



# **Minute/Retail Clinics: Timing is Everything**

**MAHP**

**Summer Conference**

**July 30, 2007**



## The Harsh Reality of Health Care

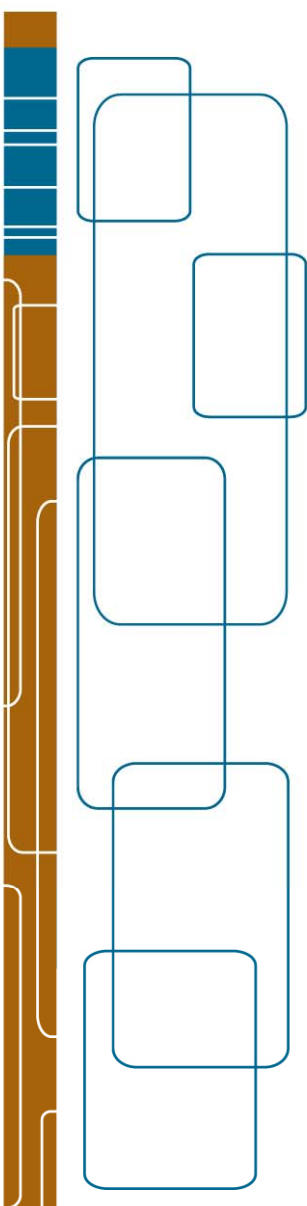
- **Considerations**

- Physicians are emerging as *the* main competitor
- Right behind the doctors are entrepreneurs and retail enterprises
- Reasons for the rise in consumerism
- Convenience care clinics are a harbinger of what's on the healthcare horizon
- The rationale for the rise and resonance of CCC
- How are providers responding?

- **Are Convenience Care Clinics a Blip or a Bellwether?**

- **Significance in the Broader Context**

- **The Implications of a Consumer-Centric Medical Model**



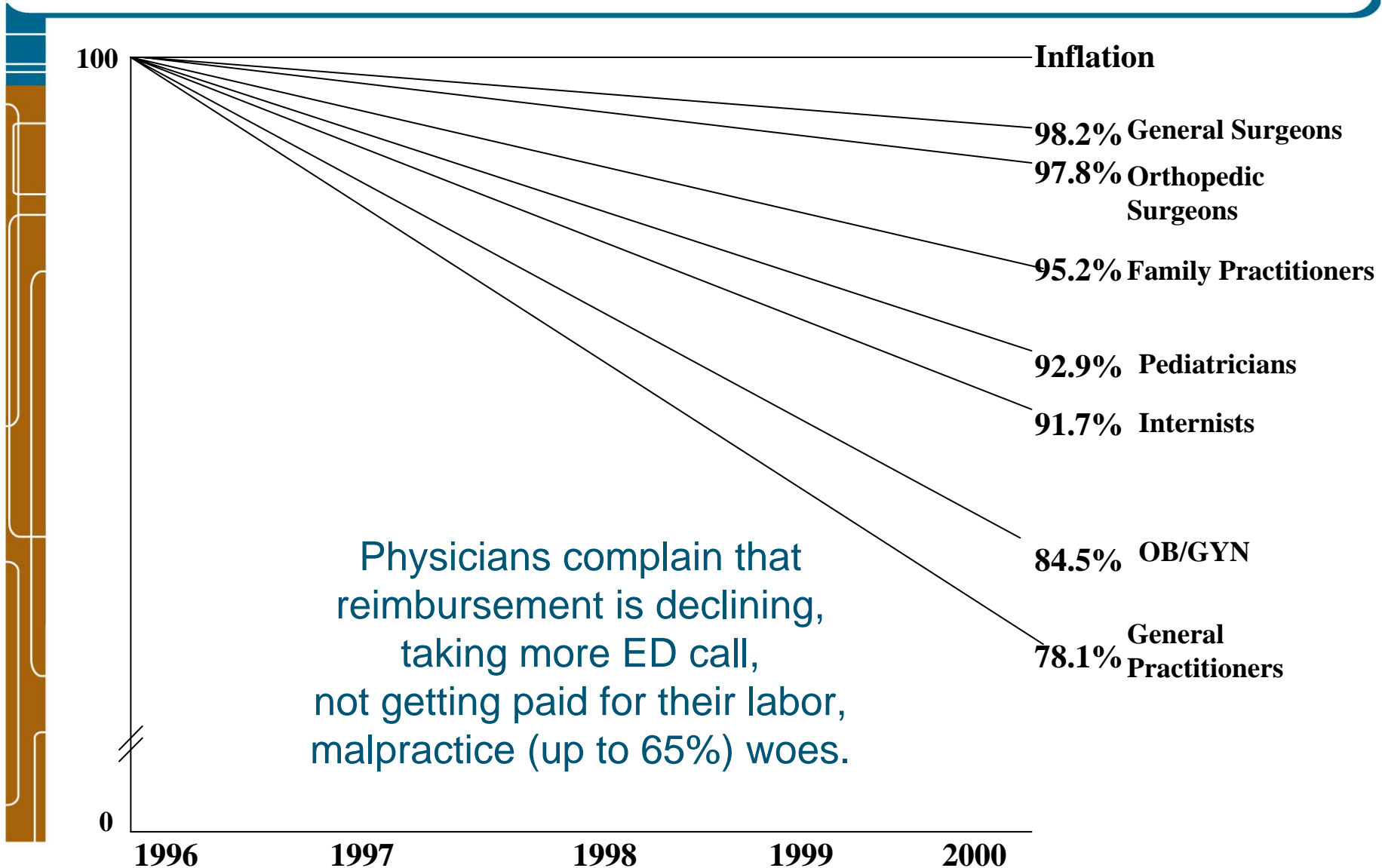
“That phenomenon has sparked a war between hospitals and doctors across the country that is transforming the landscape of the US. health-care system – while not necessarily improving it.”

*“The Hospital Wars”*  
***TIME Dec. 05, 2006***

- **Not Yesterday's Competition:**
  - Entrepreneurs emerging
  - Migration away from medical campus
  - Retail as the new reality (i.e. Minute Clinics and Big Box)
  - Understanding the consumer and market orientation
  - Battling within family with Barbarians at the gate
- **What is on the Horizon for Healthcare**
  - Increasing emphasis on convenience and cost
  - Less mystery and/or marvel with medical settings
  - Transparency and connectivity
  - The mass merchandizing of modern medicine

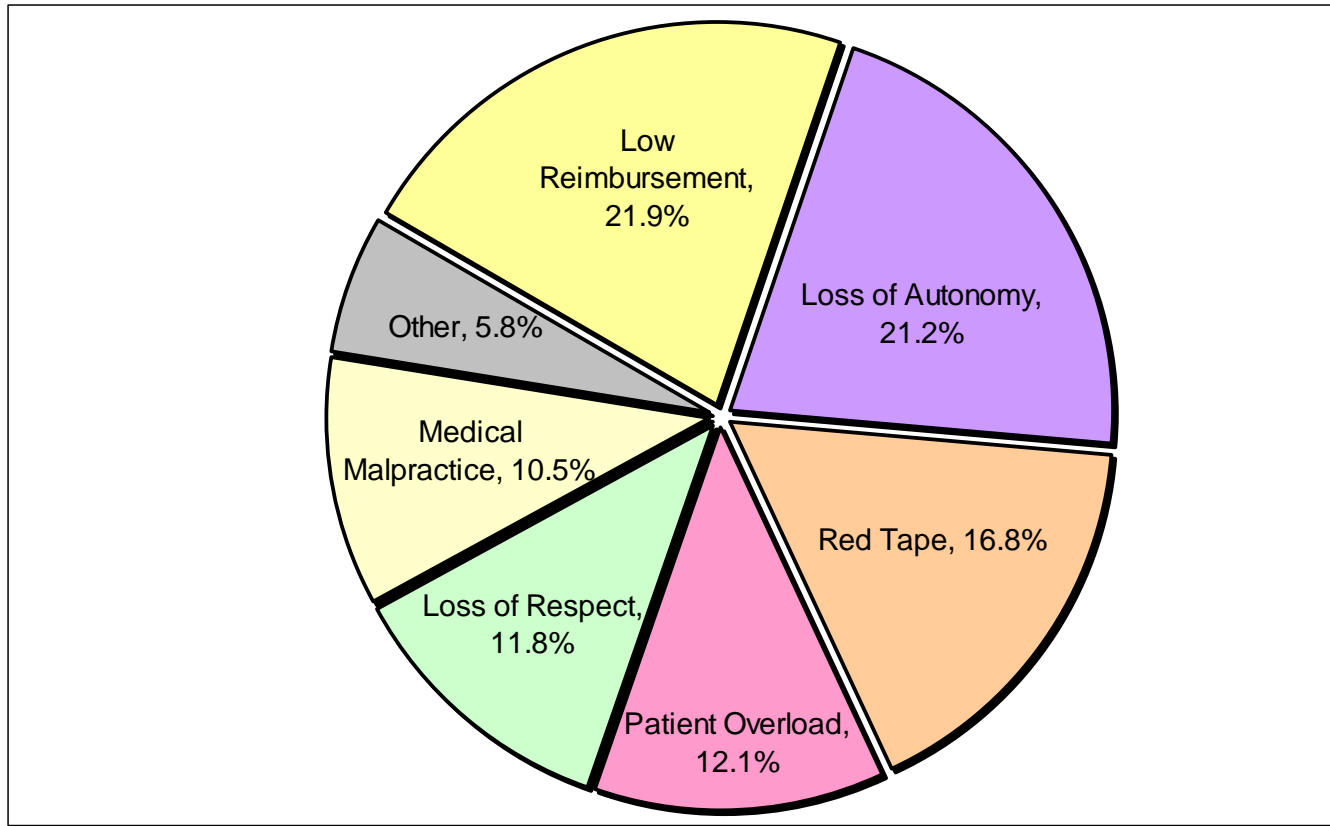
# Physician Earnings Outpaced by Inflation

## Inflation-Adjusted U.S. Physician Income by Specialist



## WHAT'S HURTING PHYSICIAN MORALE?

Reimbursement was the single biggest factor that doctors believe lowers physicians' morale



Note: Based on 1,200 total responses to the ACPE's first Physician Morale Survey. Percentages do not add up to 100 because of rounding.

Source: American College of Physician Executives; ACPE Physician Morale Survey; [acpe.org](http://acpe.org)

Source: Modern Healthcare December 2006

# History of Convenience Care: Minute Clinics

- Started in upper Midwest (Minneapolis) in early 2000's by three entrepreneurs in retail settings
- Response to long waits, high prices, questionable value
- Migrated to other markets where model was well-received, spawned competitors
- Purchased by major pharmacy chain (CMS)
- Today – Arby's CEO and rapid expansion

# Major Players in the CCC Movement

- Redi-Clinics -- history and ownership
- Quick Care – history and ownership
- Others in the Field (including providers)
- The Wal-Mart Announcement and Plan
- Big-Box Healthcare a Reality?

# What Does the Future Hold for CCC

- Rapid ramp-up
- What the research says (surprises)
- How does it look in five years
- How do providers respond
- What does it mean for insurance physicians



# What Does it Mean in the Broader Context

- Only the beginning – CCCs the tip of the iceberg
- Movement to retail settings and non-traditional venues
- Think ATMs and how that has transformed banking
- Eyes on and ears to the consumer – no longer provider-driven or expert-centric
- Timeliness, convenience, cost, user-friendliness
- Finally, healthcare comes of age (Consumer Age)



## ***Survivorship:***

*The ability of healthcare executives to effectively transition to the new model and within the emerging milieu in a way that engages the physician, retains the consumer/patient, and aligns the interests of the entire community.*

# Implications for Insurance (Health Plans)

- **Players or bystanders**
- **Drivers of the movement or reactive to the concept**
- **Opportunities with providers – physicians and/or hospital executives**
- **How does universal coverage come into play?**

# Summary and Questions

- **Summary**

- Market is changing dramatically
- Rise of CCCs is both indicator and harbinger
- Not a blip, but a bellwether
- Augur of a broader movement

## **Items to Consider in your Realm**

- What is the role of health plans?
- How much of a reality is this in your market?
- What is your attitude toward the changing world?"
- What strategic advantage can be gained from this broad movement?

- **Are you ready for a radically different health-care world?**

# Contact Information

## **Salt Lake City, Utah Office**

2120 South 1300 East, Suite 301

Salt Lake City, UT 84106

Telephone: 800-995-0097

Fax: 801-596-2127

## **Austin, Texas Office**

5914 West Courtyard, Suite 360

Austin, TX 78730

Telephone: 512-346-0500

Fax: 512-343-9275

## **St. Louis, Missouri Office**

7733 Forsyth Boulevard, Suite 2300

St. Louis, MO 63105

Telephone: 800-677-1202 ext 2105

Fax: 314-659-2376