

Retail clinics filling void in ailing health care system

by Keith Darce

Your next medical visit could be as close as the neighborhood pharmacy - or even grocery store - as low-cost, walk-in retail clinics spring up across the country.

NEW CLINICS - Family nurse practitioners Martha Wolfson and Jeremy Trone stock a MinuteClinic in San Diego County. Retail clinics have expanded rapidly nationwide over the past year, filling a niche in a system that often struggles to provide timely, affordable health care. CNS Photo by Scott Linnett. Retail clinics have expanded rapidly over the past year, filling a niche in a system that often struggles to provide timely, affordable health care. Nurse practitioners or physicians' assistants at the clinics treat common ailments such as strep throat and pink eye, offer flu shots and treat minor injuries - for about half the price of a doctor's visit and a fraction of the cost of a trip to an emergency room.

"It seems clear that clinics have an opportunity to change the game," health care consultant Mary Kate Scott said in her recent report on the industry for the California HealthCare Foundation. "They are likely to provide consumers with greater convenience and lower prices, challenge primary-care physicians to reinvent their practices for more complex care, enable (insurers) to reduce the cost of routine care, and allow retailers to enhance their positions as health and wellness destinations."

Nearly 600 retail-based clinics have opened in 30 states, and Scott predicts that 6,000 clinics could be operating by 2012.

Nationwide, public officials and insurers have been unable to solve skyrocketing health care costs and the ballooning ranks of the uninsured. Retail clinics are one potential answer from the private sector.

Critics, including some physicians, worry that more serious illnesses requiring a higher level of care could be overlooked at clinics. They say a visit to a clinic is a poor substitute for a long-term patient-doctor relationship.

"What's important is the expectation about the level of care able to be provided and that the person providing the care knows their limitations," said Tom Gehring, CEO and executive director of the San Diego County Medical Society.

Nowhere in the country is the trend more evident than in the nation's most populous state, California. Clinics there have opened mainly in drugstores, initially in Sacramento and the San Francisco Bay Area and more recently in Los Angeles. In other states, clinics have popped up in grocery stores and discount stores such as Wal-Mart and Target.

Each clinic typically covers 400 to 650 square feet and is near the store's health care department. Clinic owners hope to benefit from shoppers' foot traffic, while store operators figure that patients are likely to shop for other items.

A visit to a retail clinic costs less than a trip to a traditional health care provider. MinuteClinic outlets in California charge \$59 to diagnose bronchitis, \$69 for a bladder infection and \$93 for the flu. Removal of stitches is \$59, and a pneumonia vaccine is \$30.

Clinics keep costs down by using lower-cost labor, maintaining electronic records and limiting the scope of services. Serious ailments are referred to physicians or emergency rooms, so there is no need to maintain expensive equipment.

Early on, the clinics were popular with the uninsured. As the concept spread, clinics began getting more business from customers who have insurance plans with high deductibles and co-payments.

A clinic visit is more likely to be covered by a preferred provider organization than by a health maintenance organization, which operates within a closed network. The clinics are relatively new, and most insurers do not yet cover their services.

Clinic operators were slow to open locations in California because the state's regulations and labor costs often result in high expenses.

For example, California's ban on the corporate practice of medicine requires clinics to be owned and operated by licensed health care professionals. That has forced Minneapolis-based MinuteClinic and other operators to create complex, and more costly, ownership arrangements with physicians.

Other rules require at least one supervising physician for every four nurse practitioners or one for every two physician assistants. The supervising doctor typically works off-site and is consulted by telephone.

Some states allow a physician to supervise as many as 10 nurse practitioners.

MinuteClinic CEO Michael Howe, whose company was acquired by CVS, called the ban on corporate practice of medicine an "outdated and outmoded set of thoughts." Howe said the retail clinic industry plans to ask the Legislature for an increase in the staffers-to-doctor ratio.

While physicians recognize the role that retail clinics can play in a strained health care system, they won't give up their place as primary-care providers, said Gehring of the county medical society.

"Our concern is not with the concept (of retail clinics) but with the execution," Gehring said. "Physician oversight of allied health professionals must be maintained. If you want to be a doctor, go to med school."

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