



Financial Times

Business Life

Pioneers of retail therapy

By Christopher Bowe

December 4 2006

At Wal-Mart these days, customers can fill up a shopping trolley with groceries, clothes and Christmas gifts, then step into a clinic for a vaccine jab.

This medical spin on the weekly shop is being driven by companies such as Take Care, who rent retail space for clinics next to aisles of vegetables or camping equipment. Demand is so high that the company is considering installing “cart lockers” to keep shoppers’ items safe while they see a nurse.

Walk-in clinics are a rapidly growing feature of the US healthcare landscape. Companies such as Minute Clinic, owned by US drugstore chain CVS, RediClinic, Care Clinic and Take Care are expected to have several thousand retail clinics open by the end of next year.

But the booming industry has the potential to offer a lot more than a convenient place to treat the common cold. Advocates say they could fundamentally change how healthcare is managed in the US by providing the infrastructure for a nationally accessible system of electronic medical records.

Such records offer a way of tackling skyrocketing costs in healthcare provision. Records accessible nationally, or even internationally, could help doctors and nurses diagnose and treat patients’ illnesses quickly without repeating costly and time-consuming tests.

The current system is haphazard. About four out of five medical transactions in the US are handled in small clinics. Patients will often answer the same basic questions about their medical history on each

visit. Records are typically stored on files that are scattered between small clinics, doctor's offices or hospitals across the country.

Craig Barrett, chairman of Intel, the US chipmaker, is a leading proponent of electronic records as a way of transforming health provision in America. "In healthcare, information technology is the answer," he says. "Healthcare is a function of information technology."

Other countries are also chasing the prize. The UK's National Health Service has the most ambitious and closely watched project to build a comprehensive electronic medical records system. But so far the project has proved difficult and costly, estimated at £20bn.

Yet linking together the fragmented US healthcare system, which is privately based, poses an even bigger challenge. The government has made a tentative effort to begin the process. But efforts to move to an electronic system have met resistance because of fears over competition and the privacy implications of storing the data.

To push the cause of the electronic age, Mr Barrett has formed a coalition of at least 10 large companies, including Intel and Wal-Mart. It aims to establish a standard for employees' electronic medical records, with the data stored at an independent repository.

Retail clinics could provide the impetus for reform. Since patients can walk in without an appointment and the services offered are relatively inexpensive, the clinics could act as a first stop for medical care for those with or without health insurance. Most important, they will be spread across the country.

"We might be an enabler to create the electronic medical record, because we're seeing a lot of patients," says Peter Miller, chief executive of Take Care.

As the number of clinics increases a vast database of information will accumulate. Take Care alone expects to be seeing 100,000 patients a year once its nationwide expansion plans are complete, says Mr Miller.

Those records would be kept on a web-based network system accessible to clinics across the country. Moreover, the industry would have an interest in linking all clinic companies' electronic record systems: the potential cost savings that would result from having access to patients' treatment data.

How does the system work? The process of creating an electronic record begins at the registration kiosks in walk-in clinics.

Patients register on web-based systems, filling in basic personal and health information to create an electronic record in less than five minutes. This is then used as a reference throughout the treatment process.

The data includes diagnosis and treatment, including prescription drugs ordered. In more complex cases, involving severe or chronic conditions – heart disease, for example – the patient can be referred to a doctor or specialist.

Practitioners can use hand-held tablet computers to input data, or track and reorder the equipment used in the clinics and its stock – down to the level of a cotton wool swab.

To improve efficiency, the systems can also review the work of a nurse practitioner, for example, comparing the time he or she spent with a patient to the cost of service.

Patients can use their credit cards to check in and check out of a clinic and locate their individual records. After seeing the nurse they receive a print-out giving details of the care they have received.

Jack Tawil, chairman and chief executive of CheckUps, says the company is working on biometric systems so that a patient can check in and locate records using their fingerprint. “I’m using the retail base as a platform,” he says. “Even hospitals don’t have what we have.”

The stringent US health information privacy laws, however, are far from accommodating. Indeed, they could pose a serious stumbling block to setting up ways of sharing health information. There have been concerns raised, for instance, over the use of sensitive personal information by employers to discriminate against their employees.

Walk-in clinics counter that they should at least be allowed to provide a basic electronic record – perhaps omitting more sensitive health information – to help doctors and nurses provide a better service. As suggested in Mr Barrett’s plan, that record – called a continuity of care record – could in future be stored on a secure system to ensure the privacy of patients is protected.

The development of secure systems will be an important factor in building the trust of patients. Such trust may be particularly difficult because the industry is still in its infancy. Consolidation and change is likely, as providers fold or buy out rivals.

In July, an industry study by the California Healthcare Foundation noted that the emerging clinics were an innovative idea, particularly amid a “scarcity of new ideas about how to improve the cost and delivery of healthcare.”

The study added, though, that “questions remain about how the clinics will fare as a business model”, given that they must compete for retail floor space with other products and turn a profit.

But several large employers, including Wal-Mart, appear to be lining up behind the clinics as a vehicle of change in US healthcare. Even those businesses that ultimately fail to thrive will be building up records that could form the basis for a future electronic records system.

A healthy dose of efficiency

Jack Tawil, chairman and chief executive of CheckUps, holds his prefabricated health clinics in high regard. “The feel is really like you walk into a [Manhattan] doctor’s office, not a Wal-Mart,” he says.

Whether luxurious or not, the clinics are easy enough to set up within the vast floor space of the discount retailer.

When a truck arrives to deliver a new CheckUps clinic, its contents have been packed so that they can be unloaded in a precise order for assembly. The walls come first, with finished interiors in rich cherry and maple woods. All the wiring is pre-installed. Laboratory equipment, including an X-ray machine, is rolled out, followed by the finishing touches of furniture, computers, medical supplies, doors and decorations.

It takes the company only about nine days from being granted building permission to transform a 800 sq ft space inside the retailer into a low-cost, walk-in medical clinic.

A nurse can then begin to see customers for minor illnesses such as sore throats or preventive measures such as vaccines. Clinics offer routine healthcare with prices of between \$30-\$50 a visit – significantly less than patients would pay to see a doctor.

Such clinics are not only appearing in supermarkets. Companies such as RediClinic are now setting up operations in city-centre drugstores across the US.

Operators hope that as well as delivering care, their well-appointed clinics will send customers an important message: access to healthcare can be inexpensive, but it does not have to look cheap.

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