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BENEFITS
of On-Site Clinics

With ACA in full-effect, employers of every size are further burdened by the rising cost of healthcare, and the surprisingly significant administrative cost to maintain compliance with the law. While the regulations themselves don't impose much direct cost increase, they do make it more difficult for employers to leverage benefit-rich plans to attract and retain top talent. And with the cost of care rising so quickly, most employers have been forced to either shift the financial burden to their plan members or consider adopting new strategies that help manage the health, and cost of their health plan.

A 2015 survey by the International Foundation of Employee Benefit Plans found that:

- More than one-third of organizations now have increased out-of-pocket limits, in-network deductibles and/or participants' share of premium costs in response to ACA.
- More than one in five organizations have increased co-payments or coinsurance for primary care, increased participants' share of prescription drug costs and/or increased the employee proportion of dependent coverage cost.
- Fifteen percent of organizations have adjusted hours so fewer employees qualify for full-time employee medical insurance.

While it is understandable that employer's first instinct would be to shift more of the financial responsibility to their workforce, innumerable studies have confirmed that high-deductible health plans both impair access and increase the risk of financial hardship, so they have a negative impact on both the health security and the financial security of the employees. The result is expensive, low-value coverage that will either be abused (driving up future plan cost) or totally unused (leaving many at-risk employees without necessary care).

A New Approach

An increasing demand for improved employee health and health plan cost control is driving exponential growth of direct primary care and population health management. According to Mercer, employers are responsible for over 75% of all total healthcare spend with that number expected to reach 80% in the not-so-distant future.

However the concept of direct primary care is still relatively foreign to most employers, and the idea altogether can seem risky. Many top-level HR employees, as well CFO's look at direct care as an add-on, rather than a shift in expenditure. This is a huge mistake that is costing thousands of companies millions in healthcare dollars every year.

Although there are many reasons the cost of healthcare is rising so rapidly, it is a well known fact that the primary driver is the declining health of our nation. The explanation for the problem then is simple and can be summed up in three words: supply and demand. The more care that's demanded from the system, the more it will cost. Period. Employers therefore should be primarily concerned with improving the health of their workforce, thereby reducing the overall demand for care.

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All of that said, there's a reason why companies like Walt Disney Co, American Express, Toyota, General Mills, and hundreds more, are adopting powerful direct care strategies. They work. By removing the many barriers that are present in the traditional care delivery systems (commercial insurance, private practice, hospital systems, etc.), employers are seeing a dramatic shift in the behavior and well-being of their workforce. They're also gaining considerable control over their plan by leveraging health data that simply isn't available in the commercial insurance world. The natural end-result is a healthier group, and bottom-line.

10 Remarkable Benefits of Population Health Management via On-Site and Multi-Employer Health Clinics

1

Improved Access to Care

Hands down the most important benefit that on-site clinics provides is the better accessibility to care, and a substantial boost in the number of opportunities to intervene with disease. Studies have shown that the inability to access care when it's most important is one of the primary contributors to the prevalence of chronic disease and metabolic syndrome. In the traditional healthcare delivery system, people wait until the seriousness of their issues outweigh the hassles involved. It isn't surprising then, with less hassle comes more participation, better awareness, and improved health.

And if you thought primary care was difficult to access now, just wait. According to the Association of American Medical Colleges, the US is expected to experience a shortfall of between 20,000 and 30,000 primary care physicians by 2025.

Here are five common barriers that prevent employees from obtaining primary care:

- Inaccessible or inconvenient locations
- Expensive Copays
- Lack of available appointments
- Longer wait times
- Unfriendly environments

When employees don't seek care, they are more likely to end up in the hospital receiving complex, costly treatment for something they could have prevented.

On-site medical clinics remove these barriers of inconvenience because:

- They are located at or nearby your office
- They remove cost to members
- Services are only offered to employees and their dependents, resulting in a demand for care that is much more proportional the availability of physicians and resources, which allows greater appointment availability and shorter wait times

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2

Customizable and Consumer Centric Services

Insurance companies homogenize fully insured benefit plans. As a result, these plans prove insufficient in meeting employees' health needs. A standardized health plan simply cannot match every company's health needs because no two companies are identical. When health needs are left unmet, employees pose a higher risk for large, costly claims.

In contrast, On-sites allow employers to secure greater jurisdiction over their plan and can more easily customize it to satisfy their company's needs. The majority of the time, on-site clinics are totally customizable and work in collaboration with an organizations other health and wellness initiatives. Outside of treating acute and chronic needs, on-site clinics and their staff can be leveraged to launch and manage wellness programs, health education events, and customized coaching programs.

From an analytics standpoint, employers can leverage data from their on-site clinic's EMR to evaluate reasons for clinic encounters, Rx information, and biometric data, all of which assist in further understanding and stratify organizational risk. These insights create opportunity to further customize a health plan by focusing on areas that best suit the needs of the population.

3

Reduction in Specialty Referrals

By contracting with an independent on-site clinic provider, your employees will receive better front-line care and honest medical advice, almost always resulting in less frequent referrals to outside specialists. When a referral is indeed necessary, on-site clinic providers typically work to refer within an employer's existing health network, resulting in more predictable healthcare expenditures.

4

Reduction in Large Claims

When patients are able to regularly seek a PCP for disease management, accountability and compliance increase. Because the majority of healthcare expenses are associate with preventable illness such as cardiovascular disease, diabetes, and stroke - higher levels of compliance results in fewer catastrophic claims.

According to a study by Milliman, which you can read here, the average cost of many popular and preventable claims are pretty substantial:

- Heart Attack including Cardiac Revascularization (Angioplasty with or without Stent) \$72,000
- Stroke \$61,000
- Coronary Artery Disease \$75,000

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5

Less Out-of-Pocket Expenses for Employees

Easily measurable, a reduction in out-of-pocket expenses for your workforce is a huge bonus. A recent meta analysis by one of the nations largest providers in on-site clinics demonstrated that on average, an on-site clinic can put \$900.00 back in to the pockets of engaged participants over a 5 quarter period.

Some on-site clinics completely remove all costs associated with primary care visits including copays, prescriptions, labs, x-rays, and more.

6

Reduced Absenteeism and Presenteeism

Healthy employees don't miss work, sick employees do. That we know for sure. On-site clinics help remove the inconvenience that often leads to chronic illness.

Ever wondered what happens when sick employees DO show up to work? While it's okay to give them kudos for the effort, the result is actually counterproductive in that they're probably not as efficient as normal and they could be passing sickness to their co-workers, leading to more missed time.

7

Improved Worker Productivity

It's hard to exactly quantify how much productivity is lost every time an employee leaves the work-site for a medical visit or because of illness. That said, we do know that missed-time because of illness is something that's been frustrating employers for a very long time.

The Towers Watson 2012 On-site Health Center Survey found that productivity was a goal for 62% of companies surveyed — making it the No. 1 benefit desired from this approach. Simply put, on-site clinics provide substantial gains in productivity as a result of convenient locations and little waiting.

8

Improved Worker Recruitment / Retention

Nowadays, the benefits that employers offer their workforce are sometimes just as important as wages and can often be the determining factor on whether an employee decides to stay or leave. With the cost of turnover being so high, employers cannot afford to take this lightly. On-site clinics offer incredible value to employees and are widely considered an outstanding employee benefit.

9

Reduction in Claims Volume

Often seen as a long-term savings opportunity, a reduction in overall claims volume is synonymous with on-site clinics. Because the on-site model removes the cost of the visit to the patient, participation and compliance increase. The result is a natural reduction in plan costs associated with office visits, prescriptions, labs, and more.

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Powerful Data Analytics and Reporting

Employers want to know as much as they can about the aggregate health of their workforce. The best on-site clinic vendors have figured out how to centralize and streamline population health management data. By combining group EMR data and proprietary analytic processes, on-site clinics can help paint a clear picture as to who your highest risk employees are and how to help them improve.

Conclusion

On-site medical clinics promise a happy ending for employers willing to take the leap. To recap the holistic merits of on-site medical clinics:

- They provide a substantial boost in healthcare accessibility
- They can facilitate programs that teach employees to take ownership of their health and become socially responsible consumers of care
- They utilize health assessments to address medical needs before they become financially and physically burdensome for the employer
- They can boost the perceived value of an organization
- They provide employers with incredible control over their health plan

ABOUT CareATC Inc.

CareATC partners with employers to take control of rising healthcare costs by improving the health of their workforce through on-site medical clinics, health assessments, disease management, wellness programs, and 24/7 telemedicine. Everything we do is defined by our passion to improve lives through a fusion of outstanding patient experience, superior access to care, and dedication to quality. Our vision is to create the most sustainable solution to rising healthcare costs by promoting health, preventing disease, and providing a shorter path to care.

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