

PRESS-REGISTER

Mobile, Alabama

Health care on aisle 3

Sunday, October 29, 2006

*By PENELOPE McCLENNY and KAIJA WILKINSON
Staff Reporters*

In an age in which mega retail stores give customers the option of developing film, buying groceries and getting their hair cut under one roof, a new type of business is beginning to deliver yet another option -- health care clinics in a retail setting.

Two such companies -- Wellspot and CheckUps -- have announced they will bring health clinics to Mobile within the next few months. Wellspot has partnered with Bruno's stores while CheckUps has signed an agreement with Wal-Mart.

These types of clinics help skirt the longer waits and more expensive visits at a regular physician office by offering a limited number of services, usually through a nurse practitioner or physician assistant.

Known as "physician extenders," nurse practitioners and physician assistants can diagnose and treat a limited number of conditions and refer patients with ailments beyond their purview to primary care providers. The menu offered at retail clinics includes such services as physicals and some laboratory work as well as vaccines and diagnoses for ailments such as sinus infections and colds. They accept both insured and uninsured patients.

"It's tough right now, as anyone knows, because it's generally a long wait" at many physician offices, said James Laughlin, chief executive officer of Wellspot Inc.

"It really is a phenomenon in that they're (primary care physicians) better suited for the more complex cases. We are better suited for those routine, high-volume cases."

Laughlin said the company has already identified several potential locations in Mobile, although none have been confirmed.

"It's just a matter of whether we can get down there before Christmas," he said.

Kevin Lazarus, manager of the Wal-Mart Supercenter on Beltline Highway, said he expects work to begin in a few weeks in a vacant space in the store.

Why the rush?

So why the rush? Several factors appear to have created perfect timing for health clinics that can treat minor ailments and save patients a visit to their doctors' offices. National medical organizations have been sounding an alarm over a predicted shortage of primary care doctors, a problem exacerbated by the aging baby boom generation.

In fact, the Association of Medical Colleges recently encouraged schools throughout the country to add more student slots.

"Medical schools are graduating far fewer," Laughlin said. "It really is a supply and demand thing."

Not only do many populations need more doctors, but today's fast-paced society pushes people to look for more ways to save time. Retail watchers say the convenience factor makes retail-centered health clinics work, and is driving growth of that concept.

Laughlin said Wellspot has about eight competitors, including CheckUps.

New York-based Quick Quality Care of America LLC, which does business as CheckUps, announced an agreement with Wal-Mart Stores Inc. to open 20 new clinics in the Southeast by the end of the year, including nine in Alabama with four in the Mobile area.

CheckUps was founded about three years ago, and opened its first three clinics in South Florida, according to company spokesman William G. Armstrong. The push that includes Alabama is the company's first major foray into the market, fueled in large part by Wal-Mart, he said.

"What Wal-Mart did is lease space in 50 of its stores to competing and similar type of clinics," Armstrong said. "Of those 50, CheckUps received 20 of them, or the lion's share of the Wal-Mart experiment. And they are important partners to have."

Armstrong added that CheckUps does not have an exclusive agreement with Wal-Mart, so both partners are free to pursue other deals.

CheckUps will likely seek locations in other types of retail centers, including grocery stores, he said.

CVS Corp. (NYSE: CVS), meanwhile, has acquired Minneapolis-based MinuteClinic, the largest provider of store-based clinics, in a deal announced in July.

MinuteClinic has grown to more than 100 clinics in 15 states, 86 of them CVS-based, since the company's founding six years ago. There are also MinuteClinics in some grocery stores, but none in the Alabama market.

A CVS spokeswoman said the company planned to put MinuteClinics in all of its markets, but did not announce time frames for competitive reasons. She said there are 16 CVS stores in the Mobile area and 145 in Alabama.

Routine nature of care key to clinics' appeal

Deborah Spake, assistant dean and associate professor of marketing at the Mitchell College of Business at the University of South Alabama, said the routine nature of the medical care offered by such clinics is the key to their appeal.

She also said that such service will help grocery stores like Bruno's compete.

Lorrie Griffith, editor of grocery industry trade publication The Shelby Report, agreed, noting that the concept has really started to take off in the last year.

According to the Food Marketing Institute, 21.7 percent of more than 4,700 member supermarket retailers surveyed this year have medical clinics. This was the first year the survey included a question about medical clinics, a institute spokeswoman said.

At first glance, getting a sinus infection treated within walking distance of the produce aisle may seem like an odd combination, less natural than being treated within a drug store where a large part of the merchandise revolves around health. Wellspot's Laughlin, however, sees grocery stores and pharmacies as more similar than different when it comes to their potential for hosting successful health clinics.

Grocery stores that already have Wellspot clinics have signs on the buildings' facades, much like the pharmacy signs now displayed at some supermarkets. Inside the store, Wellspot clinics are placed in close proximity to the pharmacy, Laughlin said.

"It just accentuates the convenience factor to have the pharmacy right there," he said.

At least one local health official is worried about that convenience.

Several months ago, Dr. Bernard Eichold, health officer for Mobile County, began questioning the safety of health clinics situated within major retail centers. Watching the trend unfold in other parts of the country, he approached the county's health board with his concerns and also wrote a letter to state Health Officer Dr. Donald Williamson seeking advice.

"I have concerns about it with highly contagious respiratory issues, pandemic flu being the worse-case scenario," Eichold said. "We know with highly contagious disease, social distancing is a means of preventing the spread. Why not put a small building in the middle of the parking lot? My concern is that if you incorporate it into the main building, that could be a problem."

No official stance

The state Health Department has not taken an official stance on the issue, Williamson said in a written reply to Eichold.

"The emergence of physician offices in retail entities does create some previously unanticipated challenges," Williamson wrote. "As we move forward with pandemic planning, we will certainly consider how to address this new dynamic."

Modern society is drifting toward "mega shopping," Eichold said, and in most cases, combining services, even some health services, is not a problem. Placing optometry offices and dental clinics within retail centers poses no threat of contagious disease, but clinics attracting the "walking ill" might, he said.

The trend has the potential to help with the shortage of health care services, Eichold said, and added that an answer to some of his concerns may be to create a set of guidelines for retail-centered clinics to follow. For instance, the stores could be required to include air circulation systems that prevent their air from mixing into the retail section of a store.

Laughlin, who said Wellspot clinics meet guidelines set for retail health clinics by the American Medical Association, said there are "a lot more intimate settings than the grocery store." While he acknowledged fears of

an influenza epidemic, he said most Wellspot customers who are sick usually don't spend a lot of time in the grocery store section anyway.

"It's sort of a destination business," he said. "You don't really hear people say, 'I'm going to go shop for the milk and eggs and get checked out, too.'"

© 2006 The Mobile Register
© 2006 al.com All Rights Reserved.

Online:

<http://www.al.com/printer/printer.ssf?/base/business/116211768936680.xml>