



## New Age Health Care

In-store clinics may factor into the nation's future health care system, and supermarkets plan to be on board with low-cost services

By **CHRISTINA VEIDERS**

Convenience, accessibility and low cost are at the heart of retail medical care clinics' success.

These clinics that rapidly grew in supermarkets, drug stores and mass merchandisers within the last few years are positioned to play a critical role in the nation's future health care system if they can survive on a cost-efficient operating model.

Health care consultants say these entities could use a boost by forming alliances within the medical community that has questioned the quality of their service.

The ability of these clinics to deliver significantly lower health care costs and quality service make them a viable option in today's health care debate.

According to a study released last month by the Rand Corp., the costs of treating acute illnesses at retail clinics were 30%-40% lower than in physician offices or urgent care centers and 80% lower than

in emergency rooms. The differences were primarily caused by lower payments for professional services and lower rates of lab tests, the study stated.

As for quality of care, the Rand study scored retail clinics on par with or higher than other care settings — physician office, urgent care center or hospital emergency.

In the midst of the current health care reform debate, the environment is ripe for continued growth of retail clinics even though the number of new clinic openings slowed last year with the economic downturn. Some clinics have been forced to close with a fall-off of investor funding due to poor profitability.

David Harlow, who is a health care lawyer and consultant based in Newton, Mass. (see his blog: [www.healthblawg.typepad.com](http://www.healthblawg.typepad.com)), said the retail clinic model as originally envisioned is not viable. The clinic offering needs to be broader and go beyond treating

common ailments, he said.

"You immediately limit your market if you are focused on seasonal issues, a small range of services and a small slice of the population. The challenge is how to expand that range of services without going outside the efficient model of care that is emblematic of retail health clinics."

Harlow said a logical expansion of services would be the management of chronic disease conditions such as diabetes that represent a growing cost in health care. A diabetes checkup, for example, would free up capacity in the physician office and add volume to the retail clinic, he noted.

To date, the number of retail clinics operating in the nation is hovering at just above the 1,000-unit mark in about 37 states. Since the first QuickMedX clinics (now MinuteClinic, a subsidiary of CVS Caremark Corp.) opened in Minneapolis-St. Paul in Cub Foods stores in 2000, retail health clinics have become an evolving entity that is heavily dependent upon traffic.

Supermarkets can help ensure a retail clinic's viability by providing traffic. In turn, health clinics in supermarkets are viewed as a necessary offering if major food chains are to stay competitive with drug store chains and mass merchandisers in providing a total wellness strategy that is integrated with pharmacy and healthy food.

Supervalu Pharmacies, Franklin Park, Ill., is one example of a food retailer committed to growing its network of clinics as it develops a new health and wellness strategy.

The retailer's latest clinic — a partnership with pri-

vately run Physicians Prompt Care Centers, based in Tinley Park, Ill. — opened in an Orland Park Jewel-Osco in Chicago last month, marking Supervalu's first entry hosting a clinic in this metro-market area.

The retailer currently hosts 14 health clinics in five states, operated under several different third-party health care providers, in Albertsons Sav-On, Cub, Jewel-Osco and Shop 'n Save banners.

The Orland Park clinic is based upon a more costly physician-run model as opposed to most clinics that are staffed by licensed nurse practitioners.

"Retail clinics are here to stay," said Jim Tsipakis, Supervalu's director of pharmacy services. Demand is being driven by "convenient, value-oriented access to health care on the patient's terms," he added. "People don't always

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get sick Monday through Friday between 9 a.m. to 5 p.m. Retail health clinics fill a much-needed void by offering quick and easy access to affordable medical care on nights, weekends and even holidays.”

In Minneapolis, Idaho and California, Supervalu has co-partnered with hospital affiliates in opening clinics. This is a trend that adds credibility and co-brands the retail clinic. Wal-Mart Stores, Bentonville, Ark., is doing the same things with its “The Clinic at Wal-Mart” concept begun last year.

“Health systems rely on outposts and feeders to direct patients into their systems, and it is more expedient and easier for a health system to set up a relationship with a retail clinic at a local retailer rather than it is to establish a new primary care practice,” said Harlow. He believes it’s not viable to be divorced from the community health care system.

#### AN INDEPENDENT MODEL

Verne Mounts, director of pharmacy and health services for Wooster, Ohio-based Buehler’s Food Markets, which has 11 pharmacies in 13 of its stores, experienced a failed attempt of a privately operated in-store health clinic.

The clinic was losing money because of poor administration and billing procedures, he said. The clinic was sold last year to Ken Filbert, who is now president of Family Statcare of Northeast Ohio, based in Tallmadge, which operates the clinic in Buehler’s Wadsworth store.

Filbert’s years of experience in medical administration consulting allowed him to operate a clinic

that quickly turned a profit. It reopened last November. “Knowing the administrative piece of it and how the game works with insurance billing, patient billing and [insurance] credentialing is critical in making it work,” he said.

The clinic is also creating new business for Buehler’s. “The data is compelling,” said Mounts. Of prescriptions written by the clinic, 90% are fulfilled at Buehler’s pharmacy, located adjacent to the clinic. The clinic is also attracting families since 50% of the clinic’s patients are children. This is bringing a new demographic into Buehler’s stores, which normally caters to a large elderly population, Mounts said.

However, the big winner for the clinic is its ability to attract new customers. Mounts said that 64% of all patients seen at the clinic have either never shopped at Buehler’s or don’t normally shop there. For that reason, Buehler’s is planning to open two more clinics by the end of this year.

Filbert’s clinic model is staffed by a nurse practitioner and a full-time receptionist. “Customer service is No. 1 even more so for a retail clinic, and especially in stores like Buehler’s that offer high-end customer service. We want someone to greet patients, help them sign in, fill out forms and answer questions. We want the NP to strictly deliver health care services,” said Filbert.

“Clinics like health service accounts won’t go away and will continue to grow. But the question is at what pace. That will depend upon the decisions of the large chains and if they have significant failures. I measure results carefully and I am doing it in a safe way,” he said. **SN**

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*KEN FILBERT  
president, Family Statcare of Northeast Ohio*

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