

Health care in America

Medicine at the mall

New ways to make clinics more convenient

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PAST the lipsticks and lotions in a Walgreens shop in Orlando is what looks like a doctor's office. It does not operate like one. Patients can check waiting times online before coming to the store. In a private room, they see a nurse for a diagnosis. At kiosks, they use touch screens to pull up prescriptions and pay for them. A pharmacist devotes his time to patients' questions—pharmacy clerical work is centralised elsewhere.



Walgreens, a national pharmacy chain, is expanding its clinics' scope. Having long treated sore throats and pink eyes, on April 4th the company announced new services to manage chronic conditions. The move is part of a bigger trend in the era of Obamacare. As baby-boomers age and millions of Americans gain insurance, demand for basic health services will surge. Primary-care doctors are scarce. Companies such as Walgreens are keen to fill the gap.

In America's maddeningly complex health system, they hope to offer something new: ease. It used to be that patients, when ill, made an appointment with a doctor and then wasted ages waiting to be seen. If they had the bad sense to be sick at night or over the weekend, they had few options but a hospital emergency room. This has changed.

Retail clinics are one of many models vying to offer convenient health services. So-called urgent-care centres, for example, treat acute and chronic ailments. Often located in malls, they open early and close late. Worksite clinics used to treat injuries; now many firms offer much more. Concentra, based in Texas, owns both urgent-care centres (331) and worksite clinics (278). Humana, a big health insurer, bought the company for \$790m in 2010. Walgreens is another operator of worksite clinics. One of its 358 centres is in Orlando, at the Disney theme park. It aims to treat Disney's "cast members" quickly (unblocking their huge ears and fixing their fairy

wings, presumably), so they can go back to work.

Retail clinics got a bumpy start, thanks to slim margins and erratic seasonal revenue (fewer coughs mean less money). But volume has grown. According to RAND, a think-tank, the number of visits to retail clinics grew fourfold between 2007 and 2009. This looks set to rise again, as clinics expand in number and in scope.

The industry's two leaders are CVS Caremark, a pharmacy with 640 clinics, and Walgreens, with 372. Walgreens intends to grow, but will not disclose targets. CVS is more openly bullish, with plans to have 1,500 clinics by 2017. Andrew Sussman, who leads the company's clinics, expects that revenue will grow by more than 20% this year.

The retail clinics have a simple goal: providing good, standardised, accessible care. The way they offer it is becoming more sophisticated. They have tried to balance seasonal traffic with health screenings and immunisations. Walgreens is keen to tap the big business of chronic disease, doing more to help patients manage diabetes and other stubborn ailments.

Blood tests, then doughnuts on aisle 5

The companies are also testing new ways to link to the broader health system. Both Walgreens and CVS clinics are affiliated with local doctors, who technically oversee the clinics' work. But CVS in particular has pursued closer ties with hospital networks. It has agreements with 26, including the prestigious Cleveland Clinic. The idea is to co-ordinate patients' care at CVS with care at hospitals. CVS benefits from hospitals' referrals, and vice versa.

Walgreens has tried another approach. In January it announced that it would lead three "accountable care organisations". In this pilot for Medicare, the public health programme for the elderly, the government rewards networks of doctors and hospitals for providing good care cheaply. Walgreens clinics are part of accountable care organisations in Texas, Florida and New Jersey.

Some doctors and their lobbyists huff that retail clinics are doomed to provide substandard services. There is little evidence of this. A study by RAND found that retail clinics' treatment of three common conditions was less expensive than that at a doctor's office, without any apparent loss in quality. Nevertheless, concern over clinics and nurses results in patchy state regulations. Strict laws in Missouri, for example, mean that Walgreens will not expand its chronic-disease services in that state.

Even so, a healthy contest is heating up. The American Academy of Family Physicians is urging doctors to see patients on some weeknights and weekends. Retail health clinics must compete not just with these doctors, but with urgent-care centres and, eventually, telemedicine and

mobile health gadgets. No one knows which models will prove most popular. But as they compete, patients are likely to win.

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