TOMORROW STARTS TODAY.

Retail Health and Primary Care

Can We Co-Exist?

September 28, 2017 | Frank Belmonte, D.O., MPH – Chief Medical Officer – Advocate Children’s Hospital
Objectives

• Describe how consumerism is changing the way that we deliver medical care.
• Summarize examples of national retail health models.
• Define how Advocate is developing this space

• I have nothing to disclose!
What if other industries were like health care?
What is Retail Health?

- Retail Clinics are physically located within retail venues such as grocery stores, drugstores, and “big box” stores.
- They provide “walk in care” for a limited number of acute illnesses and preventative care services.
- Focus on patient convenience by requiring no appointment and offering night and weekend hours.
- Staffed by nurse practitioners or physician assistants
- Cost of care is fixed and known to the patient before care is received.
Retail Clinics Expected to Continue Growing

**Estimated Total Number of Retail Clinics in the US**

2000-2015

Growth trajectory depends on preferred payer relations, PCP capacity, and health system partnerships

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Clinics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>202</td>
</tr>
<tr>
<td>2006</td>
<td>868</td>
</tr>
<tr>
<td>2007</td>
<td>1135</td>
</tr>
<tr>
<td>2008</td>
<td>1172</td>
</tr>
<tr>
<td>2009</td>
<td>1220</td>
</tr>
<tr>
<td>2010</td>
<td>1355</td>
</tr>
<tr>
<td>2011</td>
<td>1418</td>
</tr>
<tr>
<td>2012</td>
<td>1743</td>
</tr>
<tr>
<td>2013</td>
<td>2243</td>
</tr>
<tr>
<td>2014</td>
<td>2868</td>
</tr>
</tbody>
</table>

Geographic Distribution

- 88% are located in urban locations
- 11% of the population lives within 5 minutes
- 29% live within 10 minutes
- States with the highest retail catchment area:
  - Nevada
  - Minnesota
  - Illinois
  - Florida
  - Maryland

Sept 2009, Annals of Internal Medicine, Vol151,N5
In Illinois

- 25% of the population lives within a 5 minute drive to a retail health clinic
- 60% live within 10 minutes
Retail Health

- More than 1,800 retail clinics have 10.5 million visits annually.
- 59% of U.S. families who have used a retail clinic in the past year said they used it because the hours were more convenient than a traditional healthcare facility.
- 44% of users sought care on weekends or after hours.
- 56% said the ability to access walk-in appointments was a major reason they chose retail care.
- Retail clinics serve a population that is younger, more likely to be uninsured or underinsured and less likely to have a primary care physician.

Becker’s Hospital Review – April 2015
Three Models of Retail Health

- Integrated Model: Clinics are owned and operated by a health system, full integration of health record
- Hybrid Model: Collaborating physicians are from a local health system, some data exchange, no financial integration
- Independent Model: Essentially competitors to local health systems.
One of many *Disruptive Innovations* in Primary Care

- Term coined by Clay Christensen – professor of Business Administration at Harvard in 1997
- Disruptive innovation transforms an existing market or creates a new market by making processes simpler and improving access.
1976 – 90% of film sales and 85% of camera sales 2012 - bankrupt

In 2000 Blockbuster had the opportunity to purchase Netflix for $50 million – Blockbuster declared bankruptcy in 2010

Department stores are feeling the effects of Amazon
Healthcare’s new entrants: Who will be the industry’s Amazon.com?

Of Fortune 50 companies, 24 are new entrants

The top companies also include 14 traditional healthcare organizations

Fortune 50 companies

- 24 New entrants
- 14 Traditional healthcare companies

- 7 Retailers
- 5 Technology
- 4 Finance
- 3 Telecommunications
- 3 Consumer products
- 2 Automotive

Source: Fortune 50, 2013
Accelerating Growth in Technology
(condensed)
Why is this model of care succeeding?

• Consumerism
  – People want convenient care to fit into their busy lives
  – Technology interface is extremely important

• Pricing Structure is important
  – More people are responsible for a partial cost of their care
  – Transparency in price is extremely important
### Consumers’ Top 10 Primary Care Clinic Attributes

#### Average Utilities for Top Ten Preferred Primary Care Clinic Attributes

*n=3,873*

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Average Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can walk in without an appointment, and I’m guaranteed to be seen within 30 minutes</td>
<td>4.11</td>
</tr>
<tr>
<td>If I need lab tests or x-rays, I can get them done at the clinic instead of going to another location</td>
<td>3.98</td>
</tr>
<tr>
<td>The provider is in-network for my insurer</td>
<td>3.95</td>
</tr>
<tr>
<td>The visit will be free</td>
<td>3.94</td>
</tr>
<tr>
<td><strong>The clinic is open 24 hours a day, 7 days a week</strong></td>
<td>3.91</td>
</tr>
<tr>
<td>I can get an appointment for later today</td>
<td>3.70</td>
</tr>
<tr>
<td>The provider explains possible causes of my illness and helps me plan ways to stay healthy in the future</td>
<td>3.04</td>
</tr>
<tr>
<td>Each time I visit the clinic, the same provider will treat me</td>
<td>3.01</td>
</tr>
<tr>
<td>If I need a prescription, I can get it filled at the clinic instead of going to another location</td>
<td>3.00</td>
</tr>
<tr>
<td>The clinic is located near my home</td>
<td>3.00</td>
</tr>
</tbody>
</table>

Healthcare’s new entrants: Who will be the industry’s Amazon.com?

Consumers are ready to receive care in new ways, in new places
Are you open to trying new, non-traditional ways of seeking medical attention and treatment?

- **64%** Yes, if the price is right
- **18%** Yes, regardless of price
- **17%** No, regardless of price

Source: HRI consumer survey, December 2013
Patient Preferences for Care are Changing

Preference for Location of Services

- Clinic located near work
- Clinic located near errands
- Emailing provider with symptoms
- Clinic located near the home

Increasing Consumer Preference

Young, Wealthy, Busy—Strongest Potential Telehealth Targets

- 54% of 18-29 yrs olds
- 49% of those making >$71K per year
- 53% of those working >35 hours per week

A Growing Network of Immediate Access Choices

Consumer-Oriented Service Delivery Sites Filling the Gap

Driving Provider Questions:

- Should we partner to establish retail clinics?
- Should we build or expand our urgent care footprint?
- Is virtual care something that we should provide?
- When should we enter into partnerships to meet patient demands?

Source: Mehrota A et al, "Visits To Retail Clinics Grew Fourfold From 2007 To 2009, Although Their Share Of Overall Outpatient Visits Remains Low," Health Affairs, August 2012; Health Care Advisory Board interviews and analysis.
More families have an annual deductible

Percent of Covered Workers Enrolled in a Plan That Includes a General Annual Deductible, 2006-2012

Note: Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible. Because of the low enrollment in conventional plans, the impact of this assumption is minimal; in most years the percentages change by only one percent if it is assumed that all conventional plans have a deductible.

* Estimate is statistically different from estimate for the previous year shown (p<.05).

High deductibles are common place


* Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: These estimates include workers enrolled in HDHP/SG and other plan types. Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible of $1,000 or more. Because of the low enrollment in conventional plans, the impact of this assumption is minimal. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SGs are for in-network services.

Is this on your website?

<table>
<thead>
<tr>
<th>Diagnostic Tests &amp; Treatments</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood glucose test</td>
<td>$5</td>
</tr>
<tr>
<td>Influenza A &amp; B testing</td>
<td>$66</td>
</tr>
<tr>
<td>Lipid panel test</td>
<td>$35</td>
</tr>
<tr>
<td>Mono test</td>
<td>$15</td>
</tr>
<tr>
<td>Pregnancy test (urine)</td>
<td>$15</td>
</tr>
<tr>
<td>Pulse oximetry test</td>
<td>$5</td>
</tr>
<tr>
<td>Strep test</td>
<td>$25</td>
</tr>
<tr>
<td>Urinalysis</td>
<td>$15</td>
</tr>
</tbody>
</table>
US health spending is much greater for all categories of care, particularly for ambulatory care and administration cost

2010 (or latest year available)

Current health spending per capita (USD PPP)

- United States: $7,910 (193%)
- Switzerland: $5,270 (236%)
- Canada: $4,205 (223%)
- Germany: $4,187 (217%)
- France: $3,835 (201%)
- Japan (2009): $2,979 (168%)

Note: Health spending excludes investments. The percentages in the US bar indicate how much more the US spends per category compared with the average of the five other OECD countries. Source: OECD Health Data 2012.
Criticisms of Retail Health

- Fragmentation: if not a part of the PCMH, can retail health access discourage preventative health services?
- For Profit Status: does this encourage over utilization or over prescribing?
- Undermining Primary Traditional Care: common reasons for retail health visits constitute 13% of adult primary care – will the model decrease financial viability of primary care?

May 2010, 29:5 Health Affairs Mehrotra
Can one support the other?

<table>
<thead>
<tr>
<th></th>
<th>PCMH</th>
<th>Retail Health Clinics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Continuous and coordinated care</td>
<td>Convenience of care</td>
</tr>
<tr>
<td>Access</td>
<td>Open scheduling and enhanced hours of operation</td>
<td>Walk in care, evening and weekend availability</td>
</tr>
<tr>
<td>Scope</td>
<td>Full scope of preventative, chronic and urgent care</td>
<td>Limited scope to basic preventative and urgent care – although some expanding to limited chronic care</td>
</tr>
<tr>
<td>Pricing Structure</td>
<td>Limited transparency on price</td>
<td>Full transparency with prices posted on website and in waiting areas</td>
</tr>
<tr>
<td>Documentation</td>
<td>Integrated EMR that directly supports evidence based medicine and decision support tools</td>
<td>EMR often fragmented if not part of a larger system</td>
</tr>
</tbody>
</table>

May 2010, 29:5 Health Affairs Mehrotra
Cost, Quality and Follow Up

• 2009 study looked at cost and quality for 3 conditions commonly seen in retail health settings
  – Otitis media – (67% <18 years of age)
  – Pharyngitis – (55% >18 years of age)
  – Urinary Tract Infections – (98% >18 years of age)

• 2100 retail health encounters matched to similar visits in primary care offices, urgent care and emergency departments

Mehrotra et al. Sept 2009, Annals of Internal Medicine, Vol151,N5
Cost

• Cost of care for the same conditions were substantially lower in retail health settings
  
  o Retail Clinics - $110
  o Urgent Care - $156
  o Physician Office - $166
  o Emergency Department - $570

• Difference in cost primarily driven by the cost of evaluation and management visits in the different settings

Mehrotra et al. Sept 2009, Annals of Internal Medicine, Vol151,N5
Quality

- Quality of care assessed against 14 indicators for the 3 conditions evaluated
- These included the use of diagnostic testing (urinalysis and rapid strep) as well as proper antibiotic usage.
- Aggregate Quality Scores were similar across 3 groups
  - Retail Clinics – 63.6%
  - Urgent Care – 62.6%
  - Physician Office – 61%
  - Emergency Department – 55.1%

Mehrotra et al. Sept 2009, Annals of Internal Medicine, Vol151,N5
### Antibiotic Usage

<table>
<thead>
<tr>
<th>Condition</th>
<th>Retail Health</th>
<th>Urgent Care</th>
<th>Physician Office</th>
<th>Emergency Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Otitis Media – appropriate use of Amoxicillin or Augmentin</td>
<td>76.9%</td>
<td>74.7%</td>
<td>77.7%</td>
<td>77.5%</td>
</tr>
<tr>
<td>Pharyngitis – antibiotics prescribed among all visits</td>
<td>26%</td>
<td>36.3%</td>
<td>28.8%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Uncomplicated UTI – antibiotics prescribed</td>
<td>60.1%</td>
<td>58.5%</td>
<td>57.1%</td>
<td>55.4%</td>
</tr>
</tbody>
</table>

Mehrotra et al. Sept 2009, Annals of Internal Medicine, Vol151,N5
# Appropriate Use of Diagnostic Testing in Pharyngitis*

<table>
<thead>
<tr>
<th>Age</th>
<th>Retail Health</th>
<th>Urgent Care</th>
<th>Physician Office</th>
<th>Emergency Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child &lt;18 years</td>
<td>86.6%</td>
<td>72.7%</td>
<td>77.9%</td>
<td>52.4%</td>
</tr>
<tr>
<td>Adult &gt;18 years</td>
<td>85.9%</td>
<td>77.7%</td>
<td>78.8%</td>
<td>62.5%</td>
</tr>
</tbody>
</table>

*Rapid Strep or Culture obtained in the diagnosis of strep pharyngitis

Mehrotra et al. Sept 2009, Annals of Internal Medicine, Vol151,N5
## Follow Up

<table>
<thead>
<tr>
<th>Setting</th>
<th>Episodes Requiring Follow Up Care</th>
<th>Patients Receiving Preventative Care within 3 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Health</td>
<td>16%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>14.2%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Physician Office</td>
<td>15.1%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Emergency Department</td>
<td>24.5%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

Mehrotra et al. Sept 2009, Annals of Internal Medicine, Vol151,N5
Advocate’s Journey in Retail Health
Walgreens Collaboration

• Conversations between Advocate and Walgreens started in 2014 regarding a variety of population health initiatives
  – Medication Reconciliation
  – Bedside and home delivery
  – Medication Compliance
• The retail chain happened to also operate clinics at 56 of their locations
• Clinics were staffed by family medicine Nurse Practitioners
Thinking out of the box

• Advocate needed a larger urgent care footprint for after hours and weekend care especially for our risk based contracts
• A retail chain provided immediate access to a large network of clinics in many of the communities that we serve
Advocate Clinics at Walgreens

• Opened - May 18th 2016
• 56 stores across the metro area
• Advocate leases the space, employs the NP and controls the operations
• Charting in Allscripts
Signage
Scheduling and Access

• Using *InQuicker* scheduling software
• Patients can reserve a time online from their smartphone
Check-in to Advocate Clinic at Walgreens Gurnee Grand Avenue.

Immedicate Care

Advocate Clinic at Walgreens Gurnee Grand Avenue

7501 Grand Ave - Gurnee, IL

Advocate Clinic at Walgreens Gurnee Grand Avenue

(800) 323-8022

<table>
<thead>
<tr>
<th>Week of September 24th, 2017</th>
<th>Next Week ▶</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday, September 24</td>
<td>Monday, September 25</td>
</tr>
<tr>
<td>No times available</td>
<td>11:00 am</td>
</tr>
<tr>
<td></td>
<td>12:00 pm</td>
</tr>
<tr>
<td></td>
<td>2:00 pm</td>
</tr>
<tr>
<td></td>
<td>3:00 pm</td>
</tr>
<tr>
<td></td>
<td>4:00 pm</td>
</tr>
<tr>
<td></td>
<td>5:00 pm</td>
</tr>
</tbody>
</table>
40

135,933 NEW patients to Advocate in 10-months – approximately 70% of patients who visited

### March 2017 Scorecard

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016 Actual</th>
<th>YTD March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Patients/Day/Site</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Total # of Patients</td>
<td>137,219</td>
<td>59,627</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$11,655,488</td>
<td>$6,036,085</td>
</tr>
<tr>
<td>Net Revenue/Patient</td>
<td>$85</td>
<td>$101</td>
</tr>
<tr>
<td>Downstream AMG Revenue</td>
<td>$541,213</td>
<td>$605,242</td>
</tr>
<tr>
<td>Downstream Hospital Direct Contribution Margin</td>
<td>$1,905,381</td>
<td>$2,393,159</td>
</tr>
<tr>
<td>Number of New Patients</td>
<td>98,925</td>
<td>37,008</td>
</tr>
</tbody>
</table>
Advocate Clinic at Walgreens - Payor Mix

- Blue Shield: 45%
- PPO: 23%
- Medicaid: 12%
- Medicare: 5%
- Managed Care: 4%
- PHO Risk: 3%
- Medicaid: 2%
- Other: 6%
- Self Pay: 12%
1. Standard Furniture Replacement

2. Administrative Area Desk Organization

3. Organize and Standardize Medical Supplies
4 Ecolab and Sani Wipe Dispensers Installation

Current Condition

Dirty Counter

Target Condition

4 Glove Box Holder Installation

Current Condition

Target Condition
Where will this train lead us?
Future State

- Retail Sites and the Primary Care office work together to form regional “hubs” of care for patients
- Patients will be referred back and forth between these sites based on ease of access for patients and skill set required
- Fully integrated EHR with diagnostic and therapeutic prompts
- Equilibration and transparency of pricing across the platform
- Fully integrated scheduling system that can be accessed via smart phone
- Leveraging pharmacists in the process.
Conclusions

• In order for retail health models to be successful, we must develop collaborative relationships
• IT infrastructure is essential to link patients back to the PCMH
• Robust and ongoing Quality Assurance is necessary
• Consistent and repeated messaging to the physician community is a must for success