

AAHAM Philadelphia Chapter

Impact of Urgent Care and Retail Clinics in the Delaware Valley

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■ **Session will cover:**

- **Retail Healthcare**
- **Market Forces**
- **Business and Care Models**
- **Technology/EHR**
- **Reimbursement**
- **Legal Issues**
- **What the Future Looks Like**



Retail Healthcare

Retail Clinic Defined



- A medical clinic located within a larger retail operation that offers general medical services (as opposed to specialty clinics such as eye care) to the public on an on-going basis.



Traditionally a retail clinic is not a “Doc in a Box” (Urgent Care Center) because:

- Limited service offering (increases speed)
- Co-location with a pharmacy (increasing convenience)
- Lower cost structure (reduces prices)
- Different care model (NP/PA vs. PCP)



But the lines between hospital ambulatory sites, retail clinics and urgent care centers is getting blurred

**Example: Main Line Health in Exton Square Mall:
<http://www.mainlinehealth.org/exton>**



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Retail Healthcare – By the Numbers

- Nationwide approximately 1,400 retail clinic locations and 9,000+ urgent care centers
- 80% of UCCs are physician owned with one or two locations
- 70% of UCC patients have commercial insurance
- More than one-third of all Americans are within a 10 minute drive of a UCC/Retail Clinic
- 10 Million Visits Annually
- Ongoing consolidation

Source: Harvard Health Publications (2014)

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Retail Healthcare – National

Company Brand	# of Clinics
MinuteClinic (CVS)	665
Healthcare Clinics Walgreens	420
Concentra (Humana)	309
US Healthworks	145
AFC Doctors Express	140
MedExpress	112
The Little Clinic	93
NextCare	87
Target Clinic	54
FastMed	53
Doctors Care	52
Patient First	55
CareSpot	45
RediClinic	30
Physicians Immediate Care	29
Hometown	27
FastCare	25
Baptist Express Care at Walmart	18
WellNow	17
DR Walk-In Medical Clinics	13

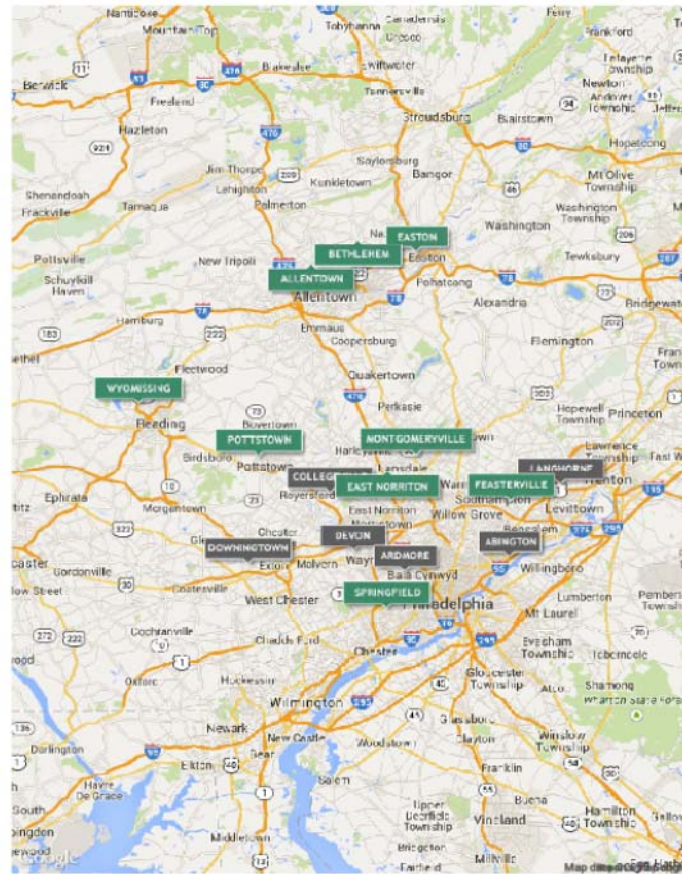
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Retail Healthcare – Regional

- **Doctors Express Urgent Care**
Philadelphia, PA
- **Temple ReadyCare - Port Richmond**
Philadelphia
- **Advanced Urgent Care**
Philadelphia
- **Med Express**
Philadelphia
- **Concentra Urgent Care**
Philadelphia
- **Advanced Urgent Care**
Philadelphia
- **CareSTAT Urgent Care**
Havertown, Folsom, Springfield,
Abington
- **Premier Orthopaedic & Sports
Medicine Urgent Care**
Media, PA
- **Premier Urgent Care**
Logan Township, NJ
- **Patient First**
20+ locations in PA and NJ

Patient First Locations – Eastern Pennsylvania



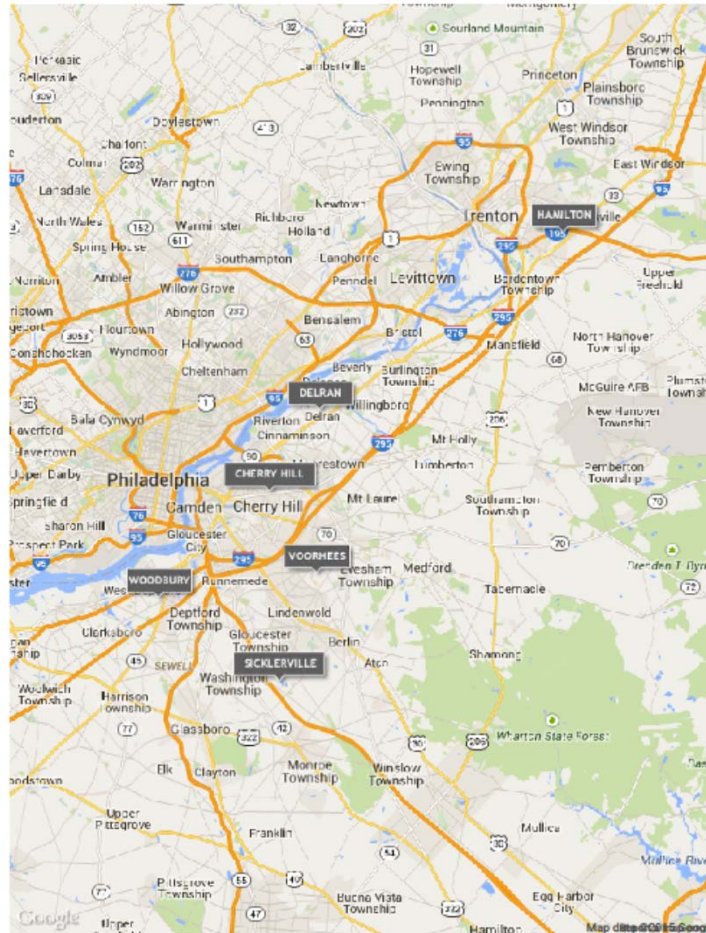
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Patient First Locations – New Jersey



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Market Forces

■ Market forces driving retail healthcare

- Acute, long-term shortage of primary care physicians
- Greater acceptance of mid-level practitioners – NPs/PAs
- Increased number of consumers with health coverage
- Consumers paying for health care – and making provider decisions
- HDHP/HSA coverage is here to stay
- Consumers taking a DIY approach to healthcare and information sourcing
- New services and devices for home care create new capacity to “be your own doctor”
- Private capital is fueling innovation in healthcare delivery especially technology

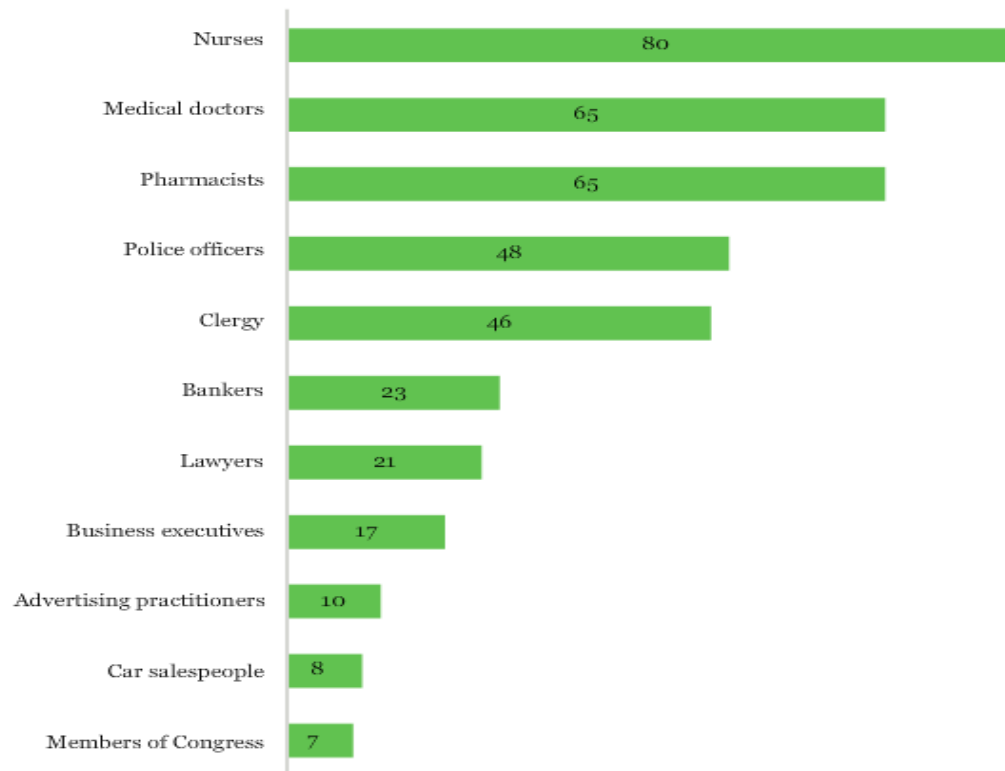


Market forces driving retail healthcare – Public Perception

Please tell me how you would rate the honesty and ethical standards of people in these different fields -- very high, high, average, low or very low?

Dec. 8-11, 2014

■ % Very high/High



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- **Market forces driving retail healthcare**

*“People are demanding health care to react similarly to other service industries, where people have a need and they want it relatively easy. The traditional health care system really is not adequate to support the need. **Between 40 percent and 50 percent of the patients who have visited the clinics at CVS, Walgreens and Walmart reported they have no regular primary care provider.** At the same time, retail clinics offer services at clearly marked prices that often are lower than at physician's offices and hospitals.”*

Nancy Gagliano, Primary Care Physician and CMO, CVS Health's MinuteClinic

- **At the end of the day, it is all about the rise of consumerism and how it drives one's behavior in the market**

Business and Care Models

Business Model

- **Location:** Small medical clinic located in a retail outlet (grocery store, pharmacy, department store, mall, etc.)
- **Ownership:** 80% of UCCs owned by physicians/for profit
- **Access:** Walk-in; extended hours
- **Pricing:** Average Cost per Visit
 - Minute Clinic - \$110/visit
 - PCP Office - \$156/visit
 - UCC - \$166/visit
 - ED - \$570 - \$940/visit



Source: Rand Corporation

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Care Model



- **Staffing:** PCPs/PAs/NPs
- **Limited Scope of Service:** Basic primary care services and tests: acute minor injuries and infections – strep throat, ear, eye, sinus, bladder, bronchial infections, sports physicals
- **UCC's** – Greater variety of services beyond basic primary care – lab, x-ray
- **Traditionally no “chronic conditions”:** diabetes, asthma (but see Walgreens chronic care roll-out and video technology)



Care Model

- **Quality and Patient Satisfaction**
 - **Initial studies suggest quality of care is comparable among retail clinics, urgent care centers and PCP offices for select conditions**
 - **Critical importance of information transfer to PCPs and care coordination**
 - **Geisinger Policy: “With the patient’s permission, we will notify [PCP] within 24 hours of [patient’s] visit by phone, fax, letter or email in accordance with [PCP] individual preference” (Geisinger has its own retail clinics-Careworks Convenient Healthcare and employs most of its PCPs)**

Care Model

- **Specialty Standards for Urgent Care Medicine**
 - American Academy of Urgent Care Medicine
 - American Academy of Family Physicians
 - American Academy of Nurse Practitioners
 - American Academy of Pediatrics
 - American College of Emergency Physicians
 - ACP, AMA
- **Convenient Care Association Standards**
- **Accreditation/Certification (Convenient Care Association; Urgent Care Association of America)**

Care Model – Quality Examples

1. Patient went to retail health clinic - 1 day cold- put on antibiotic
2. 2 patients went to retail health clinic - with colds. each given 4 prescriptions; both given antibiotic, one given Levaquin- very potent, expensive antibiotic
3. Urgent care- treated for sinusitis with a particular Antibiotic which is not indicated for sinus infection
4. Urgent care- sore throat. negative strep test- given Antibiotic anyway
5. Urgent care- obvious appendicitis by physical exam - blood drawn and urine test. Should have been sent to ER directly. no tests needed
6. Retail health clinic - patient diagnosed with 4/6 heart murmur. That is a medical emergency. Real murmur is 2/6 in this case. NP did not understand the potential severity of 4/6 murmur.

Technology/EHR

Innovative Use of Technology



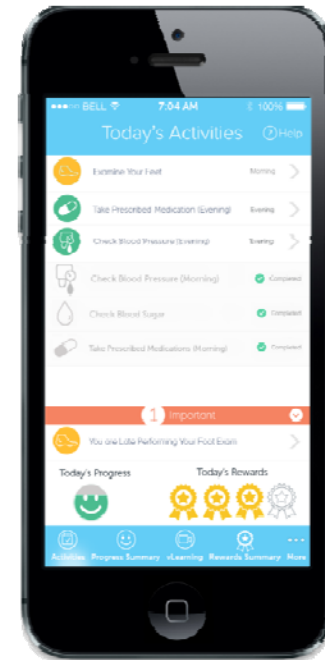
- **Electronic medical record and proprietary software programs that**

- **Permit patients to perform self-registration**
- **Tie in to protocol-driven diagnosis and treatment**
- **Generate prescriptions**
- **Tie into billing programs**
- **Apps for prescriptions-dosage alerts, refill reminders**



Investment in Technology

- CareCam Health System
- 2007 – Hal Rosenbluth, CEO
(former Walgreens executive)
- *v. Health* (Mobile app for video chronic care management)
- 2015 – Investment and collaboration with IBC Center for Health Innovation
- Others - Optum telehealth
 - Walgreens MDLive



Innovative Use of Technology

- **Clinic EHR to PCP or Hospital EHR Problem**
 - **Critical importance of information transfer in care model**
 - **Most clinics used EHR from the start-may not be compatible with PCP or hospital systems**
 - **Minute Clinic and Cleveland Clinic – both use Epic EHR called EpicCare → provides enhanced connectivity with advanced patient portals capability and key analytics**
 - **These two examples not the norm -- yet**

Innovative Use of Technology

■ Privacy and Security

- HIPAA Privacy and Security Regulations, HITECH Act and Omnibus Act applicable to UCCs and Retail Clinics
- Tremendous data points available to these retailers – buying patterns of consumers (food, cigarettes)
- However, many retail clinic chains view HIPAA as a “regulatory constraint”
- Recognize need to be transparent and “clear” about any data usage-but tension exists
- HIPAA prohibits sale of PHI
- HIPAA requires specific patient authorization for marketing

Reimbursement

- **Payers have shifted their view on coverage, rates and competing**
- **Partnering with retail clinics-interested in trend of chronic care management-wedding technology with health education-NPs and PAs provide education at higher rate than PCPs**



**BlueCross
BlueShield**



UnitedHealth Group

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Medicare Reimbursement (cont'd)

- Medicare will pay the employer of the NP or PA, defined to include a party that has either an employment or independent contractor relationship with the NP or PA
- Will also pay NPs directly, but not PAs
- Note: Some private payors don't reimburse for NP/PA services

Medicare Reimbursement

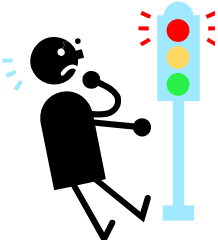
- Medicare pays for NP and PA services of the type that are considered physician services if performed by a physician
- Reimbursement rate is 85% of the physician fee schedule amount
 - Medicare pays 80% of this 85%
 - Patient pays 20%, as with physician services
- Rate is 100% of the FFS amount if “incident to” requirements are met



Legal Issues

Legal Issues Raised

- Clinic licensure
- Corporate practice of medicine prohibition
- State and federal Anti-kickback Statutes
- Scope of Practice of NPs and PAs
- Professional liability



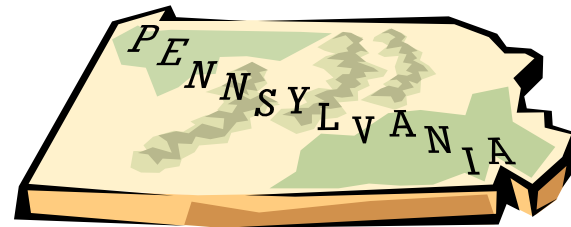
Clinic Licensure

- **Generally, states require that any premises used to provide medical services to members of the general public be licensed as a clinic, or qualify for exemption from clinic licensure requirements.**
- **Many retail clinics obtain clinic licenses and operate in accordance with state clinic licensing requirements.**



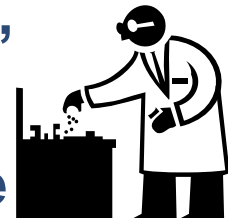
Clinic Licensure (Cont'd)

- **Alternatively, retail clinics seek exemption from clinic licensure requirements, typically by qualifying for an exception for space leased and operated by physicians (i.e., a physician medical office).**
- **PA – No current licensure; operates as a “physician office”**



Corporate Practice of Medicine

- Many states have strict “corporate practice of medicine” prohibitions that limit the extent to which a lay entity can control or share medical practice revenue with physicians (e.g., Arizona, California, Massachusetts, New Jersey, New York, Ohio, Texas, etc.)
- Means friendly physician must exert considerable control over clinic operations (Medical Director)
- Often means lay entity can’t own practice – so therefore can’t keep profits
- Pennsylvania has limited corporate practice of medicine restrictions



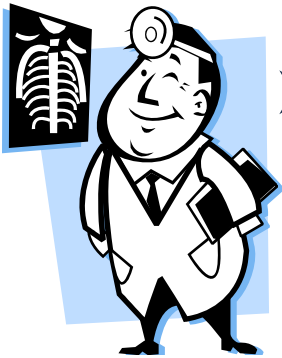
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Anti-Kickback and Related Issues

- **Fair market value and compensation methodology may also raise federal and state anti-kickback and fee-splitting statutes issues:**
 - **All facets of arrangement must be scrutinized to ensure state and federal anti-kickback and fee-splitting requirements are met.**
 - **Fair market value for rent, compensation, etc.**
 - **Referral relationships scrutinized**
 - **No beneficiary inducements**

Anti-Kickback and Related Issues (cont'd)



- **If the Retail Clinic or UCC (most likely) provides clinical laboratory services, diagnostic imaging or durable medical equipment (to name a few), then physician self-referrals statutes (i.e., the “Stark” law) and its state law equivalents may come into play**



NP and PA Scopes of Practice

- **Determined by state law**
- **Both can perform most (if not all) primary care services performed by a physician**
- **PAs require “physician supervision” (generally licensed under Medical Board)**
- **NPs require “collaboration” with a physician (generally governed by Board of Nursing) – greater freedom of practice**



Physician Supervision/Collaboration Requirement

- Physician need not be physically present, but must be available at all times electronically
- Some states limit the number of PAs or NPs that physician can supervise at the same time
- Physician-approved protocols are an accepted means of supervision in many states
- Collaborative Agreements/Prescriptive Authority for NPs
- NPs can independently run clinics in 18 states



Professional Liability

- **Clear communication to patients that they are being seen by a mid-level practitioner – verbally and with name tags showing licensure**
- **Pennsylvania-physicians directly legally responsible for acts of PAs**
- **Validated protocols help reduce liability**
 - **Appropriate limits on services performed**
 - **Appropriate referral and consultation practices**



What does the future hold?



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- **Options for Physicians/Health Care Systems Clinic**
 - Referral List
 - Medical Oversight/Staffing
 - Become Operator (Main Line, Premier Orthopedics)
 - NOW Centers (expand access through PCP offices)
 - Joint Ventures
 - Target Clinics and Kaiser Permanente
 - Partners Health Systems and Med Spring



What does the future hold?



- **Consumerism and service offerings**
- **Consolidation**
- **Joint ventures/co-branding (hospitals gain access to retailers' capital)**
- **Accountable care and clinical integration-note: need EHR compatability- Walgreens ACO**
- **Technology**

Questions?

Questions?

Questions?

