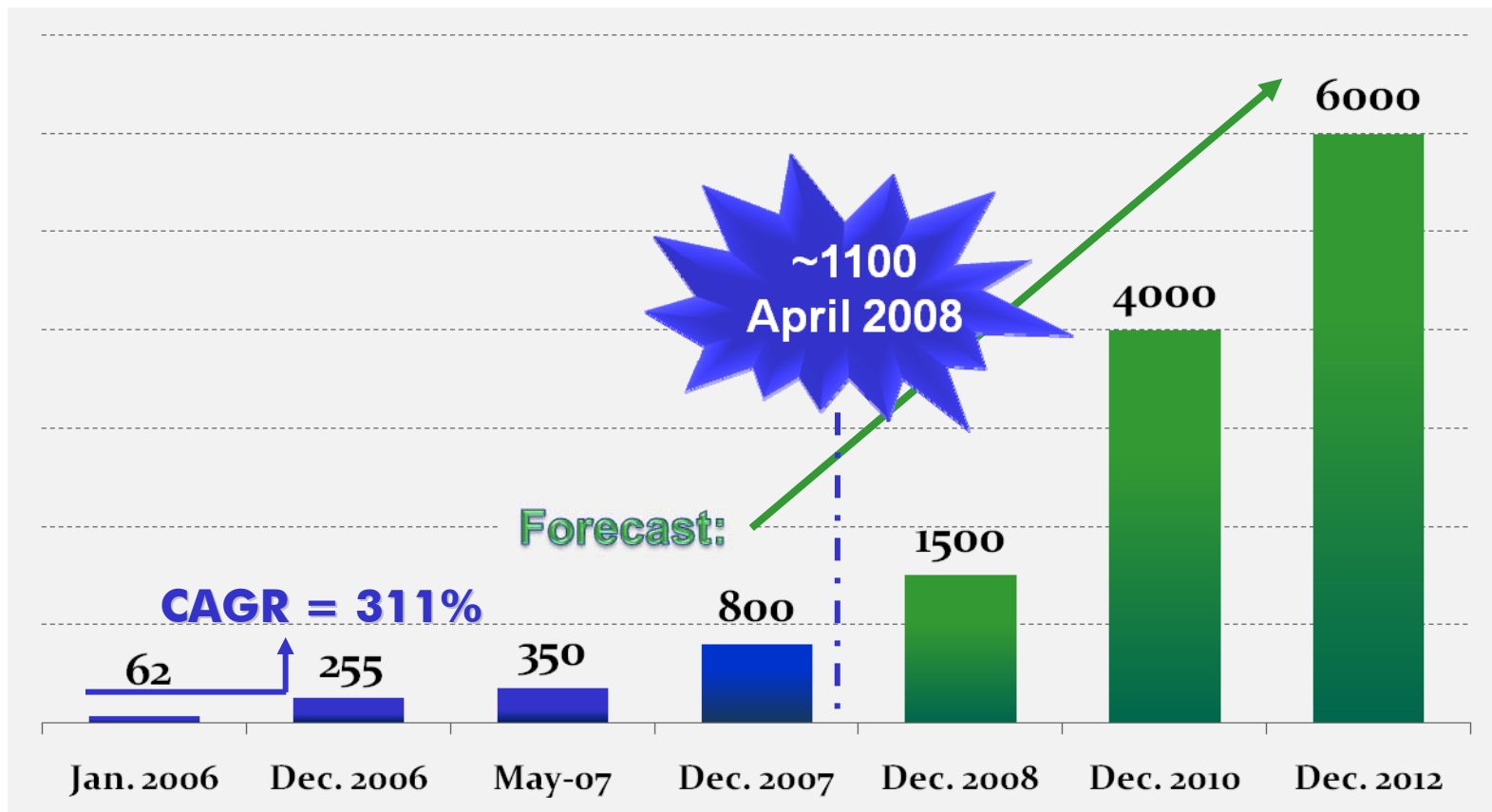


The model is about limiting the scope of services to reduce the cost and increase consumer appeal



Clinics are opening at a rapid pace around the country

Number of clinics



Main clinic players include operators and retailers

Clinic Operators

~50+ national
regional and
local players

85% clinic
players

15% hospitals

Retailers

~35+ national
and regional drug
grocery, mass
merchandisers
local players are
emerging



Three different types of clinic operators

Retailer-Owned Operators

- retailers purchased clinics to have control over the brand and the rollout
- see the clinics as core to their business expansion across the whole pharmacy value chain



Independent Pure Play Operators

- largely owned by investors
- creating business to sell or operate at a profit
- some work with hospitals (or others) and create co-branded or joint venture clinics
- Located in drug, mass merchandising and grocery stores



Hospital-Owned Operators

Healthcare providers are participating in this trend in different ways

Work with retail clinic operators

- Co-brand with retail clinics to encourage patient use of clinics
- Provide physician oversight for clinics
- Create referral networks

Create and operate their own retail clinics

- Integrated systems see this an opportunity to provide "right care" care by the "right provider" at the "right cost"
- Opportunity to integrate into the community

Watch and learn from sidelines



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Member Website for The Hospital Retail Clinic Toolkit

Purchase the Book
Request Consulting Services
Toolkit Owner? Register Here
User Login

REGISTER TO GET MEMBER TOOLS including:

- Calculators
- PowerPoint Presentations
- Survey Tools
- Retailer Information
- Register for Webinars

ORDER NOW LOGIN MEMBER SITE & TOOLS

The Hospital Retail Clinic TOOLKIT
A Guide for Hospitals to Assess the Opportunity and Risk of Operating a Retail Clinic

Mary Kate Scott
Author of the groundbreaking, *Health Care in the Future Lane*

Hospital leaders take major risks by ignoring the retail clinic phenomenon. This timely, complete and practical guide helps hospital management create an optimal response to retail clinics, which may include operating their own retail clinics, partnering with an operator or using retail clinic principles in existing hospital operations. The guide includes decision-making tools and financial models that address a hospital's options to use retail clinics and how to gauge the overall impact on a hospital's core delivery, operations, staff, reputation and economics.

This guide articulates the rationale for using different retail clinic models and helps hospitals assess the demand for retail clinic services and determine whether using a retail clinic model will increase patient satisfaction and loyalty, attract new patients and generate savings within their operations. The practical advice and tools will help hospitals identify and win over retailers to secure space, select appropriate measures of success, create focused pilot programs, forecast the financial commitment, and create strong partnerships with existing retail clinic operators. Over 20 tools including presentation, worksheets, calculators, patient surveys, and slides are included to streamline the strategic decision making and implementation.

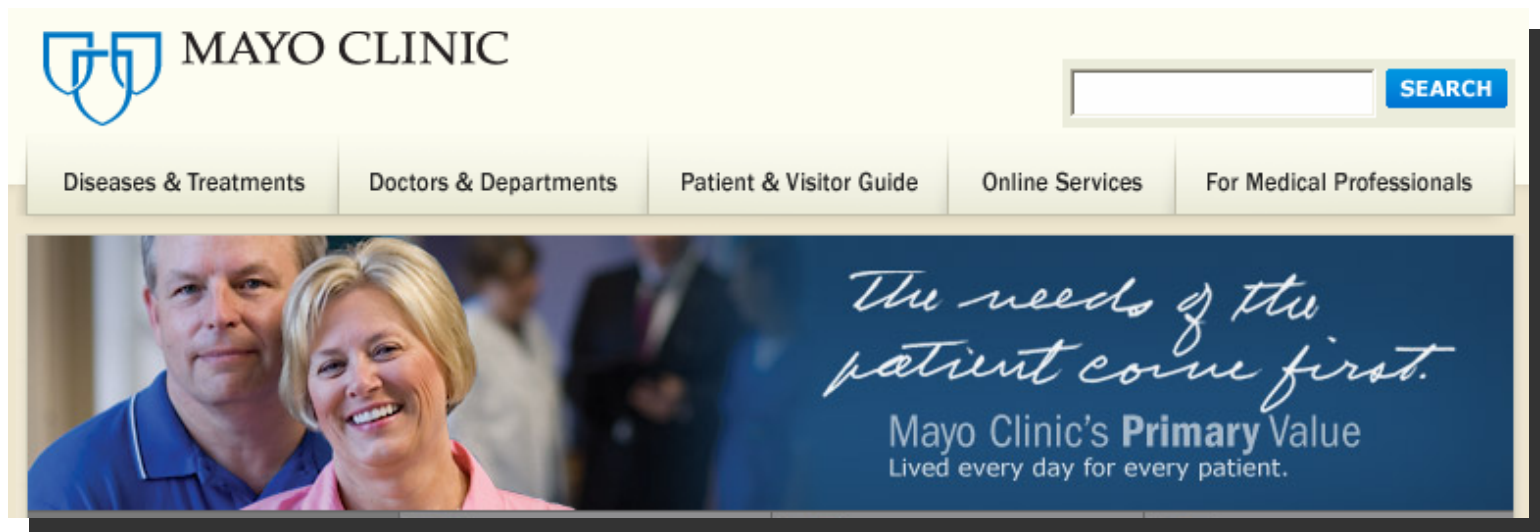
"Detailed expert guidance for hospital systems to make the right decisions for their retail clinics..."

- Trina Harman-Turton
Executive Director
Convenient Care Association

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Hospitals will be a force as they operate and affiliate with retail clinics – connecting clinics to mainstream healthcare

A couple of years ago, medical centers thought if they ignored (the trend), it would go away," said Tricia Dahl , associate clinic administrator at the Mayo Clinic's Albert Lea Medical Center. "But patients tell us this is what they want."



Wal-Mart strategy – multiple operators, all hospital affiliated or operated

- **Open 400 stores by end of 2009**
- **All with the same brand “The Clinic at Wal-Mart ”**
- **All clinics either operated by hospitals or affiliated with local hospitals**
- **sites will be located in the front of our stores, have a new and consistent design palette and layout – 2-3 exam rooms, an ADA restroom, a lab area and a partially screened waiting space –**
- **All will operate on a common electronic medical record**

“We have found that our customers trust the quality and care they receive in a hospital and that this brand loyalty and affiliation can encourage new customers to take that first step and visit an in-store clinic.”

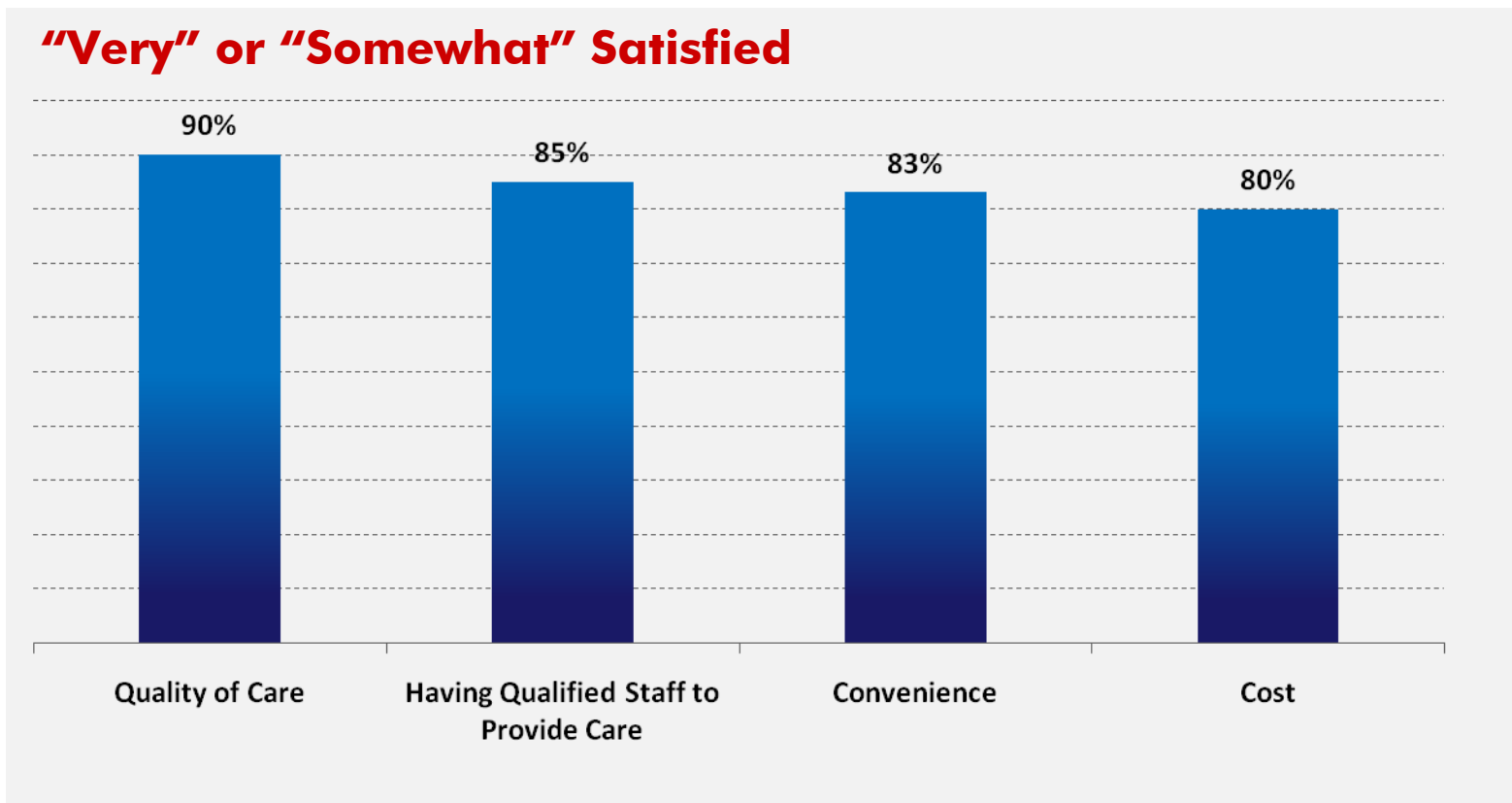


**-Alicia Ledlie
-Senior Director of Health Business Development, Wal-Mart**

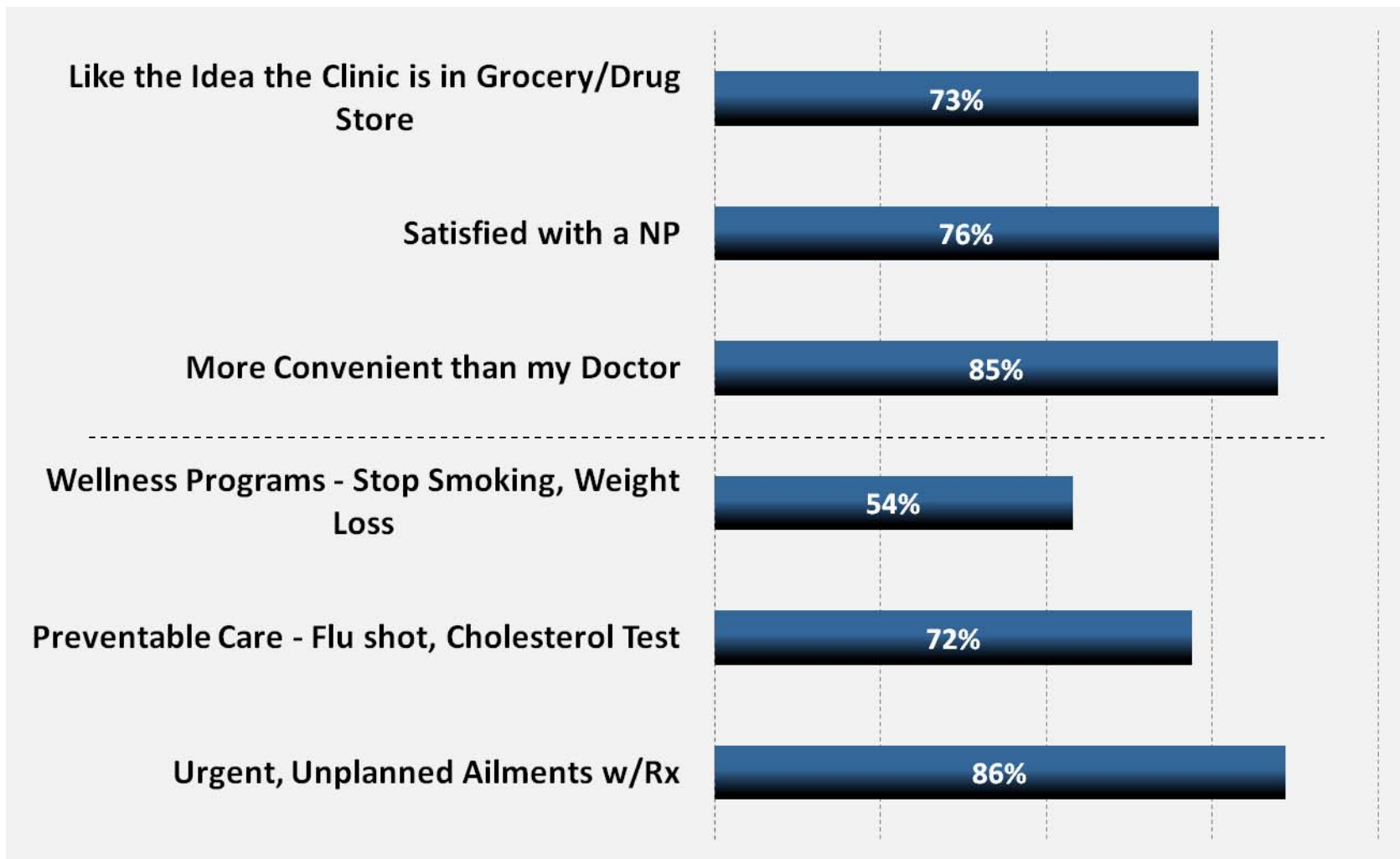
Consumer Satisfaction Remains High with Clinics

“Overall, how satisfied were you with your or your family member’s experience using an onsite health clinic in a pharmacy or retail chain on the following items?”

- Harris Interactive Survey, April 2007



Consumers like the location, NP and convenience and are interested in using retail clinics for boraoder purposes



* Filtered for those likely to use the clinic

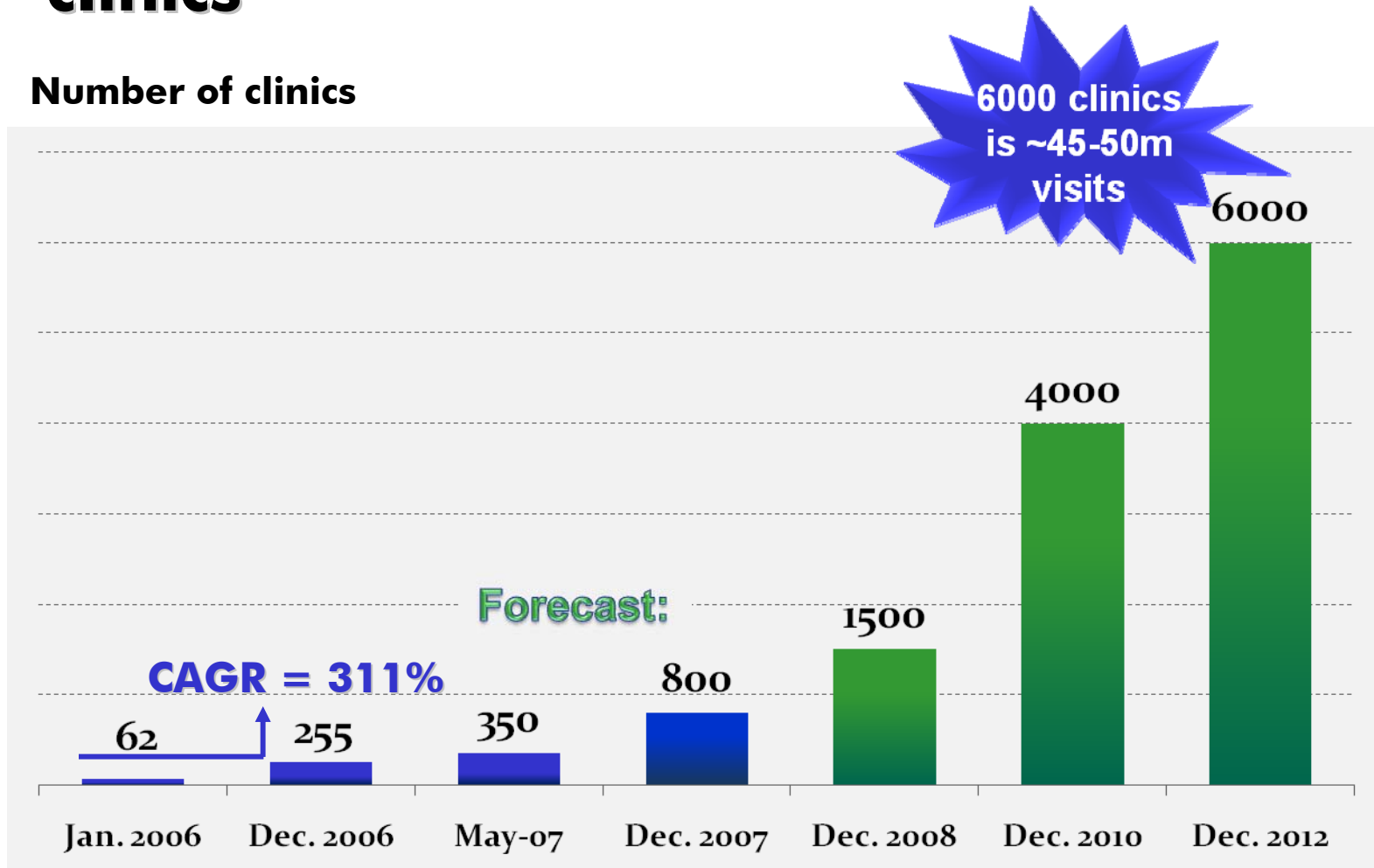
Retail Clinics – an overview

- **Clinic Players: The Care and Business Model, Operators, Retailers and Consumers**

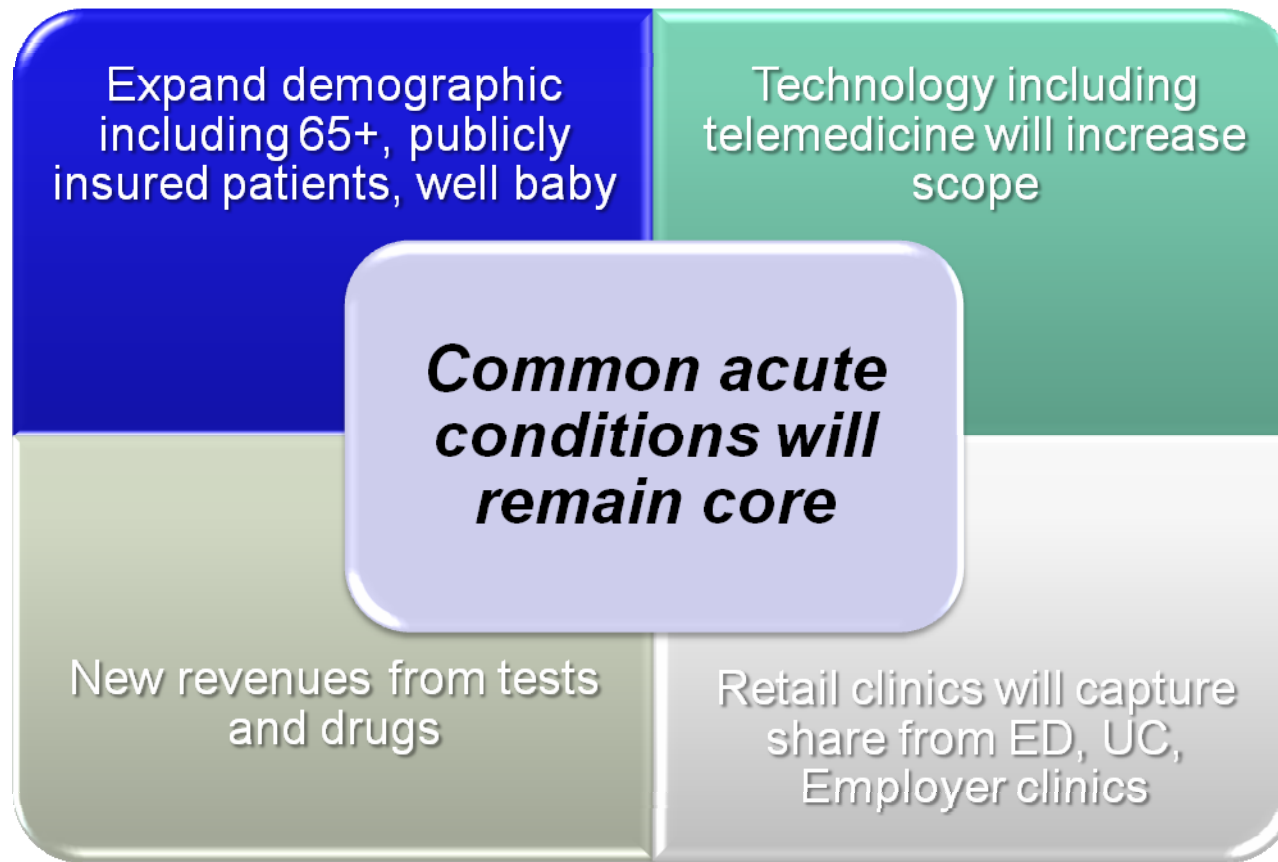
- **What will most impact Retail Clinics in next 12-36 months?**

Clinics operators are creating about 45-50m visits ...yet now we need only ~20m visits, suggesting an expanded scope for clinics

Number of clinics



My prediction is that retail clinics will expand in scope, demographic, technology



My forecast for population per clinic is 120,000 now, shrinking to 50,000 by 2012

Technology will drive clinic scope expansion

Telemedicine bring physicians into clinics



Specialty Pharmacy Links e.g., 15 minute drug infusion for osteoporosis



Screening tests, consumer devices may be sold through clinics

**Cholestech
LDX.**



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Demographic Appeal broadens

HEALTH MANAGEMENT RX

HALF EMPTY VIEW OF THE HEALTH MANAGEMENT FIELD. COMMENTARY ON TRENDS, NEW CONVERSATIONS SURROUNDING PATIENT CARE PROCESSES OF THE FUTURE.

15.6.07

Feds Pay for Retail Medicine: Minute Clinic Chain to Accept Medicare

 listen now

RediClinic now accepts Medicare

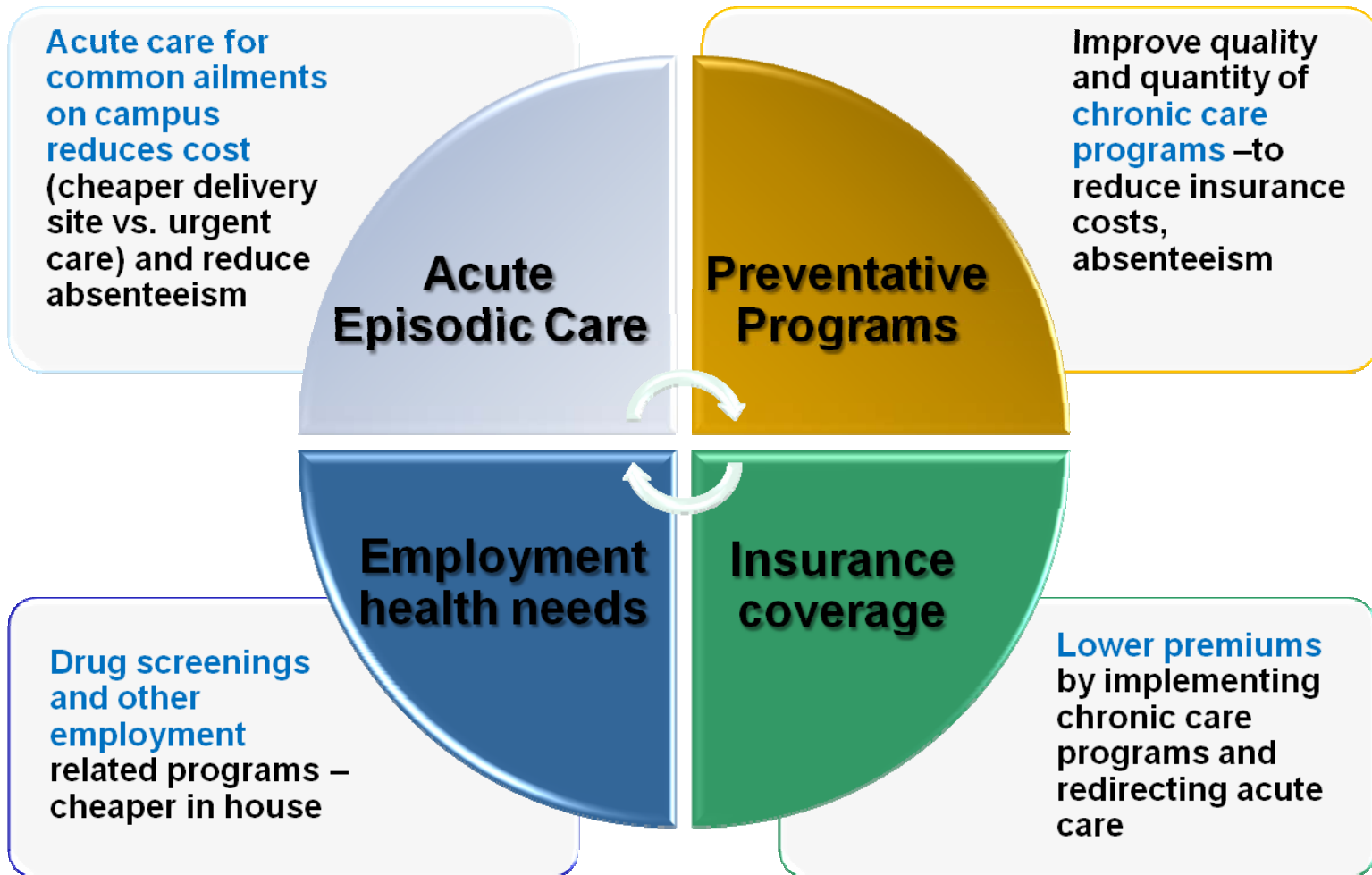
Specialist Clinics – including CHCs and FQHCs are evaluating and integrating the retail clinic model



NORTH EAST MEDICAL SERVICES
東北醫療中心



Employers use clinics to reduce costs and as part of the shift to HDHP



State and City Governments are considering using clinics as a venue to provide care to the underserved, perhaps through stored value cards



The screenshot shows the WSJ.com website interface. At the top, there's a search bar and navigation links. The main article is titled "Well Wishes: Highmark's Gift Cards Can Cover Insurance, Medical Fees" by Kris Maher, dated November 6, 2007. The article discusses how Highmark Inc. is selling Healthcare Visa Gift Cards that can be used for medical expenses. A small image of a blue gift card is shown at the bottom left of the article.

Well Wishes: Highmark's Gift Cards Can Cover Insurance, Medical Fees
By KRIS MAHER
November 6, 2007; Page D2

Wondering what to give your aunt this Christmas? How about paying for her next trip to the chiropractor?

Pittsburgh health insurer Highmark Inc. is selling a Healthcare Visa Gift Card from \$25 to \$5,000 to cover prescription co-payments, elective surgery, contact lenses and gym membership.

The cards can be used only at providers or merchants that Visa categorizes as health related, including physician's offices, pharmacies and health clubs.



Seeing published studies with data confirming quality

American Journal of Medical Quality, Vol. 22, No. 6, 457-462 (2007)
DOI: 10.1177/1062860607309626
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Quality of Care in the Retail Health Care Setting Using National Clinical Guidelines for Acute Pharyngitis

James D. Woodburn, MD, MS

Woodburn Health Consulting, LLC, Dr

Kevin L. Smith, RNC, FNP, MSN

MinuteClinic, Minneapolis, Minnesota

Glen D. Nelson, MD

MinuteClinic, Minneapolis, Minnesota

Rates of adherence to an acute pharyngitis measured as an indicator of clinical quality of acute pharyngitis was conducted. In a study of 1,000 patients, 99.05% of cases were treated by a nurse practitioner and physician assistant staff adhered to guidelines in 99.05% of cases.

New retail health clinic industry group meets to discuss quality, safety standards

Healthcare News
Published: Thursday, 22-Mar-2007

The Convenient Care Association, an organization representing 18 companies that operate retail health clinics, held its first general meeting on Monday at the University of Pennsylvania to discuss quality and safety standards at retail clinics, the Philadelphia Inquirer reports.

The clinics, which treat routine health problems, such as flu and strep throat, typically are staffed by nurse practitioners.

At the meeting, which drew more than 200 industry personnel, the CCA said it would monitor care quality, establish electronic health record databases and encourage patients to find primary care physicians.

Hal Rosenbluth, president of the association's board and co-founder of Take Care Health System, said association members have agreed to use evidence-based treatment, collect patient-outcome and satisfaction data, and submit to peer and physician reviews, among other quality

Rosenbluth also said members have agreed to build relationships with primary care providers and share patient information.



Payer coverage is continuing to expand



UnitedHealth Group®

**Harris Poll
'07**

42% of clinic patients were reimbursed for some or all clinic fees by insurers



BlueCross
BlueShield

Legislation will enable or inhibit clinics



- Federal: Stark, Medicare, ERISA, COBRA**
- State: Nurse Practitioner Scope of Service, Prescribing Authority, Supervision and Ownership of Clinics**
- Local: Building codes**

Other Resources

MaryKateScott.com



Health Care in the Express Lane: Retail Clinics Go Mainstream

September 2007



Health Care in the Express Lane: The Emergence of Retail Clinics

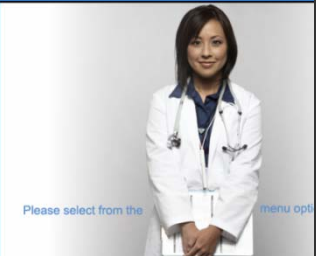
July 2008



Government Case Association

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