Establishing Retail Clinics among Community Health Centers:
Notes from the Field

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by

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About the Foundation

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I. Introduction

Federally Qualified Health Centers (FQHCs) and their community health center (CHC) counterparts are under persistent pressure to meet rising patient demand despite ever-scarcer resources. In the face of tight budgets, increasing need, and the health reform mandates and funding that will double their patient population within five years, many health care centers are realizing that they must expand their capacity to serve existing patients, bring in new patients to medical homes, or both.[1]

To achieve this, several FQHC and CHC leaders have looked at new ways to deliver care. One recent innovation is the retail clinic model—a small site, located inside a retail store and staffed by a nurse practitioner, which is designed to treat simple acute conditions. A variation on that model is for the FQHC/CHC to provide a limited scope of streamlined services at a location that is convenient (such as a busy intersection or strip mall), but not a retail store. A third alternative is for the FQHC/CHC to offer a limited scope of streamlined services at its existing site (for instance, an "express lane" delivering specific services such as immunizations) or an after-hours option offering a limited set of services.

The case summaries presented here offer practical information to safety-net providers who are considering one or more of these options for expanding care delivery. They are based on interviews with five CEOs (and in some cases the medical director or retail clinic manager) of FQHCs that either opened a retail clinic or seriously evaluated the feasibility of doing so. (The inspiration for this paper grew out of discussions between the author and FQHC leaders, some of whom sought advice about the retail clinic model.) The summaries document the decision-making process as each assessed their options and implementation strategies within their markets.

The five profiles highlight different applications of the retail clinic model, informed by the problem each particular clinic needed to solve. Milwaukee Health Services chose to open a retail clinic inside a supermarket. In Colorado, Valley-Wide Health Systems started a limited-service clinic at a new retail area, while Maine's Penobscot Community Health Center opted for a walk-in clinic in a retail mall. Management at two other centers are still debating the right model and implementation: HealthSource of Ohio invested in a demand analysis to compare the benefit of opening a retail clinic at Walmart versus extending the hours of service at their current location; in Los Angeles, Westside Family Health Center is contemplating whether to open a whole new primary site location and that might include an internal limited service clinic. Westside is also experimenting with different retail clinic ideas in their current site, such as installing an "express lane" for specific services.

The interviews suggest that those clinics that did adopt the retail model were able to achieve impressive results: The two retail/limited-service clinics reported that they saw roughly 15,000 patients over a six-to-eight month period, and about 2,000 ED visits were diverted to a lower-cost, high-quality setting. Given that the cost of a retail clinic visit is about half that for a traditional health center and 10 to 20 percent of an emergency department (ED) visit, calculations suggest that these 15,000 retail clinic visits and 2,000 ED diversions saved approximately $3 million.[2] And

patient satisfaction scores for the two established clinics have been high, consistent with those of private-sector-based retail clinics.

Each case in this paper provides some background on the challenges confronting the profiled clinic and how the retail model might address them. The summaries outline the specific goals of the clinic's management team, what options or solutions the teams considered, and which they implemented or rejected. The profiled clinic organizations are diverse, ranging from 23,000 to 250,000 annual visits and with budgets from $3 million to $40 million. However, all are safety-net clinics with a common desire to run more efficiently, increase patient satisfaction, create medical homes for their patients, and expand their capacity to serve more patients.

II. Themes from the Interviews

Several themes emerged during interviews with the health center organizations:

Assessing retail clinic options led to insights regardless of the outcome. The leadership at every health center that participated in these studies gained insights into their patients, physicians, and markets; learned how to evaluate economic and legal challenges with new delivery options; and generated new ideas for their existing operations. Going through the retail clinic assessment process educated and challenged the leadership to actively pursue new models of care.

Being clear on the specific goals for the retail clinic within the health center's strategy ensures the creation of a facility that matches patient and organization needs. Although the interviews revealed a temptation to become seduced by the retail clinic model as a new and separate enterprise, an FQHC/CHC considering a retail clinic must first determine how it will fit with the organization's broader goals. The cases profiled in this report highlight how these clinic organizations evaluated the differing needs a retail clinic or site could fulfill, including whether the clinic would primarily serve existing patients or expand the organization's capacity to serve new patients, and if it might prove an effective means to connect the medically underserved to a medical home.

Consideration of retail clinics as a new gateway for patients to enter the primary health center can lead to new thinking on creating medical homes. Clinic management in several instances emphasized using the retail clinic as an entryway to bring patients into the main sites, providing an introduction both to the FHQC and the concept of continuous care that a medical home encompasses.

Assessing demand is crucial. Health centers cannot presume that demand exists for either a particular care location or a particular type of clinic. FQHC/CHC leadership can use standard survey tools, market data, and physician focus group discussions to quickly and cost-effectively estimate local patient and provider support for a new facility.

Partnerships can bring complementary skills and funding to build a retail clinic. Two of the centers financed their expansion using funds from partners who stood to benefit from the improved access to care and cost savings associated with a retail clinic. Partners included state programs to reduce ED overcrowding and health plans seeking more accessible, lower-cost care. Partners can also contribute to outreach campaigns promoting retail clinics to potential patients.

Considering numerous options leads to optimal solutions. The clinics profiled in this paper considered a broad range of location alternatives, including internal locations, (that is, incorporating a service approach into the primary clinic itself), new sites in strip malls, and leased space within either a national or an independent retailer. Each FQHC/CHC reached different conclusions based on market suitability; which retailers, if any, were interested; available financial resources; and how comfortable the leadership was with the risks of establishing a new site and or a new partner.

Establishing an independent clinic rather than adopting a retailer's standard model adds control, but also cost. One health center investigated a national retailer's retail clinic design and operation,

but chose in the end to develop and build its own walk-in clinic; this decision had both benefits and drawbacks. Retail clinics inside stores are typically 200 to 500 square feet, whereas leased spaces in strip malls are usually 1,000 to 2,500 square feet. National retailers may have more interest in a standardized retail clinic (rather than a unique design), and while they often provide assistance with design plans and construction management, they are usually much less flexible on design, naming rights, scope of service, or other operational aspects. Creating a new clinic entails more work and a greater capital outlay (in part because space is likely to be at least twice the size of a standard retail clinic), as well as increased overhead costs to operate the larger space; but in return, a health center has full control over all aspects of the clinic. Management teams need to weigh the costs and benefits of working with retailers or other partners against those of operating independently. This will include setting clinic priorities, establishing what resources will be available, and assessing the team's interest in working with outside partners.

Investing in outreach is crucial. Location is important, but a good location alone won't bring patients into the facility. A strong outreach campaign is necessary to get patients in the door. Many retail clinics — private and health center owned — struggle with promoting their messages. The centers profiled here found outreach to be a greater challenge than they anticipated. They had never previously needed to consider how to attract new patients or how to explain a limited-service offering, and found that doing so required them to develop marketing abilities.

Getting a clinic operational requires strong management skills. Operating a retail clinic efficiently involves numerous key decisions on a wide variety of issues, including clinic staffing, policies and protocols, EMRs and other software, and patient and medical community outreach. Likewise, the activities of the providers and staff must be coordinated with the main site to ensure a common understanding of the scope of services and role of each facility.

Further information and resources for clinics weighing the utility of the retail model will soon be available on the Web site of the National Association of Community Health Centers (www.nachc.org) in the form of the upcoming publication, *The FQHC Guide and Toolkit for Retail Health Care: Key Strategic, Business, Operational, and Legal Considerations,* produced in cooperation with the California HealthCare Foundation.

III. Case Summaries

A national search turned up five FQHCs that were either assessing the retail clinic model or already operating retail clinics. The five range from a large health center with multiple sites, 100 or more providers, and more than 50,000 patients to a small, 1,600-square-foot community health center with 9,000 patients.

The matrix below outlines the challenges a FQHC/CHC might face and notes which of these a particular profiled clinic tried to address by using the retail clinic model. Each case summary also includes demographic information on the particular FQHC/CHC.

PENOBSCOT COMMUNITY HEALTH CARE

CASE PROFILE: Matching a new health care facility with an FQHC's goals and mission; developing an independently designed, owned and operated walk-in clinic versus adopting a retailer's clinic design and operation

Overview

Penobscot Community Health Care (PCHC), a large FQHC in the Bangor-Brewer area of Maine, learned of retail clinics through the news media and in conference presentations. They explored a partnership with Walmart to open a retail clinic in

Table 1. Applying the Retail Clinic Model

	PENOBSCOT COMMUNITY HEALTH CARE MAINE	WESTSIDE FAMILY HEALTH SERVICES CALIFORNIA	HEALTH SOURCE OF OHIO	MILWAUKEE HEALTH SERVICES, INC. WISCONSIN	VALLEY-WIDE HEALTH SYSTEMS COLORADO
Suitability					
Determining and aligning goals	✔	✔	✔	✔	
Assessing demand			✔	✔	
Finding and evaluating locations	✔	✔	✔	✔	✔
Assessing and selecting retailers	✔			✔	
Understanding physician support			✔		
Creating a Retail Clinic (or Retail Clinic Services)					
Securing financing				✔	✔
Applying retail clinic ideas to other health center sites	✔	✔			
Implementing a Retail Clinic					
Outreach campaigns				✔	
Creating ED diversion programs				✔	✔

their area, but came away unconvinced that working with a large retailer was the best option for their organization. Ken Schmidt, the chief executive officer of PCHC, explained, "We looked at it for quite a long time and had numerous conversations and emails with Walmart, who seemed eager to have us. But we had concerns about the Walmart contract and how it fit with our goals."

Process

Walmart's contract required significant initial capital and included many agreements on operations. However the PCHC leadership was primarily concerned that Walmart's objectives were too different from their own. Walmart wanted a chain clinic that would operate locally but be similar to other Walmart clinics, with a system that would allow a Walmart customer to be treated at any store location, in part through the use of a specific electronic medical record (EMR) system. In contrast, PCHC's goal for a retail clinic was to establish a facility that could channel underserved local patients into their organization, ultimately establishing PCHC as their patients' medical home and ensuring regular, comprehensive primary care. Toward this end, PCHC had its own EMR and needed to be able to continue using it across all sites. Ken Schmidt described PCHC's concerns:

> "We wanted to get people [established] with a primary care provider and into a medical home within our health system, so not being able to use our own EMR would have been a huge disadvantage. We wanted to provide ongoing care right here where people live. They said they understood the value of the medical home, but they were not willing to budge."[3]

Large retailers are often firm about their expectations, and Walmart's requirements fit their goal of providing connected care to an established patient at any store location. But community clinics have the specific mission of serving patients locally rather than nationwide; ideally, community clinics will serve as medical homes for these patients. As Schmidt said, "Walk-in care was not really our focus." To bring in new patients and establish medical homes with primary care providers, PCHC was going to have to use its own EHR.

Schmidt said that there was one other significant concern about working with Walmart: the retail giant's contract was "very tightly controlled" and contained clauses regarding which services providers would be allowed to offer patients. PCHC believed providers should make clinical decisions, and the Walmart contract was perceived as too proscriptive. Given the service limitations, Walmart's requirement that their own EMR be used, and signage with a Walmart co-brand, PCHC decided against a Walmart retail clinic.

Results

To PCHC management, the process of exploring a Walmart-located clinic highlighted the benefits of providing walk-in care to their own patients. After declining to partner with Walmart, PCHC began work to open its new walk-in, urgent care clinic. PCHC built a new site in a busy retail location (adjacent to a Walmart Supercenter), allowing them to increase their capacity by attracting new patients from a wider geographic area. Working alone allowed PCHC complete control over the site and over clinic operations, including build-out, signage, scope of service, and all other operating decisions. "Knowing that the Walmart clinic is there has put us even more on our toes to ensure immediate and very patient-friendly care," said Schmidt.

PCHC's new site includes a family care center and an embedded walk-in clinic with a pharmacy,

lab, and x-ray equipment; speech, occupational, and physical therapy; mental health counseling and psychiatry; and a number of other services. The idea was to use the walk-in clinic to get patients in the door and then establish PCHC as their medical home. The new facility is open Monday through Friday from 7 a.m. to 8 p.m., and from 9 a.m. to 4 p.m. on weekends, and has helped PCHC meet its goal of serving as a medical home for the community's underserved population. When new patients arrive, clinic staff ask if they have primary care physicians or dentists; if the patient says no, an offer is made to schedule a visit with a PCHC provider.

The walk-in site was supported by the PCHC providers. They provide routine care, which is more satisfying to them (as opposed to only providing acute care), and have the opportunity to establish relationships with patients. Said Schmidt, "our walk-in site offers support to the providers; they are not alone, and can immediately walk down the hall and consult with other health care providers."

The Walmart Supercenter retail clinic location declined by PCHC now houses a retail clinic operated by the local health care system. Both this retail clinic and the PCHC walk-in facility are relatively new, so comparisons on patient use and preference of each care option are not yet available.

Lessons Learned

- Being clear on the primary goals for the retail clinic will create a facility that matches these needs. While Schmidt was careful to note that PCHC is not "anti-Walmart," he also stressed how the Walmart contract facilitated a site that wouldn't fit with PCHC's mission and goals.
- An independently owned clinic allows for greater control, but entails more work and higher initial capital outlay and long-term operational costs, as a separate clinic is likely to be in a much larger space with more equipment than the space typically allotted for a retail clinic.
- Going through the retail clinic assessment process educated and challenged the PCHC leadership on new models of care and showed that a walk-in clinic, created on their terms, could meet their patient and provider needs.

About Penobscot Community Health Care

Penobscot Community Health Care (PCHC) founded in 1997 to cover the greater Bangor region of Maine. PCHC has about 500 staff that see 50,000 patients across 15 sites, totaling 250,000 patient visits a year in 2010; the clinic has an annual operating budget of $40 million. The four primary medical clinics are open seven days a week to provide continuity of care and reduce costly emergency room visits. Same-day urgent care is also provided, and the main clinics are open early mornings and evenings; patients also have the option of a 24-hour, 365-day provider on-call telephone service. About one-third of PCHC patients have incomes below 200 percent of the federal poverty line; many patients have lower-than-average incomes, and two-thirds of PCHC's patients are enrolled in MaineCare (Maine's Medicaid program) or in Medicare. PCHC offers family, pediatric, and dental services (including 33 operatories and a dental residency), as well as mental health services and three pharmacies, with a fourth pediatric pharmacy opening soon; mental health professionals are integrated into every clinic. PCHC also runs a homeless shelter and two separate clinics for homeless patients.

WESTSIDE FAMILY HEALTH CENTER

CASE PROFILE: Implementing "Express Lane" Services inside an FQHC's Existing Space

Overview

Having read an article about retail clinics in *Time* magazine in 2007, the leaders at Westside Family Health Center (WFHC) in Los Angeles became intrigued about the possibility of creating a retail clinic of their own as a way to meet several goals, including expanding their patient population and diversifying revenues. New sources of income would make it possible to provide more and better services for their safety-net patients. According to CEO Debra Farmer, "Retail clinics offer a new image. We thought it might allow us to move away from the misconception that community clinics have a lower quality of care or long waiting times. " Farmer read and distributed a report on retail clinics and began Westside's investigation with a location search.[4]

Process

Westside management had decided to focus their efforts on independent pharmacies, rather than large retailers, because of the expected difficulties of working with a large company. As Farmer explained, "We are an organization that does not have staff attorneys and other resources to do a lot of negotiation." However, they discovered there was only one independently operated pharmacy in an appropriate location and that pharmacy was too small to house a 200-square-foot retail clinic.

Space, Parking, and Planning Restrictions

The Westside team then looked at several retail sites nearby, but they quickly learned that new development in the area would be challenging for a number of different reasons. First, it was difficult to find appropriately sized and priced spaces. As Farmer said, "There are a lot of mini-malls, but they're not the right size. There are a lot of strip malls, but they can be pricey." Also, in the immediate area of West L.A., parking is very tight. Moreover, local city planning restrictions are prohibitive and the permitting process can be lengthy and complicated. For example, Westside learned it would likely take up to one year to get permits for a new facility. "We did not have money to pay for two years of non-operation costs, and restrictions on parking were very tough… so Santa Monica (the local neighborhood) was out [as an option for a new site]."

Weighing the Option of an Internal Retail Clinic

Westside leadership also explored the option of an internal retail clinic, that is, a clinic-within-a-clinic at their primary site. They had been considering moving the main clinic because their lease was expiring in less than two years, and a new primary location might provide other options. The first thought was to find a new site that could house two separate but connected clinics—a retail-like clinic and the core health center. The idea was to continue to serve existing patients and (hopefully) attract a new population of paying patients (either cash customers or those with insurance) who might need limited or urgent services. This option offered the best combination of operational flexibility and cost effectiveness; if the limited-service, internally located clinic were unsuccessful, the newly built-out exam rooms could be used by the main clinic instead (the clinic is chronically constrained by space).

Results

With a new site two years away, Westside's leadership team is focusing on how best to incorporate the concept of the traditional retail clinic into their existing health center service model. They plan to create an "express lane" where they can direct patients

who present with straightforward single conditions to express care provided by nurse practitioners or physicians assistants. Westside is experimenting with a monthly Immunization Day and a Pap Smear Day. Said Farmer, "We find women are willing to come in knowing there's no wait and that it's a quick single-service appointment." Early results indicate that this approach improves patient satisfaction and provider productivity. In fact, through patient surveys, Westside found that women were behind on their pap smears because they feared coming to the clinic would involve a long wait. As Farmer said, "We think a limited-service express lane will let us treat more people by diverting simple conditions to an express care model inside our health center and complex patients to the main health center. If you have a defined menu, then you have an opportunity to create a different workflow of care."

Lessons Learned

- There are several options for retail or limited service clinics, including internal options, new sites in strip malls, and leased space inside local or national retailers.
- Considering a new model of care stimulated new thinking on how to improve the workflow within the existing health center.

HEALTHSOURCE OF OHIO

CASE PROFILE: Assessing Demand, Provider Support —New Retail Clinic vs. Extending Use of the Existing Site with After-Hours Care

Overview

Executives at HealthSource of Ohio, a large FQHC covering the southwest portion of the state, were looking at ways to expand their current patient base and improve services for existing patients when Walmart approached them to consider hosting a retail clinic in a local store. HealthSource leadership were intrigued by the idea, and somewhat concerned that if they didn't take the opportunity a competitor might seize it in their stead. The leadership began to evaluate the retail clinic option and their goals for such a clinic. As part of their assessment, they compared the impact a new retail clinic would have on patient demand and provider support, versus an after-hours service at existing sites.

Kim Patton, CEO of HealthSource, explained, "We were approached by Walmart and we were watching what the market was doing with regard to retail clinics. We felt we needed to know what we wanted before we got into any relationship with Walmart or created any new delivery options."

About Westside Family Health Center

Westside Family Health Center was founded in 1974 in the western Los Angeles area as the Women's Health Care Project. Westside treats about 8,700 patients at its 1,585-square-foot Santa Monica site, covering more than 27,000 patient visits annually. In addition, Westside also logs 15,000 community health education encounters yearly. Nearly 90 percent of clients are uninsured and 92 percent live at or below 200 percent of the federal poverty level. The clinic has a budget of $4 million per year, and offers prenatal care, as well as pediatric and adolescent care services, and, recently, a family practice program that includes a strong healthy aging component. (Note: The author of this paper now serves as vice chair on the board of Westside Family Health Center. While not a board member during Westside's investigation of the retail clinic model, she did provide pro-bono counsel to the organization.)

Process

While still exploring ideas and considering their local market forces, HealthSource leaders attended a National Association of Community Health Centers (NACHC) conference in Washington, D.C., where they learned of a new retail clinic guide and toolkit specifically designed for community health centers.[5] The publication is structured to facilitate an exploration of the retail clinic option including: understanding the retail clinic model; explaining retail clinics to a community health center board of directors; calculating the economics of creating and operating a retail clinic; forecasting demand; and creating a communications plan and outreach tools. For the leadership at HealthSource, this guide was invaluable. Patton described the experience of reading the report:

> "Folks exploring the retail clinic idea should definitely read the report. We read it here and the conversation, for us, changed dramatically. We had evaluated the financial aspect and considered the legal questions. However the report made us stop and have a philosophical discussion on the whole question of why we wanted to create this retail clinic service. This was very important to our experience. It was so helpful because it's written from a business perspective — business planning, research, and measurement. And, so often CHCs do things based on emotion. This guide gave us a step by step approach to working through the issues."

After reading the retail clinic guide and toolkit, the leaders at Healthsource began a systematic process of evaluating a retail clinic versus adding after-hours service at their existing location. The first step was to assess their clinic's goals and determine whether and to what extent either delivery option would help to achieve those goals. The second step was to assess the local market and determine patient demand for a new retail clinic. The third step was to assess physician support; that is, to see if their providers would promote the use of one option more than the other, and if so, which one.

Early Steps When Considering a Retail Clinic

1. Identify goals (expand patient base, diversify patient base, increase revenue, etc.) for the new site or services
2. Evaluate the available location options
3. Consider patient demand for which services in which locations
4. Gauge levels of provider support
5. Conduct a legal and financial review

Assessing the Local Market

The two primary market assessment measures for HealthSource (or any community health center) are about patient demand and provider support. HealthSource leadership posed these questions:

1. Is there a large enough market locally to support a retail clinic? And if so, is there more patient demand for a retail clinic or an after-hours service?
2. Do HealthSource providers support one option (retail clinic or after-hours service) more than the other?

To establish the size of their local market, HealthSource did a census count to determine the total number of potential patients and then calculated the local need for acute care visits. As a rough estimate, HealthSource determined there would be 25,000 people making two visits per year (or about 50,000 visits) that were less appropriate for

an urgent care clinic. These 200,000 visits were the total potential market.

The next step was to establish the demand for a retail clinic against the demand for after-hours service. To assess demand for a retail clinic among their patient population, and to test the accuracy of their own assessments, HealthSource surveyed established patients at two different sites. The paper survey asked patients what they currently did when they needed acute care services, how long they usually had to wait for an urgent care appointment, care alternatives they considered and what if any interest they had in the two proposed service options (retail clinic or after-hours services at existing clinics). The survey was given to patients who had come in with an acute condition, and patients completed their surveys while waiting to be seen in the main health center site.

The survey helped determine how many current clinic patients would prefer to receive acute episodic care in a retail clinic in Walmart versus how many would prefer the after-hours care option at HealthSource, as well as to find out how many patients would choose an entirely different option like urgent care, going to the emergency room, self care, or just waiting to be seen at a regular appointment. In addition to understanding patient preferences, HealthSource also needed to find out what if any concerns patients might have about a retail clinic, such as location, hours, services, and the type of medical professionals on staff. (The survey is provided in the Appendix on page 21.)

It is also essential to note a region's overall physician availability (that is, are there enough available providers that safety-net patients can get an appointment within a reasonable waiting time). HealthSource documented all potential providers in their geographic area to identify and map all available regional urgent care options; they also used their geographical data to determine how long it would typically take for patients to get to these providers (that is, how far would patients typically have to travel). The HealthSource service area covers five rural counties, and they determined that there are access issues across these counties based on the total number of providers compared with the total population; patient survey results also indicated some dissatisfaction with waiting times and a willingness to use urgent care services, if they're available, or go to emergency rooms for acute care.

Another essential piece of data HealthSource needed was whether their providers supported the retail clinic option and/or the option of offering after-hours service at the HealthSource clinic. To this end, Medical Director Dr. Paul Sklena hosted two physician focus groups on retail clinics. Dr. Sklena gave the providers an introduction to retail clinics, shared the results of their market investigation (what goals would be for the separate retail clinic, how the clinic would fit with HealthSource's strategy and mission, and outcomes of the legal and financial reviews); he then used what he learned to gauge the level of retail clinic support among providers. The findings from these discussions indicated that HealthSource would face significant opposition from physicians at one of the two proposed locations.

How to Assess Demand for a Retail Clinic

- **Market size.** Investigate the census data and map all care options.
- **Demand strength.** Survey current patients and potential patients. To survey potential patients FQHCs might use a paper survey in their waiting rooms, an online survey (in urban areas), or mall intercepts (that is quick interviews in a shopping mall or other busy location such as a transit stop).

How to Conduct a Survey to Assess Patient Interest

HealthSource was provided with survey tools from the upcoming NACHC-California HealthCare Foundation report, including templates, a guide on creating and deploying surveys, and a survey plan.[6] HealthSource selected 12 questions from the template and asked current patients to complete a paper survey while they waited to be seen at the health center. This two-page survey was easy for patients to complete and HealthSource was able to quickly enter the data and tabulate results using an online survey tool. The questions provided insight on patient need for these services by asking about their current use, wait time, alternative care options, and satisfaction with their current situation. Results were generated within two weeks with the only costs being photocopying expenses and the time to enter data. The complete survey is in the Appendix on page 21.

Results

Having gone through the step-by-step process to clarify goals, evaluate the legal and financial implications of opening a retail clinic, and assess demand and physician support, HealthSource leaders had a clearer view of their options and the optimal path ahead. Patton explained:

> "We investigated a retail clinic at Walmart, and we had concerns about the capital investment up front and the amount of time before seeing a return on our investment. Hospitals tend to make big mistakes and survive them. But health centers don't usually survive big mistakes. We cannot afford to make a mistake with Walmart. When health centers make a decision to work with Walmart they need to be sure because they likely won't let you out of the contract. The investigation into the retail clinic model helped us see another alternative of extending hours from 5 p.m. to 10 p.m. five days a week and hours on Saturday and Sunday for acute episodic conditions. This option doesn't involve the capital investment, nor the capacity of a retail clinic but may be the right first step."

HealthSource determined that there was demand for access to acute episodic care services and that their patients were willing to use retail clinics, after-hours services, or other competitive care options; the investigation also helped leadership determine the optimal location and scope of service. While the assessment is still in progress, the team is leaning towards offering after-hours service at existing sites based on consumer demand, patients' equal interest in either a retail clinic or after-hours service, the provider perspective, lower capital investment, and the overall lesser risk. The medical director, Dr. Paul Sklena, commented:

> "The market assessment provided new information on our patients and how they perceive the wait time and their willingness to use other providers. It also highlighted that our providers were more reluctant to support these new clinic options than we anticipated, as they perceived a negative impact their workflow. We suspect that our providers might be surprised by our patients' feedback and their use of other providers; we will share the survey findings with them and continue to seek their support for new approaches to increase access for patients."

Lessons Learned

- Invest in a thorough demand analysis: while HealthSource had 35 years of experience in the community, the market assessment offered new insights into competitive care options and patients use of these alternative sources of care.

- Take a systematic approach to gauging provider support, understanding their concerns, and their likelihood of patient referral.
- Consider a step approach to retail clinics, starting with creating an after-hours service, then investing in a retail clinic.
- Ensure the FQHC strategy and goals are aligned with new delivery options under investigation.

About HealthSource of Ohio

HealthSource of Ohio (HealthSource) is an FQHC founded in 1976 to address access to health care in rural parts of the state. HealthSource now has 14 sites across five Appalachian Ohio counties in Ohio: Adams, Brown, Clermont, Fayette, and Highland. The 14 clinic sites have 60 primary care providers and 230 support staff who, in 2007, treated about 52,500 patients, with over 220,000 patient visits in that year. HealthSource has an annual budget of more than $26.5 million, with 20 percent of that coming from federal funds. The clinic's payer mix ranges from Medicaid and Medicare to private insurance, managed care, and some cash customers. HealthSource offers a full range of medical services, currently including family practice and internal medicine services for adults, as well as pediatric and dental care, OB/GYN care, psychiatry services and mental health treatment, and a pharmacy.

MILWAUKEE HEALTH SERVICES, INC.

CASE PROFILE: Successful Retail Clinic Implementation through Innovative Financing and Outreach

Overview

When the management of Milwaukee Health Services, Inc. (MHSI) first heard about retail clinics, their initial thought was, "Could this work for us?" From all of the media attention, it seemed to MHSI leaders as if retail clinics were "sweeping the nation," and they wondered if retail clinics could offer a new way to serve MHSI clients. As they started the evaluation process, Centene Corporation (which operates Milwaukee's Managed Health Services health plan) invited MHSI to a meeting to explore the retail clinic concept. Said C.C. Henderson, the then president and chief executive officer of MHSI, "We were approached by a local managed care company, an affiliate of Centene who wanted to create a pilot retail clinic. And we wondered: would a retail clinic work? And would it be in our best interest given Centene's focus and patient population? Would our patients use it? Would it duplicate our services or provide a new way to serve more patients? We thought it was worth exploring."

Process

MHSI thought a retail clinic would be an efficient, novel way to bring in new patients and create medical homes for them at one of their main sites; Centene wanted to reduce costs by diverting frequent emergency department visitors to a local clinic. Local ED diversion efforts were already underway, and MHSI, as one of Milwaukee's largest local health centers, had already been identified as a participant. Both parties believed a retail clinic could meet these different but complementary needs.

MHSI and Centene were both interested in opening a clinic in a well-known local supermarket. MHSI liked the idea that the market was independently owned and operated, served a largely African-American clientele, and was located directly between MHSI's two existing sites. Because many of the supermarket's customers were already MHSI patients, both parties believed that use of the retail clinic would be high. Furthermore, MHSI had been working with the supermarket on a program to offer its patients discounts on nutritious foods. Henderson noted that having already been in talks with the market about the nutritious foods program helped ease the way for the idea of a retail clinic in the market, as did shared relationships both had with a local bank. (Henderson died in August of 2010.)

Centene contributed the start-up money for the new clinic, funding the site build-out and offsetting some of the operational costs. There was initially a naming rights issue, but it was resolved with the understanding that the clinic would serve its entire community, not just Centene members, so the MHSI name was important.

Results

Operating a Retail Clinic

Since the MHSI Convenient Care Clinic opened, Kimberly Ryan, a family nurse practitioner, has been responsible for overseeing the clinic's operations and personnel, and for seeing patients. Ryan started in June 2009, just a few months before the clinic opened. With direct work experience in a retail clinic (at Walgreens) she assigned to take charge of the effort.

> "When I started, MHSI did not have policies and procedures for an acute care retail clinic so I had to develop them. I had experience with this, so it was not too difficult," Ryan said "I also had to determine the type of supplies and equipment needed, because they were somewhat different from the main clinic. MHSI had been in the community a long time but I was new to the organization, so I had to learn about working with MHSI's community partners, our vendors, and I had to collaborate effectively with internal staff on things like supplies and equipment orders, which had to be uniform across all sites." Ryan added, "I also collaborated with the operations manager who supervised the overall physical construction of the clinic, to plan the interior design and furnishing for the clinic."

MSHI Convenient Care Clinic is staffed by Family Nurse Practitioners (FNPs), Physician Assistants (PAs) and medical assistants (MAs). The clinic has two nurse practitioners or a physician assistant onsite each day, one in the morning and one in the evening, with an overlap during the day. In this way, they ensure that the clinic stays open during the lunch hour when patients are coming in for walk-in services. With only one or two staff on site, it's important for the staff to be multi-functional. "MAs are cross-trained to operate as the intake person and receptionist, and also as an MA taking vital signs," Ryan explained. "The MA determines if a patient has insurance. If the patient does not have insurance, then the MA will determine the sliding fee scale according to the patient's annual income and family size." In terms of workflow, an MA registers patients and does the patient intake, taking vital signs and recording the chief complaint. The patient is then seen by the FNP or PA. The MA also assists the FNP or PA as needed with labs, referrals and patient education resources.

According to Ryan, consistent staffing at the clinic is the key to success. Having consistent staffing in a retail clinic allows the clinic to maintain positive

relationships with the retail store manager, staff and the surrounding community. Ryan explains, "These relationships are helpful when things come up, such as creating outreach in the store, plumbing and maintenance issues, or the like, when support or assistance is needed from the store manager or employees."

The MHSI Convenient Care Clinic opened in October 2009, with an official grand opening in January 2010. Since its opening, the clinic has had nearly 600 patients, generating 650 unique patient visits. The clinic was quite busy initially but, surprisingly, patient visits have not increased over time; volume runs at just five or six patient visits per day. Since more than 300 of these first clients were new patients for MHSI, the initial goal of attracting new patients was met. The goal now is to figure out how to get more patients into the storefront clinic, and into MHSI.

Outreach Efforts

MHSI did not do much in the way of outreach at first. It was assumed that with local demand and a prime location in a highly visible, busy retail area, there wouldn't be much need to build awareness. In fact, MHSI did not hold the grand opening until four months after the clinic was opened. But unlike traditional health care facilities, which benefit from the assumption that "if you build it, they will come," most retail clinics need to market their services. MHSI is now ramping up its marketing and outreach activities to include:

- Monthly in-store promotional efforts using a health resources table and providing free blood pressure checks to store customers;
- Distribution of printed materials like flyers and brochures in local businesses, community organizations, MHSI's two main sites, and local hospitals;
- Online promotion through affiliated Web sites (i.e., MHSI, Managed Care Services, etc);
- Print media ads in local newspapers and magazines;
- Radio and television ads on local stations;
- Direct mail campaign using postcards and targeting Managed Health Services patients;
- Word of mouth, especially through MHSI outreach workers, MHSI staff communication to patients, and local ED staff to patients; and
- A staff person dedicated to marketing and promotion of the new site.

Clinic manager Ryan explains, "Program promotion is important on the front end because otherwise people don't know where you are or what services you provide."

Interestingly, the most frequently seen patients at the new retail clinic are members of United Health Care, Milwaukee's largest carrier, not Centene. Centene is now ramping up efforts to ensure its members are aware of the new retail clinic, including direct mail outreach.

ED Diversion Efforts

Across the local community there was broad commitment to a diversion program that would have ED providers and staff send patients to local community clinics; MHSI's retail clinic was incorporated into this program. However, the clinic experienced problems with inappropriate referrals. According to former CEO Henderson:

"We had materials in the ED regarding our various sites. The MHSI Convenient Care Clinic information was just added to the materials. However it's an episodic clinic. We are not interested in following patients with chronic conditions. Even though we made that clear to ED, a lot of the referrals were for pain or chronic conditions that would be more appropriate for our main site."

To reduce inappropriate referrals, MHSI worked with the ED to streamline the effort. Now, a care coordinator in the ED speaks directly to the nursing supervisor at MHSI, who then filters the referrals and sends only the appropriate, acute care referrals to the new site. MHSI Convenient Care Clinic staff must then contact the referred patients. Overall, the attempt to reduce Centene's costs by diverting frequent ED visitors to a local clinic has met with moderate success.

Lessons Learned

- Partnering with a health plan was an innovative solution that brought complementary skills and funding to build a retail clinic.
- Location is important, but good location by itself won't bring clients. MHSI thought the central location of the supermarket, between its two main sites, would drive new business, but greater outreach efforts were needed to get patients in the door.
- Outreach to EDs works but can be complicated. MHSI staff needed to change the referral process to ensure they received appropriate referrals from the local ED.
- Getting a clinic operational (staffing, store relationships, outreach) requires strong management skills.

About Milwaukee Health Services, Inc.

Milwaukee Health Services, Inc. (MHSI) was founded in 1991 and now has three sites in Milwaukee, including the recently opened retail clinic. MHSI brings in $20 million in annual revenue, treating 17,000 patients in about 50,000 annual visits. MHSI also offers a full range of health care, with pediatric and adult primary care services, oral health care and women's health services, and diabetes and depression collaboratives, as well as an HIV early intervention program. The clinic serves all patients who seek services regardless of income or insurance, and has benefits specialists on site to help clients apply for medical coverage.

VALLEY-WIDE HEALTH SYSTEMS

CASE PROFILE: Making the Transition from an After-Hours Clinic to a Standalone Limited-Services Clinic

Overview

Valley-Wide Health Systems, of Alamosa, Colorado, began exploring the retail clinic concept in October 2007. After learning of the successes of MinuteClinic, the first nationwide retail clinic chain (founded in 2000 in Minneapolis-St. Paul area Cub Foods groceries), leaders at Valley-Wide wondered if they could use the retail clinic concept to address unmet needs in their own community. Margarite Salazar, the chief executive of Valley-Wide at the time, was part of a community team to reduce misuse of the ED and congestion. "We knew people were using the ED for coughs and colds and even to get blood draws. And I knew we could do stitches for $100, whereas in the ED it was $1,000." In the south central region of Colorado, where the Alamosa clinic is located, the only existing option for patients seeking after-hours care was the local emergency

department, and leaders across the community health care system were working to develop strategies for ED diversion.

She added, "We wanted to ensure that a new clinic would have the support of physicians and meet the demands of patients. "We heard the physicians were worried we would take their patients, so we said to the doctors 'we will give you all morning to fill your schedule and then whoever can't get in — we'll take.' We started with by adding an after hours clinic to make sure we had their support and that there really was a need."

Process

Valley-Wide first started an embedded after-hours clinic in their existing primary care site; the walk-in clinic operated from 4 p.m. to 8 p.m. and was extremely successful. Based on the high volume of patients served in the after-hours clinic, and on patient satisfaction surveys conducted at their six clinics in the region, the leaders at Valley-Wide believed there was good demand for a retail clinic in their area.

Valley-Wide then approached Walgreens to see if there was a partnership opportunity to open a retail clinic in the local store. However, Walgreens operates its own retail clinics and does not work with external clinic operators. Valley-Wide then began the work to finance and develop its own retail clinic.

Valley-Wide's then CEO, Marguerite Salazar, led the effort to apply for federal Medicaid money through Colorado's Department of Health Care Policy and Financing (the agency that oversees Medicaid) with a grant to reduce ED use. When they were awarded $700,000 for local ED diversion efforts, Valley-Wide was able to move forward with purchasing a development site for their new clinic. Other grant money was secured for operating expenses, and a long-term loan was negotiated to cover the construction costs.

Valley-Wide identified a former Napa Auto Parts store, across from the local Walgreens at one of the main intersections in the city as the site for the new Convenient Care Community Clinic. Valley-Wide leaders had experience working with local architects and builders, and they were involved in the facility build-out. Salazar said converting the auto parts store was their only option for creating a clinic, and time has shown that the convenient location was beneficial in attracting patients.

The current CEO at Valley-Wide, Ricardo Velasquez (who took over when Salazar was promoted to regional director), said, "We looked for and received support locally to develop a convenient care center for urgent care because there were no options for folks in our area. The site has proven to be a good location — with a busy intersection, good visibility, ample parking, easy access, and support for prescriptions from Walgreens, across the street."

Results

Valley-Wide Health now operates the 4,000-square-foot urgent care clinic with six exam rooms and a waiting area. The clinic is open from 8 a.m. to 8 p.m. seven days a week, and patients who are not registered with Valley-Wide are charged a sliding-scale fee for the services they receive. Fees for registered patients are already established, and an electronic health record helps ensure continuity of care. Currently, the clinic sees about 40 patients per day, although during the H1N1 epidemic, the clinic averaged 75 patients per day.

Successful ED Diversion

One of the primary goals of opening the new urgent care clinic was to divert patients from the local emergency department into a more appropriate, cost-

effective care facility. According to Velasquez, "The new care center impacted hospital room visits by 20 to 25 percent because we have access and patients can now determine the level of care they need." However, Velasquez went on to explain that the ED diversion program can be complicated because it does lead to fewer visits to the ED. The local hospital is losing an estimated 400 visits per month since the new urgent care clinic opened. "They are really feeling this change. But they are willing to see the good in providing the appropriate care," said Velasquez. The local effort to reduce overuse of the emergency department for routine or chronic care became a community building opportunity, and the result has been better connections between all of the local health service organizations.

Outreach

One of the unique aspects of the new Valley-Wide experience was the community effort that went into meeting the needs of patients. To spread the word about the new clinic, Valley-Wide physicians and staff spoke to their existing patients, and Valley-Wide leadership also enlisted local ED and private practice physicians to educate patients about the new clinic. As Velasquez described the effort:

> "We spoke to private-practice doctors and clarified that we want to support the medical home concept and provide acute care as needed. If we are to see a private-practice patient, then we will send information to the primary care physician and coordinate follow-up care. This is not to say that we are not interested in building our own FQHC practice. But we do work to assure doctors that we are not taking their patients away."

Valley-Wide built a similar relationship with the local ED, and, with the improved connections between Valley-Wide and the ED, staff are able to appropriately refer patients to where they will be best served. Velasquez says the community has been supportive of "getting patients seen in the right place," and the system is working very well.

Lessons Learned

- Be willing to consider convenient retail locations, if a retail partner is not available.
- Consider financing programs through applying for federal Medicaid or state funding programs focused on ways to reduce inappropriate ED use.
- Enlist local ED and private-practice physicians to educate patients about the new clinic with clear communications with all providers to ensure patients remain in their medical homes
- Generate strong community connections between all of the local health service organizations to help patients appropriately use all community facilities and providers such as FQHCs, EDs, private practice and limited service clinics.

About Valley-Wide Health Systems

Valley-Wide Health Systems was founded in 1997. Valley-Wide is a rural FQHC providing quality, comprehensive health care to 55,000 patients at 18 sites across southern Colorado; patients account for about 200,000 annual patient visits. With annual revenues of $26 million and 13 primary care clinics, five dental clinics, and numerous ancillary services for patients, Valley-Wide serves as a local community and migrant worker health center focused on the region's medically underserved population.

Endnotes

1. The RCHN Community Health Foundation report on Estimating the Effects of Health Reform on Health Centers' Capacity to Expand to New Medically Underserved Communities and Populations, July 23, 2009; asserts that "health reform would reduce the size of the uninsured population and expand Medicaid and private insurance coverage among health center patients, thereby generating revenues essential to expansion. In addition to serving more people, the expansions would mean that the number of health center sites would likely double, so that thousands of additional communities across rural, suburban and urban areas of the nation would have greater primary care service," www.gwumc.edu.

2. Aggregate figures based on interviews with CEOs of FQHCs who implemented retail clinics.

3. It's worth noting that the Walmart retail clinic contract has changed; it no longer requires clinic operators to use a particular EMR. Several other restrictions were lifted and the scope of service defined more broadly. The new Walmart contract was in part a direct result of these conversations with PCHC.

4. California HealthCare Foundation, *The Emergence of Retail Clinics,* www.chcf.org.

5. California HealthCare Foundation, *Adapting the Retail Clinic Model to Community Health Centers: A Guide and Toolkit,* www.chcf.org.

6. These tools will soon be available on the Web site of the National Association of Community Health Centers (www.nachc.org) as part of the publication, *The FQHC Guide and Toolkit for Retail Health Care: Key Strategic, Business, Operational, and Legal Considerations,* produced in cooperation with the California HealthCare Foundation.

Appendix: Sample Retail Clinic Survey, HealthSource of Ohio

Retail Clinic Survey

We would like to know what you think of a new service we are considering for patients. We are thinking of creating a new healthcare site for unexpected illnesses that often need a prescription.

This survey is quick and we really appreciate your input to our plans. Please circle the letter of the answer.

1. What is your home zip code (fill in) [ ]
2. What kind of health insurance do you have?
   - 2a Private or commercial (such as Humana, Anthem, Cigna, United or other similar plans)
   - 2b Medicaid (Amerigroup, Caresource, Molina, Buckeye or State Medicaid)
   - 2c Medicare or Medicare Managed Care
   - 2d No Insurance
   - 2e Not sure

3. Where do you go for your primary care?
   - 3a Family physician
   - 3b Emergency room
   - 3c Urgent Care
   - 3d Other
   - 3e Not sure

4. If you had a sore throat and thought it was strep throat (or any other illness that you may need to seek care for) and you think you may need a prescription where would you go?
   - 4a Your family physician or primary care provider
   - 4b Urgent Care
   - 4c Emergency Room
   - 4d You would not go anywhere
   - 4e Other

5. If I call my doctor (or go to my usual place of care) when I am sick I would expect to have an appointment within:
   - 5a 4 hours of my call for an appointment
   - 5b Same day as my call
   - 5c Next day after my call
   - 5d 2 days after my call
   - 5e More than 2 days
   - 5f I don't know where I would go for care
   - 5g I don't have a regular place that I go to when I am sick
   - 5h Other

6. If you could not get in to see the doctor at your usual place of care, what would you do?
   - 6a Wait until an appointment is available
   - 6b Try home or drug store remedies
   - 6c Go to urgent care
   - 6d Go to the emergency room
   - 6e Try another doctor
   - 6f Other

7. How satisfied are you with the wait when you call for an appointment when you are sick?
   - 7a Very satisfied with the wait time
   - 7b Somewhat satisfied with the wait time
   - 7c It depends…sometimes the wait is long and sometimes it is quick
   - 7d Not at all satisfied with the wait

Please turn over and complete other side.

We would like to get your opinion on a new service we may offer. Our new healthcare site might be in your local Walmart and will offer quick, convenient appointments for medical visits in private rooms. Medical services offered will include diagnosis, and prescriptions (if needed) for common family illnesses, checkups, or screenings. Certified Nurse Practitioners who are able to diagnose, prescribe medicine, treat illness and provide tests will staff the clinic. Price is the same copayment as your doctor's office.

The new site will also include scheduled appointments and walk-in appointments. No waiting appointments can be scheduled on the phone or through the website. Visits usually take 15 minutes for common illnesses and preventive visits.

8. Based on this information, how likely are you to use this site?
   - 8a Very likely
   - 8b Somewhat likely
   - 8c May or may not use-not sure
   - 8d Somewhat unlikely
   - 8e Very unlikely

9. If you have concerns with this health service, what are your top 1 or 2 or 3 concerns?
   - 9a I would rather see a doctor not a nurse practitioner
   - 9b Don't like the location
   - 9c Would rather see my regular doctor even if I have to wait
   - 9d I think I'll pay less at my doctor's office
   - 9e Other

10. If you have children (18 months to 18 years old) how likely are you to use this service if your child needed medical attention (i.e. ear infection, pink eye, school physical etc…)?
    - 10a Very likely
    - 10b Somewhat likely
    - 10c Maybe
    - 10d Somewhat unlikely
    - 10e Very unlikely

11. We are also considering an after hours service in this office for acute conditions only. This service would be for unexpected illnesses and open 5pm-10pm during the week and Saturday 11am-7pm and Sunday 12-5pm. Based on this information, how likely are you to use this site?
    - 11a Very likely
    - 11b Somewhat likely
    - 11c May or may not use – not sure
    - 11d Somewhat unlikely
    - 11e Very unlikely

12. Given the choices of after hours care in our office or a clinic located in Walmart open 7 days a week 8am-8pm weekdays and 10am-5pm Saturday and Sunday:
    - 12a I prefer neither
    - 12b I prefer the clinic located in Walmart
    - 12c I prefer the after hours acute care in this office
    - 12d I like both options equally (the clinic in Walmart or the after hours acute only care)

Discussion Guide for Physician Focus Group on Retail Clinics for HealthSource of Ohio

Moderator provides an introduction on retail clinics—the basics, what they are, location, size, scope of service, NP, EHRs with electronic protocols, physician supervision and connection to a medial home.

Moderator provides an overview of the HealthSource of Ohio current investigation on retail clinics:

- Goals for the retail clinic and fit with strategy and mission (if you wish you can compare your goals to other systems' goals for retail clinics)
- Legal review
- Financial review

Moderator: "We are currently investigating the demand for the clinic from patients. Our meeting today is to provide our physicians with information on the clinics and understand your perspectives on the clinics and their potential role within our service line. We are very interested to hear your honest opinions and answer any questions you have." (See table below for sample questions.)

Moderator wraps up by discussing the next steps and when they can expect to hear from you next.

QUESTIONS	REASONING; PROCESS POINTS
What have you heard about retail clinics?	Open ended question to hear about perceptions and concerns about retail clinics. Listen for positive and negative comments—group findings into three categories: concerns, questions of clarification, positive support and write on three flip charts.
"Let's first address the questions for clarification, then concerns." (Go through the questions and answer each one.)	Point here to ensure that all the facts are on the table prior to a debate on the concerns.
Let's talk about different types of concerns you have.	Concerns might be taking patients away, connecting the walk-in patient to the patient's primary care, quality issues, the scope of service. It works to get all the issues on the table, writing the down, then discussing them. As questions and concerns are answered note the overall tone of the conversation—neutral or negative or inquiring?
What do you like about this retail clinic idea?	Share how other health systems have helped physicians with after hours care, with managing flow of their busy days (Monday mornings, Friday afternoons); talk about referrals from the RC to the PCP.
We are exploring two different options (describe options)—how do you see each of these options?	This is a good opportunity to understand which model they prefer and why and is a question to understand their thinking on retail clinics
We have early data on the demand for this clinic—we'd like to share that and get your reactions.	Share data from surveys (or at least let them know that you are investigating demand).
Is there anything else on your minds as we weigh this decision?	Make sure all the views have been heard.

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