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Fast medicine: Designed for convenience, retail clinics are gaining popularity among patients

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Feeling ill and suspecting she needed a prescription for antibiotics, Megan Cooper didn't want to wait for an appointment with a doctor — and certainly didn't want to take off work to spend time sitting in a waiting room.

Like more and more Houstonians, she opted to try a relatively new offering in “convenience” health care — the walk-in “retail clinic.”

Cooper, who passes three grocery stores on her way to work every day, ventured into a RediClinic inside an H-E-B Grocery Co. store, where she says she was, at the time, the only patient. Within 10 minutes, Cooper was in the exam room.

Her diagnosis: “Walk-in clinics are great if you need a prescription immediately, but can't get an appointment with your doctor quickly enough.”

After seeing each patient, the clinic staff can send a prescription electronically to the pharmacy of the patient's choice, but since walk-in clinics are usually located adjacent to a pharmacy, customers often choose the easy route once again, walking next door and picking up their medications minutes later.

“I was in and out in less than an hour and could get on with my busy day,” Cooper says.

The clinics are often used for preventative care, as well. Heavy advertising of flu and H1N1 flu vaccines also convinced many of Cooper's friends and co-workers to stop and get immunized.

Considering consumer demands of the 21st century, it's no wonder that medicine in convenience form is steadily gaining popularity and expanding throughout the Houston market. In 2008, there were 43 retail clinics in Houston and that number grew to 51 retail clinics by the end of 2009, according to statistics compiled by Minnesota-based Merchant Medicine LLC, a retail clinic strategy and implementation consulting firm.

Houston-based RediClinic LLC — operated by Memorial Hermann Health Care System — has opened 16 clinics in the area, while Minneapolis-based MinuteClinic operates nine locations. Conshohocken Pa.-based Take Care Clinic operates 12 sites in the Houston market and Irving-based Christus Health operates eight clinics. Brentwood, Tenn.-based LittleClinic has six locations.

The National Center for Policy Analysis estimates that, at present in the U.S., there are between 1,100 and 1,200 retail health clinics — walk-in facilities located in places such as pharmacies, discount and grocery stores. The Dallas-based nonprofit has authored a new report that predicts the number of these retail clinics will nearly triple over the next four years.

Devon Herrick, senior fellow for the National Center for Policy Analysis, authored the new report on retail health clinics in which he predicts the number of retail clinics will reach 3,200 by 2014.

Herrick points to demand for convenient, affordable health care as being behind the anticipated growth, but suggests that Texans may demand that convenience even more.

“I expect the growth of retail clinics in Texas will outpace the national average,” Herrick says.

A Treatment plan for all

Another segment of the population that is boosting the demand for these clinics is patients without health insurance.

Roughly one-in-four Texans is uninsured. Many retail clinics offer those patients greater cost transparencies than they might encounter elsewhere, quoting prices for visits and medications upfront.

“Moderate-income people,” Herrick explains, “may not have coverage or may not have met their deductible. So they want low-prices — and especially the ability to know in advance what it’s likely to cost.”

As a full-time graduate student, Cooper was without health insurance for about two months in early 2009.

“I was able to see a doctor and get two prescriptions for less than \$100, which is unheard of,” she says. “I was very shocked at the low price.”

Retail clinics are attracting more insured patients, too. Whereas many of these clinics once accepted only cash payments for care they provided, more are now accepting health insurance.

“Now only about one-third of (retail clinic) patients pay cash,” Herrick says.

Despite their popularity, Cooper is one patient who doesn’t believe such clinics will take the place of a traditional physician’s office — just yet, since the practitioners staffing walk-in clinics are “not nearly as experienced” as traditional physicians.

Diagnosing problems

Retail clinics are typically open seven days a week. Although their services are limited, none require patients to call and schedule appointments.

However, like many new businesses adapting to growth and change, the retail clinic industry has experienced growing pains.

Webster “Web” Golinkin, CEO of Houston-based RediClinic, says the retail clinic industry enjoyed some rapid growth a few years ago, but then retrenched as operators faced new challenges and worked to adjust their business models.

In 2006, RediClinic announced that it expected to open as many as 500 new locations across the U.S. by 2009. That plan never materialized. At present, RediClinic has 22 locations — 16 in Houston and six in Austin. Each are located in H-E-B stores.

“We changed our strategy. We decided we wanted to refine the business model before implementing that expansion,” Golinkin explains.

RediClinic has since retooled its business model, he says, and expansion is again part of the game plan.

“We will add a meaningful number of new clinics over the next few years,” he says.

Does that expansion plan include Houston? Golinkin won’t say which markets RediClinic is considering, but says H-E-B, which is expanding throughout Houston, is an “important partner.”

Golinkin is also expecting company. He predicts other retail clinic companies will look to expand their presence, and expects to see some significant industry expansion beginning later this year.

Herrick, who notes that the retail clinic industry was not immune to the national recession, expects modest growth over the next few years. He points to a report by the Deloitte Center for Health Solutions, which projects 10 percent to 15 percent growth in 2010 through 2012 and a 30-plus percent growth rate in 2013-2014.

Operators, after enduring a “period of cautious retrenchment,” will “build on what they’ve learned,” he says.

A cure for the crowded E.R.?

Will retail clinics help lift some of the burden off overcrowded hospital emergency rooms?

So suggests John Hawkins, senior vice president of advocacy and public policy for the Texas Hospital Association.

“The Texas Hospital Association supports innovative solutions to expand primary care and make basic health care services more accessible and affordable for patients,” he says. “Retail clinics — provided that they meet appropriate quality standards and that there are clinical oversight requirements — play an important role in the health care continuum, especially for those who are uninsured and underinsured.”

Golinkin tends to agree.

“Anything that increases access and reduces costs is necessary,” he says. “Retail clinics are doing a good job in both areas.”

Herrick says the retail clinic industry has had to learn what works and what doesn’t.

According to Deloitte, there are a trio of factors that are critical to any sustained industry growth: Profitability, patient volume and the ability to attract more insured employees.

Says Herrick, “More people are becoming familiar with retail clinics and more insurers are willing to reimburse for retail clinic visits.”

But Herrick says one of the factors that will drive retail clinic expansion is access — a fact he expects will be compounded by any national health care reform package.

“I believe,” he says, “the underlying condition that will ultimately lead to more people using retail clinics is the difficulty many people have in getting to see their primary care physician.”