Retail Medical Clinics

A Test Case for Health Care Delivery
Innovation and American Politics

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The Wal-Martization of Health Care?

“One of the challenges I’ve made to doctors is, I said, you’re either going to Canada or to Wal-Mart. You can either go to a nationally controlled bureaucratic structure or you can go to the marketplace. But you’re not going to stay in a guild status where you have all the knowledge and you share none of it.”

-- Newt Gingrich

Forbes, Feb. 27, 1995
“Canada” vs. “Wal-Mart”

Government vs. the marketplace

BUT ALSO

Insurance vs. health care services
1990s Health Reform

- Insurance reform (partly succeeded)
  - HIPAA
  - State small group coverage
- Financing reform (failed)
  - Health Security Act
- Purchasing reform (failed)
  - Managed care backlash
- Health care delivery reform (not tried)
Impetus for Retail Clinics

- Failure of government cost control
- Failure of private cost control
- Increased consumer cost-sharing
- Unresponsiveness to consumer preferences
- Politics of “consumer-directed health care”
  - Emphasis on price/quality transparency
  - Tax-favored health spending accounts
Characteristics of Retail Clinics

- Association with brand-name mass retailers
- Leased space model
- Small, low overhead, compact equipment
- Expansive hours with no appointments
- Posted prices for limited services
  - “Get well” and “stay well”
- Mid-level providers
- Decision support and electronic recordkeeping
Access and Retail Clinics

- Low prices and high convenience improve access at the margin
- Does not depend on “take-up” like insurance
- Follows geographic/demographic patterns
  - 50% of U.S. lives within 5 miles of Wal-Mart
  - Supermarkets, pharmacy chains ubiquitous
- On-site medical care for retail workforce
Cost and Retail Clinics

- Commitment to low point-of-service prices
- Aggressive supply chain management
- Transparent pricing for consumers
- Administrative simplification
Quality and Retail Clinics

- Response to variations literature
- Standardization/value-for-money
- Customer service and convenience
- Trusted brand (not insurance-based)
- Reliance on patient self-diagnosis
Example: Antibiotic Use

- High compliance with clinical best practices
- Reassurance instead of prescription
  - Providers expect to follow practice guidelines
  - Practice guidelines can be shared with patients
  - More time available to spend with patients
  - Less delay, less inconvenience for patients
  - Lower cost for patient visit
Innovation and Retail Clinics

- Information (health records, decision support), communications, and diagnostic technology
- Continuous evaluation/reinvention of service model in large retail sector
- Sensitivity to community characteristics/preferences
- Bottom-up definition of “basic medical care”
Uncertainties for Retail Clinics

- Interface with referral system for acute and chronic care
- Patient education and involvement with care
- Continuity of care, especially for children
- Sustainable professional workforce
- Mix of cash and insured business
- Financial relationships with host stores and suppliers
- Data integrity, security, and privacy
- Accountability for medical injury
“The American public cannot have it both ways. They must decide what is more important – money and time– or comprehensive, appropriate care.”

-A Kentucky physician opposing retail medical clinics