Retail Clinics: A Decade-Plus Look Back at Disruptive Innovation

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Introduction

The story of the creation of the retail clinic industry is one of challenges and triumphs, collaborations and partnerships, focused on one single goal of providing accessible, affordable, high-quality healthcare to Americans.

As the industry trade association, the Convenient Care Association, reaches its 10th anniversary, convenient care is now an established mainstay of the healthcare landscape. What started as a novel idea to address minor acute ailments in more accessible and convenient settings has dramatically changed the delivery of healthcare and gave birth to consumer focused and consumer-driven healthcare.

This article examines the retail clinic industry's history and evolution and highlights the major milestones over the last decade-plus.

History

Access to quality and affordable healthcare in the United States is problematic. There is limited availability to everyday healthcare needs and preventive care, millions of people do not have an established primary care provider or health insurance, and healthcare costs are rising at unsustainable rates.

Out of a concern that there is not accessible, affordable, quality care available to people when they need it, the first retail clinic, QuickMedX (which later became MinuteClinic and is now owned by CVS), was established in 2000. Simplistic in design, the retail clinic model uses nationally certified nurse practitioners and physician assistants in retail settings to provide basic primary care. Aside from their convenient retail locations, the retail clinic model was the first and only consumer-driven healthcare delivery system, distinctly setting it apart from other models of care.

Consumer demand is the core of the convenient care industry (CCI). Since the first clinic opened, retail clinics have established themselves as providers of easily accessible, affordable, quality healthcare to consumers who may otherwise wait hours, days or even weeks for basic primary care, and thus have become consumer favorites.

Retail clinics have been referred to as a “disruptive innovation,” a term coined by Harvard University professor and New York Times bestselling author Clayton

Christensen, because they represent a new interpretation of an aging and inefficient system. Because of their focus on the consumer and their ability to provide an alternative for patients who "are frustrated with the conventional health care delivery system,"[1] which struggles with providing appropriate and timely access to basic healthcare services, retail clinics won over consumers early on and remain a favorite provider of primary and wellness care.

After the first retail clinic opened in 2000, additional players entered the market, many with financial backing from, initially, angel investors and later on venture capital companies. No one could have foreseen in the early 2000s that the CCI would be so successful that by 2014 the majority of the independent industry operators had all been acquired by major retail pharmacy or big box retailers. Today a variety of institutions across the country own and/or operate retail clinics including private nonprofit organizations, for-profit companies, hospital systems and even some healthcare insurers. Current leading clinic operators include MinuteClinic, owned and operated by CVS Caremark; Healthcare Clinic, owned and operated by Walgreen Co.; The Little Clinic, owned and operated by Kroger Co.; RediClinic, owned by Rite Aid; Walmart Care Clinic; FastCare, which collaborates with health systems and co-brands retail clinics; and Lindora. Over the last decade, through mergers and acquisitions, retail clinic ownership has evolved as the industry has

evolved.

Use of Non-physician Providers

Success of the retail health industry has relied heavily on using nurse practitioners (NPs) and physician assistants (PAs) to provide quality healthcare within the clinics. The use of these non-physician providers and elevation of their role in primary care was one of the reasons the industry earned its reputation as a disruptor. Nurse practitioners continue to be the largest single group of primary care providers (PCPs) currently working in the industry.

Nurse-managed and led care is not new to healthcare and was developed to meet the needs of patients in settings where physician presence was lacking such as in rural and urban areas.[2] The provider shortage was the stimulus for the expansion of other professions into primary care and for the development of new types of providers including nurse practitioners and physician assistants.[2] Professor Loretta Ford and pediatrician Henry Silver at the University of Colorado established the first nurse practitioner program in 1965, and it was quite popular from the start.[2] Dr. Ford put her support behind retail health because she envisioned creating a role that was both innovative and revolutionary for nursing. Other programs were quickly instituted, attracting nurses and other health workers to pursue advanced degrees. Also in 1965, Dr. Eugene Stead founded the nation's first

physician assistant program at Duke University.[3]

The role of nurse practitioners and physician assistants has grown substantially since the mid-1980s. In 1994, the Institute of Medicine's Committee on the Future of Primary Care broadly defined primary care as "the provision of integrated, accessible health care services by clinicians who are accountable for addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community," which helped propel the expanded roles of the clinicians.[4] Currently there are approximately 222,000 nurse practitioners[5] and, as of the end of 2015, 108,717 physician assistants[6] practicing in the U.S.

In addition to the Institute of Medicine's Committee on the Future of Primary Care's broad definition of primary care, the retail clinic industry helped to further the role of advance practice providers not only in healthcare but also in business by naming the first retail health Chief Nurse Practitioner Officer. This set retail clinics apart yet again from traditional healthcare, making them not only attractive to consumers but to providers, as well.

In 2016, more than 6,000 nurse practitioners and physician assistants were working in the retail health industry and this number is only likely to grow as the industry evolves and expands in response to consumer demand and to the growing numbers of recently insured

patients entering the healthcare system.

Educational and Social Needs of Clinic Providers

Retail clinics provide clinicians with a unique work experience. In most clinics, there is a single clinician working at one time, thereby making this one of the more autonomous environments for nurse practitioners and physician assistants. Further, despite the clinics offering a limited scope of healthcare services on their menu, retail clinic providers triage patients with a vast number of illnesses, ailments and conditions.

Recognizing that the experience is autonomous and the clinical educational needs go well beyond primary care and include topics such as emergency medicine, the Convenient Care Association partners with media groups to host annual conferences and publish retail-clinic focused magazines and journals that offer clinicians educational and networking opportunities and resources. The first national conference designed for retail clinic providers, the Retail Clinician Education Congress, was held in 2008 and continued through 2014. In 2015, the annual conference evolved to include all retail health providers, including pharmacists, and became the Convenient Healthcare and Pharmacy Collaborative. Drug Store News published the first publication, Retail Clinician Magazine and currently the official retail health industry journal is published by Pharmacy Times, Contemporary

Clinic.

Bridging the Gap with Schools of Nursing and Physician Assistants

In addition to providing education opportunities for retail clinic providers, it was imperative to ensure that schools of nursing and physician assistant programs were knowledgeable about the clinic model and opportunities for students and new graduates. The Convenient Care Association undertook several efforts to bridge the gap and educate healthcare colleagues about the clinics. CCA established a Provider Workforce Committee, comprised of clinic leadership who also had significant relationships with physician assistant programs and nursing schools in their respective markets. The committee developed core competencies of the retail provider to share with local schools. In 2013, CCA published its first book, "Convenient Care Clinics: The Essential Guide to Retail Clinics for Clinicians, Managers and Educators," to help strengthen the retail health provider pipeline. Several workgroups with retail clinic leadership and faculty from nursing and physician assistant programs have been convened to continue the dialogue around the growth of the industry, and the potential for providers to help meet the healthcare needs of the nation.

The Retail Clinic Model

The retail clinic model was developed to be able to

continually change and adapt to the needs of the consumer and the healthcare industry overall. The first retail clinics only accepted cash payments and provided care for only seven conditions: strep throat, mononucleosis, flu, pregnancy testing, and bladder, ear, and sinus infections. The clinics were offered as cost-effective alternatives to basic, episodic care, thus avoiding an expensive emergency room visit for relatively simple medical needs. As anticipated, the model of care had the ability to be more advantageous to patients and as a business by adding additional healthcare services to the menu. The initial cash model was limiting the clinics' ability to grow and scale and was not meeting the needs of the consumer.

Consumers played a significant role in the evolution of the retail clinics' model. Recognizing their value in providing basic care to children when primary pediatricians were unavailable, such as weekends, evenings or when traditional primary care offices are closed, caregivers with young children were among the first to embrace the clinics. Employees also encouraged their employers and insurers to offer incentives to use the clinics. Today, all clinic operators have contracts with national health insurers and therefore can accept most health insurance. Some insurers have implemented the feedback of their members and provide incentives for them to use the clinics for non-emergent care. Based on provider and consumer feedback, the scope of services has

significantly expanded and today includes a broader range of acute care, preventive services, and chronic disease treatment and management, the latter of which is usually offered in partnership with local community providers and healthcare systems.

Retail Clinic Description

Retail clinics are located in retail locations such as drugstores, food stores and big box stores usually with in-house pharmacies. Being co-located with a pharmacy supports consumer convenience by offering the option to fill any required prescriptions within the retail setting. The clinics range in size from one exam room to multiple rooms, complete with sinks, traditional exam tables, and medical equipment. The clinics themselves are small and occupy about 250-500 square feet and are equipped with all the provisions of any other outpatient healthcare office. Given their retail location and focus, most of the clinics are open seven days a week (typically twelve hours a day during the week and eight hours on weekends). The hours of operation are generally more accommodating than those of traditional doctors' offices and nearly half of all retail clinic visits occur in evening and on weekends. The majority of clinics see patients eighteen months of age and older, and visits generally only take 15–25 minutes for both diagnosis and treatment.

Retail clinic providers can diagnose, treat and write prescriptions for common acute and chronic primary care

conditions (e.g., pinkeye, strep throat, and nose, ear, throat and bladder infections, and skin conditions such as poison ivy and ringworm, as well as diabetes, high blood pressure and high cholesterol). In addition, vaccinations are offered, minor injuries and joint sprains are treated and many clinics now offer routine lab tests and a wide range of wellness and non-emergent services including sports physicals, smoking cessation, TB testing, and preventative services for those with diabetes, high cholesterol, high blood pressure, and asthma.

As a consumer-driven model, it was important to the industry to provide cost transparency. Retail clinic operators clearly post their services and rates, either physically at the clinic or on the clinic's website. While some traditional medical settings have begun to offer extended and after-hours care similar to retail clinics, cost transparency continues to be unique to the clinics.

Retail clinics are staffed by a nurse practitioner or physician assistant, and in some cases medical assistants with both clinical and non-clinical duties. "Collaborating physicians" will provide consults for the clinics' providers as needed and as required by state law and regulation. All retail clinics use electronic health records (EHRs), which help to ensure coordination and continuity of care in concert with the patients' medical homes and primary care providers if they have one. Approximately 40–50% of people visiting retail clinics do not have a medical home, and up to 60% of patients report that they also don't have

a regular primary care provider. Hospital, health system and physician groups have recognized the value of partnerships with retail clinics and today there are over 100 hospitals and health systems affiliated with retail clinics.

Founding of the Industry and the Convenient Care Association

By 2006, approximately 150 retail clinics were in operation. In the summer of 2006, former Secretary of the U.S. Department of Health, Donna Shalala, recommended that an organization be formed to help protect and support the new disruptive innovation that provided primary care in retail settings. Hal Rosenbluth, founder of Take Care Health Systems, which is now the Healthcare Clinic at Walgreens, held a meeting for interested stakeholders, including Secretary Shalala, to introduce themselves and network, with the idea of designing the blueprint for the future of the new industry. Participants included a diverse cross-section of interested parties: clinic operators, providers, nurse practitioner leadership, medical and physician assistant representatives and other stakeholders. It was instantly obvious that there was a need to ensure that quality was at the forefront of the retail clinic model and that all retail clinic operators should commit to a set of quality standards. It was at this meeting that the Convenient Care Association (CCA) organized with the support and leadership of founding members and

retail clinic operators Hal Rosenbluth and Web Golinkin, and clinic consultant Tine Hansen-Turton.

The Convenient Care Association was officially incorporated in October 2006. At its first board meeting of the retail clinic operators at that time in November 2006, the plans to establish quality and safety standards for the new industry were outlined. The Board developed and adopted the CCA Quality and Safety Standards and, in 2009, a CCA retail clinic third-party certification program launched in partnership with Thomas Jefferson School of Population Health. This program assured that all CCA members follow quality standards.

From the very beginning, CCA worked with members to set forth the industry direction to be one of the most successful health innovations that the country has seen in a century, and the industry has enjoyed many significant accomplishments. The CCA was instrumental in developing and adopting industry quality and safety standards, including implementing third-party certification; advocating successfully against legislation and regulations that would reduce consumer access to high-quality, affordable healthcare; providing continuing education to thousands of convenient care practitioners; establishing CCA as a reliable media source; and creating National Convenient Care Clinic Week.

Industry restructurings and acquisitions in the last decade have shaped the evolution of the industry and will

continue to shape the future. In 2006, CVS Caremark acquired Minneapolis-based MinuteClinic and established MinuteClinic as a wholly-owned subsidiary. In 2007, Walgreen Co. acquired Take Care Health Systems. One year later the Kroger Co. and The Little Clinic announced a partnership whereby Kroger became a shareholder, and in 2010, Kroger bought out the remaining shares in The Little Clinic and became the sole owner of the company. Rite Aid acquired RediClinic in 2014 and, in 2015, CVS Health acquired Target Clinics and rebranded them as MinuteClinic.

Initial Challenges from the Medical Establishment

As with any emerging industry, there was initial uncertainty surrounding the necessity for a retail clinic and opposition to them came almost immediately. Large industry opponents delivered the first formal challenges to retail health.

The American Medical Association (AMA), American Academy of Family Physicians (AAFP) and American Academy of Pediatrics (AAP) were among the first to publicly question the value and efficacy of the care provided in retail clinics. Quality of care, continuity of care and potential conflicts of interest related to the ownership model of the clinics were among the top criticisms. Critics believed that quality standards and positive care outcomes could not be obtained without on-site physician

oversight. They also questioned the quality of care under the direction of a nurse practitioner or physician assistant and suggested that such care couldn't be provided. As to continuity of care, opponents worried that treatment based largely around acute, episodic interactions with patients would result in missed opportunities for key care, such as preventive health counseling and important vaccinations. The conflict-of-interest argument insinuated that a clinic might overprescribe medications simply to drive business to the retail host's in-house pharmacy, as providers would be unable to provide purely independent healthcare services. Third-party research as well as objective outcomes proved that these concerns were unfounded, with the clinics consistently delivering excellent care and maintaining independence from any conflict-of-interest interference.

Increasing Involvement with and from Hospitals and Health Systems

Strategic partnerships with hospitals or major medical groups have also helped drive the evolution of the industry. As previously discussed, there are over 100 hospitals and health systems affiliated with retail clinics, equating to exponential growth over the last decade. At the outset of the industry, there were a few large health systems that were early adopters of retail-based healthcare and were among the founding members of the CCA (e.g., Aurora, Geisinger, Sutter), but the majority of

the first retail clinic operators were private corporations. Hospitals and health systems partner with retail clinics in two major ways: they serve as direct operators of the clinics in collaboration with retail host stores, or they may join as partners to provide collaborative physicians and facilitate the transition of patient care from purely episodic to more involved continuity of care. In this manner, the retail clinics actually facilitate appropriate, cost-effective access to the often cumbersome and confusing U.S. healthcare system.

Commitments to Quality

The bedrock of the retail clinic industry is the commitment in providing high-quality healthcare. To meet this pledge, the CCA developed and adopted a set of quality and safety standards to which all members would be required to adhere.

The CCA leaders understood that the establishment of quality standards for the entire industry would be critical to ensuring the safety and delivery of the highest quality care in retail clinics. All industry leaders, clinicians and operators agreed to support the following industry-wide, consumer-driven, patient care performance standards:

- Use of national evidence-based guidelines for each condition treated
- Achieve measurable high patient satisfaction
- Set a minimum standard for wait times

- Track numbers of patient visits to the clinic
- Establish a healthcare provider referral system in all markets allowing for timely treatment of conditions beyond the center's scope of practice
- Establish cost transparency for patients
- Adhere to OSHA and CLIA standards
- Establish quality monitoring and improvement programs
- Establish corporate compliance programs
- Establish emergency response plans and emergency equipment available at each site
- Establish post-visit access plans
- Provide discharge instructions and educational materials for each patient
- Establish minimum age for pediatric patients
- Use EHR with embedded evidence-based protocols from key national organizations

The next step in quality assurance was to organize a clinical advisory board consisting of representatives of clinic operators and national medical, nursing and accrediting organizations that were responsible for developing the first quality and safety guidelines for the industry.

CCA leadership recognized the importance of providing its members with an accessible path to third-party certification. Some clinic operators elected early on to pursue accreditation with groups like The Joint Commission or the Accreditation Association for

Ambulatory Health Care, and the CCA has a partnership with the Health Care Improvement Foundation, formally a partnership with Thomas Jefferson School of Population Health, to administer a certification developed specifically for members of CCA.

The most important factor for clinics and patients is quality. Quality assurance has been and remains crucial to the long-term success of the industry. Standardized guidelines have been developed to support and assist retail clinic providers in the clinical decision-making process at most retail clinics. These guidelines are not intended to replace the critical judgment of the provider, but to enhance and aid in the decision-making process. Retail clinic practices are grounded in evidence-based medicine and follow guidelines published by major medical bodies such as the AAP and AAFP. The clinics incorporate strict quality assessments into their evaluative structures, including internal and external chart reviews. In addition, most clinic operators utilize standard coding audits. Provider credentials are primary source-verified and work histories are reviewed, ensuring that those working in these independent roles have adequate education and experience. All clinicians abide by all state laws and regulations.

Technology

Technology has played a big role in the success and evolution of the retail clinic phenomenon. The clinics

started as a “disruptive innovation” and the industry wears that title proudly. This is an industry that has always thought outside of the proverbial box and technology helps the clinics to provide transparent, high-quality, easily accessible, consumer-driven care. Because the clinics are about 250-500 square feet, every inch of the exam room is utilized to fullest extent and technology has been key. Retail clinic operators utilize point of care lab testing, which leads to a better patient experience and higher quality outcomes. Telehealth enables the clinics to expand access to care in a greater capacity and electronic health records promote seamless coordination of care. Underscoring the importance of technology and telehealth, CCA and its members developed and adopted the Guiding Principles on Telehealth to ensure the highest quality of care.

Future Forecast

Retail health is an industry that exemplifies what it means to innovate and rapidly adapt and grow in an ever changing and tumultuous healthcare environment. Over the last decade, the retail clinics have bridged the chasm of accessible, affordable, high-quality primary healthcare and have provided consumer-driven healthcare to millions of Americans each year. With a focus on innovation, technology, education and workforce development, retail clinics will “disrupt” healthcare for another 10 years.

About the authors

Tine Hansen-Turton serves as the Executive Director and Administrator of CCA. Sandy Ryan is chair of CCA and Vice President of the Walmart Care Clinics.

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