The Evolution from Retail Clinics to Medical Neighborhoods

James Bleicher, MD, MHCM
Margaret Head, RN, MSN, MBA

March 25, 2017
Speakers have no actual or potential conflict of interest in relation to this presentation
Agenda

1. Background
2. Call to Action/National Trends
3. Current Market/Needs assessment
4. Contracting Steps
5. Implementation
7. Next Steps
Who We Are

SSM Health

- One of largest Catholic health care systems in U.S.
- Founded by the Franciscan Sisters of Mary
- Non-profit organization
- Operate in Illinois, Missouri, Oklahoma & Wisconsin
  - 20 hospitals
  - 63 outpatient building locations
  - Pharmacy benefit management company covers 4.9 million lives
  - Health plan with 432,063 members
  - 2 skilled nursing facilities
  - 70 counties served by home care in four states
  - 61 counties served by hospice in three states
  - Headquartered in St. Louis

- More than 33,000 employees
- More than 1,300 employed physicians & over 8,500 medical staff.

Through our exceptional health care services, we reveal the healing presence of God.
St. Louis Regional Presence

- SSM Health Hospital
- Convenient Care Center
- SSM Health - Express Clinic at Walgreens
- SSM Health Medical Group Office
- Pediatric Affiliate, Telehealth or Clinic
- Concentra Locations
- SSM Health Outpatient Rehab
Call to Action
National Trends
Retail Healthcare Update

Top Priorities for Meeting Consumer Preference

**Affordability**
- Reasonable price compared to similar options
- Clear pricing to streamline payment
- Guidance on which sites are most affordable

**On-Demand Access**
- Immediate availability
- Broad range of hours open
- Rapid completion of service
- Geographic proximity to home, work, errands

**Tailored Service**
- Comprehensive visit length
- Provider interaction matches expectation
- Delivery options tailored to specific need

*Source: The Advisory Board*
Retail Healthcare Update

Retail Clinic Visits
Annual Visits, 2007-2012

2007: 1.48M
2008: 3.52M
2009: 5.97M
2012: 10.5M

Patient Reasons for Visiting Retail Clinics Over Other Sites of Care

- More Convenient Hours: 64%
- Convenient Locations: 62%
- No Appointment Needed: 53%
- Lower Cost: 48%
- No Usual Care Source: 34%

PCP Office Not Even Close to On-Demand

- 38% Medical home clinics open late on weekdays
- 29% Medical home clinics open on Saturdays

Source: The Advisory Board
Retail Healthcare Update

Conservative Estimates of Visits at Risk of Shifting to Other Sites of Care

- Annual Visits to PCPs: 573M
- Visits Eligible for NP-Led Care: 103M
- 18% of PCP visits could be handled by NPs at convenient care sites

- Annual ED Visits: 132M
- Non-urgent ED Visits Eligible to Be Shifted to Other Care Sites: 47M
- Non-urgent ED visits could be treated at urgent care, retail or primary care

1,456 Retail clinics in operation as of November 2013

Source: The Advisory Board
Retail Healthcare Update

Consumer-Oriented Service Delivery Sites Filling the Gap

Traditional Access Points
- Primary Care Office

Low Acuity
- Virtual Visit
- Retail Clinic
- Urgent Care Center

High Acuity

Emergency Department

44%
Retail visits occur when physician office is likely to be closed

Source: The Advisory Board
The Vision to Achieve Value through Volume

- Focus on Attributed Lives
- Reduce Bad Volume – e.g. readmissions
- Grow Good Volume
Growing Good Volume-New Patients

- Attract and keep new patients
- Provide alternate venues of care that are lower cost and more convenient
- Align venue of care and scope of service with need
- Increase new patient availability
- Clinical Protocols that standardize follow up
- PCP Availability and Schedule Optimization

Utilize the Medical Neighborhood to enhance PCP access to New Patients
Current Market Needs Assessment
Market Overview – Retail Pharmacy Market

❖ Walgreens was the market leader in St. Louis
  • CVS presence has grown over the last 5 years, but much smaller market penetration

❖ St. Louis was one of the first markets in the country to launch Take Care Clinics
  • 1st Take Care Clinics opened in 2006
  • Grew to 28 clinics – highest penetration of retail clinics per 1,000 population in markets that Walgreens served
  • Walgreens offered the only retail clinics in the market for almost 10 years
  • While CVS has many more Minute Clinics across the country, until recently, they had no retail clinics in the St. Louis market (opened 4 Minute Clinics in 2015)

❖ Wide geographic footprint for the region, including the Illinois portion of the metropolitan area
Market Overview – Health Care Systems

- 3 major health systems headquartered in St. Louis with hospitals/services in the region (SSM, BJC, and Mercy)
  - No clear market share leader across the entire region
  - Wide geographic distribution within the metropolitan area has supported existence of 3 systems in the market

- Until recently, minimal involvement by health systems in the retail healthcare market
  - Health systems didn’t launch any retail sites until 2012 – slow adoption in the Midwest
  - Urgent care locations were only entrant into the retail market
  - When Walgreens launched Take Care Clinics in 2006, strong opposition from the health systems, particularly pediatricians
Entry into Retail market

- SSM embarked on its retail strategy in 2012
  - Opened first urgent care site, 3 sites added within a year
  - Currently have a total of 6 sites
  - St. Louis region quickly saw a surge of urgent care locations, +25 sites added by various competitors within 12 month period
  - Only 2 of the 3 major health systems operate a network of urgent care locations

- During this period, Walgreens remained steady with 28 retail clinics in the market.
  - No new entrants into the retail clinic market during this time period

- SSM continued to evaluate for retail clinic options
  - Build vs. Buy (collaborate)
Entry into Retail market

- SSM evaluated multiple options to enter the retail clinic market
  - Partnership with hometown grocery chain
  - Turn-key buildout with national franchise at retail locations
  - Retail pharmacy collaboration

- Criteria for selection of retail partner
  - High quality partner with strong customer service focus
  - Market presence and brand compatibility
  - Geographic distribution to serve entire market
  - Retail expertise

- Evaluating financial risk
  - Small upfront capital investment for partnership was attractive
Entry into Retail market

why collaborate with a retail pharmacy?

- Expertise/retail success – location, location, location
- Marketing power/brand awareness
- Geographic distribution with market penetration
- Quality/reputation – pulled back the veil on quality of services provided

2013 – Phase 1 of the SSM/Walgreens affiliation

- Developed a “loose” affiliation – “dip our toe in the water”
- SSM provided some collaborating physician support, pediatric advisory services, enhanced referral network for patients seeking primary care physicians
- Explored other affiliation with the health system (340B, retail pharmacies, etc.)
Entry into Retail market

Results from the loose affiliation

- Nominal impact to both parties
- Developed a strong working partnership – both parties could “see the future” and opportunities to benefit from a stronger relationship

Gave physicians opportunity to “live” with the competition

- Primary care physicians, especially pediatricians, harbored strong sentiment that retail clinics were stealing their patients
- Concerns over the quality of care provided at the retail clinics were overstated
- Realization that they couldn’t provide the level of convenience that the consumer was looking for
Phase 2 – Full Steam Ahead

- Full acquisition of all 26 retail clinics in the St. Louis market
  - Retail clinics folded into Medical Group
  - Operating as Medical Group practice sites
  - Acquired all staff in the transaction (including 60+ nurse practitioners)
  - Lessee/Lessor model for clinic space at each location

- Full integration within SSM
  - Installed EPIC at all locations
  - Billing, supplies, etc., all provided by SSM

- Launched new SSM Brand
Contracting Steps
Phase 2 – Full Steam Ahead

While the goals of the partners are different, they are complimentary and result in success for both parties

<table>
<thead>
<tr>
<th><strong>SSM</strong></th>
<th><strong>Walgreens</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve access to care for new and existing patients</td>
<td>• High quality healthcare provider to increase reputation of services</td>
</tr>
<tr>
<td>• Population health – provide timely access to care at appropriate level</td>
<td>• Increase foot traffic in the stores by driving patients to the retail clinics</td>
</tr>
<tr>
<td>• Create enhanced market presence/brand recognition</td>
<td>• Refocus on expertise – retail pharmacy operations</td>
</tr>
</tbody>
</table>
| • Measures of success  
  ✓ New patient growth  
  ✓ Reduce inappropriate utilization of high cost venues of care  
  ✓ Increase patient satisfaction with access | • Measures of success  
  ✓ Foot traffic  
  ✓ RX sales |
Phase 2 – Full Steam Ahead

❖ Structuring the deal
  • Discussions were lengthy – took almost a year
  • Working with a large, multi-national organization can be challenging

❖ Reaching agreement on overriding philosophy and goals wasn’t the difficult part
  • Details were painstaking
  • Often felt more like a real estate transaction – dealing with 26 leases, real estate attorneys, etc.

❖ Knowledge of operations in local market was minimal
  • Need for confidentiality hampered due diligence
SSM St. Louis Retail Strategy
Strategic Attributes: Accomplish Primary Care Strategy (adding 100 providers):

❖ Walgreens current model is a “pull” model
  • Patients come to them by seeing the Take Care Clinic sign, other marketing, etc.
  • SSM will add a “push” model to move low acuity patients from the physician offices to the retail setting for simple/acute care, creating increased capacity in the Medical Group offices for new patients and chronic care access

❖ Low Cost Alternative
  • 26 new immediate locations allow SSM to expand much faster and more economically compared to recruiting physicians/nurse practitioners
  • The investment per provider is much lower than our traditional physician/nurse practitioner model and the needed capital to achieve

❖ Population Health Strategy
  • Creating a continuum of care strata: Lowest acuity is retail, Medium acuity is Urgent Care, Higher acuity is ED and chronic care through physician offices
Pro Forma Assumptions

❖ Start-Up Costs:
  • NP new collaborative agreements and staff orientation
  • Purchase of minor equipment and supplies
  • $ for a dedicated marketing campaign across Years 1 and 2

❖ Capital:
  • Set up for EHR
  • Site leasehold improvements

❖ Best Case / Worst Case Scenarios:
  • Best case: 27 visits per clinic per day by Year 5
  • Worst case: 20.4 visits per clinic per day by Year 5

❖ Two Sources of Downstream Volume
  • Improved cross-marketing of SSM services to existing Walgreens patients
  • “Push” model from the Medical Group will open up capacity for 33,500 incremental covered lives in the Medical Group
Implementation
Transition Team Structure

- Steering Committee
  - Contract negotiations, legal structure and strategic alignment
- Oversight Committee
  - Acquisition process, operational alignment with Medical Group and milestone development
- Business Planning/Due Diligence Team
  - Pro forma review, revenue cycle and capital planning
- Clinical Coordination Team
  - Scope of practice, clinical protocols and collaborative practice agreements
- Operations Team
  - Human Resources, onboarding, credentialing, purchasing and workflows
- IHT Team
  - Kiosk technology, infrastructure and EMR set up for retail
- Marketing Team
  - Develop co-branding strategy, digital strategy and awareness campaign
SSM Retail Strategy – IHT Applications

- Guiding Principle (make it retail look, patient self-service, minimal impact to NP)

- Appointment Scheduling
  - On-line and call center options

- Self-Registration/Check-in
  - Epic Welcome (both SSMH and non-SSMH patients)
  - Check-in display board
  - Payment collection

- Patient Documentation
  - Discharge instructions
  - Referral process

- Mobile Application Functionality (TBD)
Implementation

❖ Coordination between partners is key, but difficult
  • Negotiating the pace of implementation was a challenge
  • Lack of market knowledge/in-market resources caused delays
  • Focus on the employees/announcement/retention was identified as a critical success factor for SSM

❖ Working through the nuances of a health system
  • Credentialing requirements were daunting
  • Required development of new functionality in EPIC
  • Engaging the physicians – used multiple work groups to get input, gain support for clinical issues
    • Established pediatric advisory role
    • Set guidelines for chart review, onboarding and competency assessments
    • Identified physicians to serve as collaborating physicians for NPs

❖ Developing marketing plan/guidelines
Post Implementation
Lessons Learned

What worked well?

• Efforts to retain employees during the transition paid off (limited turnover in key NP positions)

• Developing a strong relationship with the local market managers is essential to the transition – they understand the market and the staff far better than corporate

• Significant planning on the technical side allowed the transition of 26 clinics to go very smoothly

• Marketing expertise of a national retail chain – overnight presence in the market that would have taken a decade to build

• Coordination between partners was good – each partner assigned a “go-to” team for implementation
Lessons Learned

❖ Would have been better if . . .

- Due diligence performed earlier in the process – a few surprises
- More detail at the clinic/market level – some data not available (# of customer service calls, etc.)
- Access to employees prior to transition – it’s difficult to transition 100+ employees, train them on an EMR and open 26 clinics in a couple of days
- More ground support for EMR – learning curve was significant
- More focus on the “retail” piece – (only a healthcare system could take a 2 minute registration process and turn it into a 20 minute interrogation)
- Change your thinking – what works in the medical office will NOT work in the retail setting
Early Returns

❖ More marketing presence than we could have hoped for . . .
  • Power of the digital marketing presence in retail
  • Access to ongoing campaigns, in-store presence
  • More hits than we’ve ever experienced
  • Call volume is 2x greater than we anticipated

❖ New patients to the health system
  • Access to much larger population of patients
  • How to harness that opportunity – create smooth transitions to other venues of care

❖ Thinking differently about our core business
  • How do we incorporate “retail” thinking into our practices
  • Expand scope of urgent care locations
  • Create “same day” access and convenience across all locations
Total Completed Appointments – All Clinics

Goal: 14,820

- Aug 2016: 2,096
- Sep 2016: 9,858
- Oct 2016: 11,538
- Nov 2016: 12,256
- Dec 2016: 13,160
- Jan 2017: 13,143
Average Completed Appointments each Day/Clinic

Goal: 19

<table>
<thead>
<tr>
<th>Month</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug 2016</td>
<td>20.2</td>
</tr>
<tr>
<td>Sep 2016</td>
<td>12.6</td>
</tr>
<tr>
<td>Oct 2016</td>
<td>14.3</td>
</tr>
<tr>
<td>Nov 2016</td>
<td>16.3</td>
</tr>
<tr>
<td>Dec 2016</td>
<td>16.9</td>
</tr>
<tr>
<td>Jan 2017</td>
<td>16.9</td>
</tr>
</tbody>
</table>
Unique Patient Growth
Next Steps
Evolution to Medical Neighborhood
Medical Neighborhood – Build Relationships

- Medical Director role is a key success factor

- Foster a local medical community around retail clinics
  - Local patients
  - Neighboring PCP offices
  - Area ER/urgent cares

- Engage local provider support, encourage referrals
  - Face-to-face meet and greets between clinic staff and providers and express clinic staff and providers
  - Presentations to physicians at leadership councils and all department meetings
  - Recruit area providers as collaborating physicians
  - Build the “easy button” in EHR for referrals to primary care and specialists
Medical Neighborhood - Education

- **Providers**
  - Inform local providers and staff about retail clinic services, locations and hours of operation
  - Provide clear instruction via face-to-face presentations, printed documentation and digital communications

- **Patients**
  - Provide educational advertising via print, radio, TV and social media
  - Material available at primary care offices
**Quick Reference Care Guide**

<table>
<thead>
<tr>
<th>Chief Complaint</th>
<th>Diagnosis</th>
<th>Express Clinic</th>
<th>Urgent Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musculoskeletal</td>
<td>Acute back/joint pain</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work injury</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sprain/strain</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fracture: X-ray/Splinting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedures</td>
<td>Cerumen removal</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I&amp;D</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>PPD testing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Simple foreign body removal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Simple wound dressing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suture/staple placement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suture/staple removal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tick removal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urine pregnancy test</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rash</td>
<td>Allergic/Infectious</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minor burns</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inset bite/sting</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Screening</td>
<td>Sports/Camp</td>
<td></td>
<td></td>
</tr>
<tr>
<td>URI</td>
<td>Asthma</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chest xray</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conjunctivitis</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cough</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ear complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fever/Flu</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seasonal Allergy/Sinusitis</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sore throat/strep</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTI</td>
<td>Testing/Treatment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SSM Express Clinics and SSM Urgent Cares**

**Quick Reference Vaccine Guide**

<table>
<thead>
<tr>
<th>Vaccines</th>
<th>Express</th>
<th>UC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dtap</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hep A Adult/peds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hep B Adult</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Menactra</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MMR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rabies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Td/Tdap</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ER Services Only**

- Abdominal Pain, Severe
- Bodily Wounds, Severe
- CVA Symptoms
- IV Fluids/IV Medications
- MI Symptoms
- Psychiatric Evaluation
- Seizure
- Trauma

**Key**

- Available
- Available, Preferred
- Emergency Room Only
- Coming soon to UC

©2016 SSM Health. All rights reserved. SYS-SYS-16-104988 1/16

All rights reserved 2017

amga.org
Medical Neighborhood - Communication

- The shared EHR allows communication of medical records within the healthcare system at any location and under any provider.
- Transfer of care of patients from various sites is comprehensive due to shared EHR and system-wide relationship.
- Referrals within the medical system are supported.
Quality Standards

❖ Evidence Based Medicine Protocols
  • System-wide algorithms on most common diagnoses
  • Antibiotic stewardship
  • HEDIS

❖ Robust chart review
  • CP chart review via automated program, third party vendor
  • Medical director chart review

❖ Patient Satisfaction
  • Mandatory patient experience training for all retail providers
  • Retail specific patient satisfaction surveys
Nurse Practitioner Collaboration

- **Collaborating physicians (CP) review 10% of nurse practitioner (NP) charts via automated computer program**

- **CP can send charts for Medical Director (MD) Review**
  - Evaluate NP documentation
  - Evaluate quality of care
  - Charts are discussed with NP for education/evaluation

- **MD presents monthly educational programs to NP’s on common diagnoses and evidence based medicine**

- **Future use of automated review program:**
  - NP peer to peer double blind chart review for educational purposes
Questions?