

# HealthPartners

## Care and Cost Trends in Retail Clinics

Summary of Key Findings

September 2008

So-called retail or “in-store” clinics have been spreading at a rapid rate since their introduction in 2000. Typically offering brief visits with a physician assistant or nurse practitioner, they provide basic services such as immunizations and care for simple illnesses in a kiosk within a larger retail store. HealthPartners began covering services of one such retail clinic system — MinuteClinic — for plan members in November 2003.

With virtually no data-based information available about MinuteClinic care, HealthPartners researched its own health plan claims data across four, 12-month periods (starting in November 2002) for a study published in Health Affairs (Sept. 10, 2008). The study assesses differences in utilization and costs between MinuteClinic episodes and those in physician offices, emergency rooms, or urgent care clinics.

Specifically, the five conditions seen most commonly in the MinuteClinic setting were examined: sore throat, otitis media (middle ear infection), acute sinusitis (sinus infection), conjunctivitis (pink eye), and urinary tract infection (bladder or kidney infection). Retail clinic utilization for these conditions remains relatively small, representing about six percent of all treatment episodes.

### KEY FINDINGS

The results suggest that for five prevalent conditions, retail clinics:

- 1 Offer average cost savings of \$50-55 per episode (or 32 to 35 percent) compared to physician offices or urgent care clinics**
- 2 Are gaining popularity overall, utilization is comparatively low but the number of visits doubled for the studied conditions between 2003 and 2006**
- 3 Tend to appeal to females and the generally healthy on average as compared to other sites of service**

# Findings

**1 Retail clinics offer average cost savings** of \$50-55 per episode (or 32 to 35 percent) compared to physician offices or urgent care clinics.

Total costs for an episode of care at MinuteClinic are lower than other sites, due largely to lower evaluation and management service costs.

The average total MinuteClinic cost was \$51 less than in the urgent care setting, \$55 less than in the physician office setting, and \$279 less than in the ER setting — or 32 percent less, 35 percent less and 73 percent less, respectively.

Average pharmacy costs per episode were slightly lower at MinuteClinic than at other sites of service.

**Exhibit 4: Adjusted Mean Pharmacy, Medical, and Total Costs Per Episode by Site of Care**

	Pharmacy	Medical	Total
MinuteClinic	\$28	\$75	\$104
ER	\$27	\$356 <sup>A</sup>	\$383 <sup>A</sup>
Office	\$32 <sup>A</sup>	\$127 <sup>A</sup>	\$159 <sup>A</sup>
Urgent Care	\$30 <sup>A</sup>	\$124 <sup>A</sup>	\$154 <sup>A</sup>

<sup>A</sup>Cost statistically different from MinuteClinic cost, P<0.0001  
Source: Adjusted means from multivariate regression analyses described in text

**2 Retail clinics are gaining popularity overall, with a utilization rate increasing at about 3 percent annually**

MinuteClinic usage increased over time, with rates of 6.6, 9.3, and 14.5 episodes per 10,000 members in the second, third and fourth years studied, respectively.

MinuteClinic episodes comprised 2.9 percent of the total episodes of interest in study year two, 3.8 percent in study year three, and 5.8 percent in study year four.

**Exhibit 1: Frequency of Episodes by Initial Site of Care Episodes per 10,000 Member Months**

Study Period	Minute-Clinic	Office	Urgent Care	ER	Total	Member Months
1		182.2	59.5	2.0	243.7	6,605,203
2	6.6	166.9	51.3	1.5	226.3	6,393,413
3	9.3	179.7	52.9	1.6	243.5	6,442,421
4	14.5	178.0	55.5	2.5	250.5	6,624,788
Average	7.6	176.8	54.8	1.9	241.1	6,516,456

Source: Authors' analysis of HealthPartners episode of care data

**3 Retail clinics tend to appeal to females and the generally healthy on average as compared to other sites of service**

To learn whether patients treated at the various sites differed in terms of their overall illness-burden, the study utilized the Johns Hopkins Ambulatory Care Group (ACG) case-mix system.

The study found that patients using MinuteClinics had lower chronic illness burden than patients seeking care at other sites of service, and were more likely to be female.

In some study periods, the mean age was statistically higher in MinuteClinics than in the office and ER settings, but not in the urgent care setting.

**Exhibit 2: Patient Characteristics for Episodes by Care Site Before and After MinuteClinic Insurance Coverage Began**

Period		Minute-Clinic	Office	Urgent Care	ER
1	Mean Age		24.2	24.8	21.7
	% Female		59.4	62.1	62.6
	Mean ACG Score		1.25	1.23	1.25
2-4	Mean Age	25.8	25.1*	25.7	23.1*
	% Female	64.1	59.7*	61.9*	64.7
	Mean ACG Score	1.0	1.28*	1.25*	1.24*

\* Statistically different from MinuteClinic, P<0.0001  
Source: Authors' analysis of HealthPartners episode of care data.

## Other Findings

### **Retail clinic episodes involve multiple visits at about the same low level of frequency as do those at other sites of service.**

While a large majority of the episodes in this study only required one visit, a slightly higher proportion (two percent) of MinuteClinic patients received two or more clinician visits during their episode of care than did patients at other sites. While the study did not focus on quality of care, this finding may suggest the absence of obvious quality discrepancies for these five conditions between retail clinics and other sites.

### **Costs at retail clinics are increasing at similar rates to those at other sites of service.**

During the three years MinuteClinic was in the HealthPartners network, the average cost per episode increased by 12.2 percent in the MinuteClinic setting while increasing by 20.3 percent in the emergency room setting, 12.7 percent in the office setting, and 11.9 percent in the urgent care setting.

### **The impact of retail clinics on overall cost and quality of care remains undetermined.**

While still a small part of the market, the use of retail clinics is growing rapidly. Only further research and the passage of time will determine how widely the retail clinic phenomenon catches on with consumers, and how it might impact healthcare quality and costs overall.

## About The Study

Data for this analysis came from HealthPartners' administrative claims database. Like many health plans, HealthPartners routinely processes all medical and pharmacy claims through software to produce "episodes" of care. The software, commonly used for illness classification and episode building methodology, enables comparison of episode frequency and cost per episode by site of service.

Episodes of care for the five conditions of interest were extracted for four periods: the 12 months prior to MinuteClinic's inclusion in the HealthPartners network (11/1/02-10/31/03) and three subsequent 12-month periods. The analysis was restricted to episodes for commercial members above the age of two (the minimum patient age at MinuteClinics is 18 months).

Costs were measured as amounts paid by HealthPartners to the provider plus member cost sharing. Adjustments for inflation were made using an index of annual expenditure growth calculated based upon the four 12-month study periods.

## About Healthpartners And Retail Clinics

HealthPartners is the third-largest health plan in Minnesota, with over 1.1 million covered lives. Approximately one-third of plan members receive their care at HealthPartners owned and operated clinics. The other two-thirds receive care from providers within the contracted network.

MinuteClinic is a contracted HealthPartners provider at all of its sites. As such, all HealthPartners health plan members have access to MinuteClinic services, facing, in most cases, the same cost-sharing arrangements for MinuteClinic services as they would for physician office services — typically a copay.

### SELECTED REFERENCES

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