



***Results of 2014 National  
Survey of Onsite Clinic  
Operations and Policies***

December 2014

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## Section 1 – Background

The Chicago-based National Association of Worksite Health Centers (NAWHC) is the nation’s only non-profit trade organization focused on assisting public and private employers, unions and other sponsors of worksite health programs in getting the greatest return and integration from their onsite clinics, pharmacies, fitness, and wellness centers. Founded in 2011 by the Midwest Business Group on Health, in cooperation with The La Penna Group, NAWHC assists employers interested in exploring their onsite clinic strategy and provides opportunities for vendors, suppliers and consultants, who support worksite health facilities and programs, to interact with and learn about employers who offer onsite clinics.

NAWHC conducts an annual benchmarking survey of clinic sponsors to support employers in better understanding what their peers are doing. This report summarizes the results of this year’s survey based on 255 employers from 15 different industries across the U.S. PwC participated in the distribution of the survey, analysis of results and the development of this report.

The following table summarizes the number of respondents by industry category:

Energy, Mining & Agricultural	10	Information and Communications	12
Food and Apparel Manufacturing	12	Finance and Insurance	44
Chemical and Plastics Manufacturing	11	Professional and Management Services	40
Machinery and Transportation Equipment Manufacturing	16	Educational and Health Care Services	21
Electronic Products Manufacturing	17	Accommodation and Food Services	7
Other Manufacturing	14	Other Services	11
Wholesale Trade, Transportation and Warehousing	17	Public Administration	9
Retail Trade	14	Total	255

Of the 255 respondents, 192 (75%) had some sort of worksite health program in place. There were 110 (43%) respondents who indicated they have an onsite/near-site clinic and 121 (47%) respondents who have an onsite/near-site fitness center. The following table summarizes the number of respondents by type of worksite health program currently offered:

### Number of respondents and percent distribution by company size (number of employees):

	Under 1,000		1,000 – 5,000		5,000+		Total	
Onsite/near-site clinic only	11	14%	14	16%	16	18%	41	16%
Onsite/near-site fitness center only	14	17%	29	34%	9	10%	52	20%
Both an onsite/near-site clinic and fitness center	9	11%	18	21%	42	46%	69	27%
Neither an onsite/near-site clinic or fitness center, but a multi-employer clinic, mobile unit, or tele-health services available	10	13%	8	9%	12	13%	30	12%
No current worksite health programs available	35	44%	16	19%	12	13%	63	25%
Total survey respondents	79	100%	85	100%	91	100%	255	100%

## ***Section 2 – Key Findings***

### ***Key Finding #1***

Employers view the use of onsite/near-site clinics as a successful strategy in addressing key objectives such as: increasing access, controlling health care costs, improving employee health and engagement – and ultimately productivity.

- Almost 30% of survey respondents believe their medical cost reduction objectives have been totally achieved while almost 90% believe these objectives have been at least somewhat achieved
- Over 80% state their clinic improves access to care for their employees
- Close to 70% state their clinics have improved worker health
- About 75% have increased employee engagement in their worksite health programs
- Over 95% state they have at least partially met their goal of increasing employee satisfaction by offering a clinic
- Approximately 95% state they at least partially met their goal of increased productivity due to their clinic

### ***Key Finding #2***

Worksite health isn't just for jumbo employers. Survey results indicate that many mid-size employers are benefiting from worksite health services.

- 37% of respondents in the 500-1,000 employee category have an onsite/near-site clinic and 49% have an onsite fitness center
- 48% of respondents in the under 200 employee category have some sort of worksite health program in place, including multi-employer facilities, tele-health services and mobile units

### ***Key Finding #3***

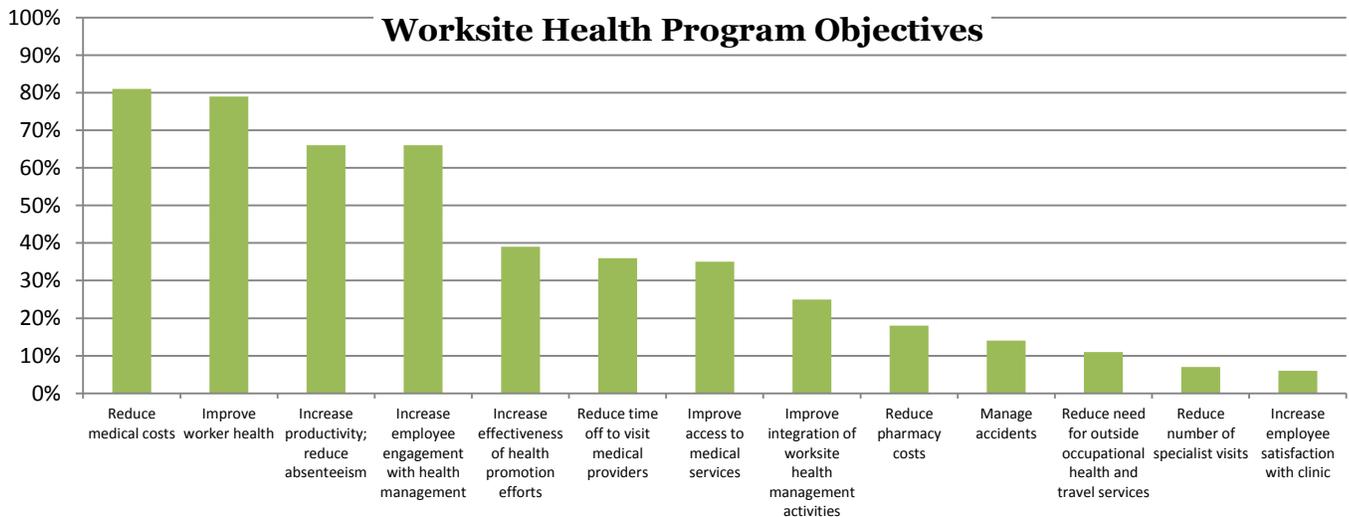
Employers currently provide a wide variety to services to their employees through worksite health programs and this is expected to expand as worksite health programs become more established and employee demand continues to grow.

- Wellness, prevention, and fitness services are provided by over 70% of the respondents, through onsite/near-site facilities, tele-health, and mobile units
- Traditional clinic services, such as acute/urgent care, emergency/first aid, and occupational health are provided by approximately 60% of the respondents, primarily through onsite and near-site facilities
- Approximately 50% of respondents provide behavioral health services
- Over 40% of respondents provide primary care services
- 42% of respondents provide pharmacy services
- A small percentage of respondents also provide dental and vision care

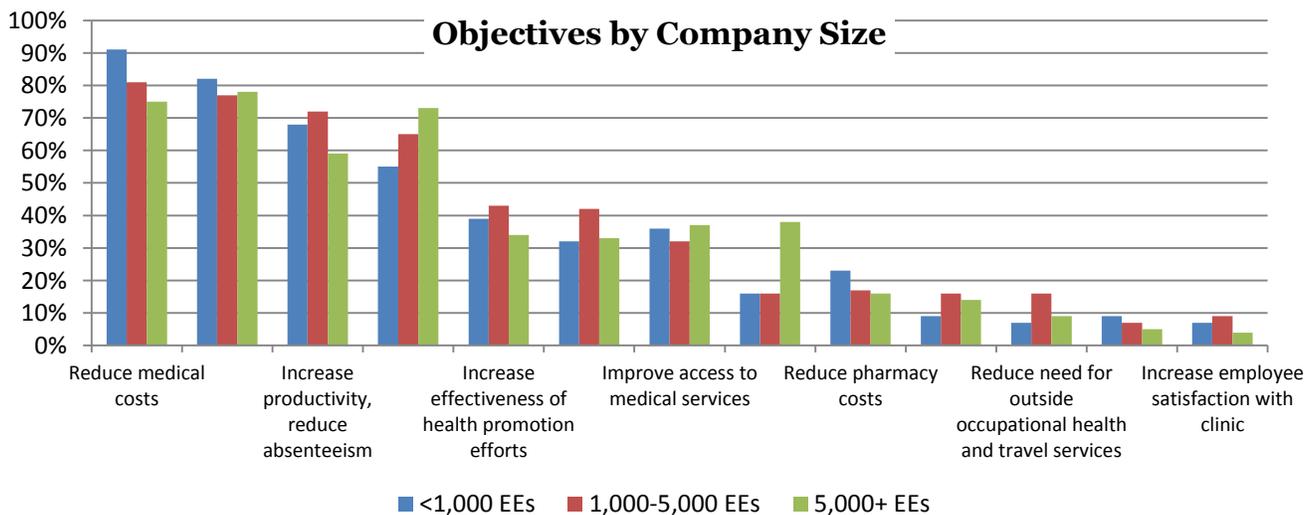
## Section 3 – Corporate Objectives

The top objectives for respondents who offer worksite health programs are to reduce medical costs and improve worker health, with approximately 80% of the respondents indicating these two as a top 5 objective. Increasing productivity and employee engagement are also high on the list with approximately two-thirds of the respondents indicating as such.

The following chart illustrates the percentages for other possible objectives:

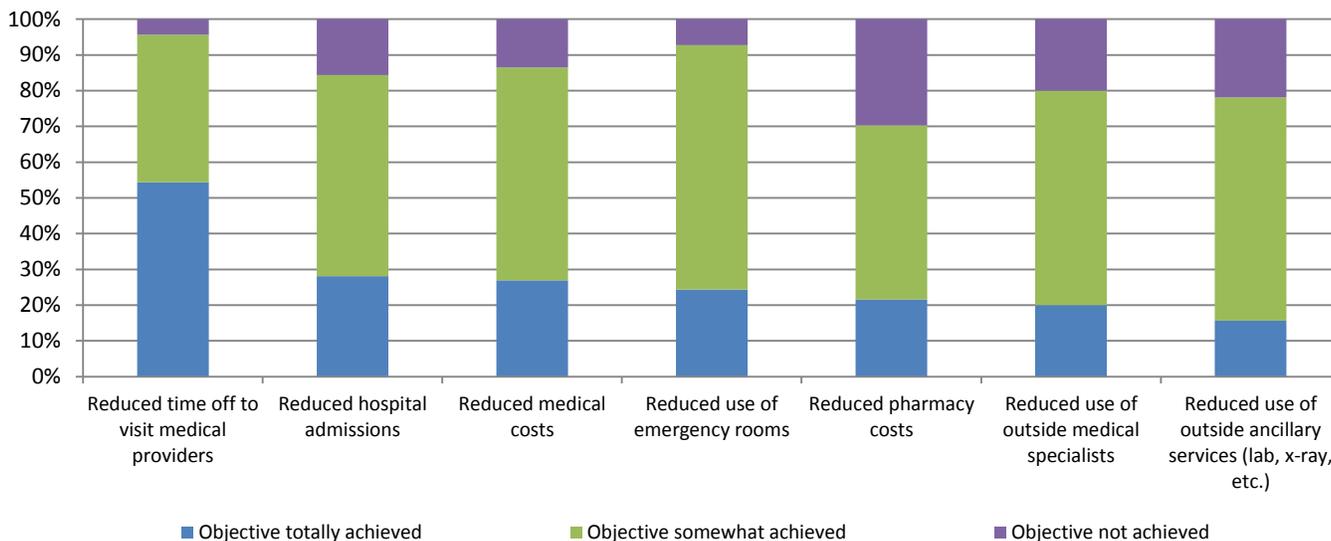


When evaluated by employer size, the top objectives do vary. Smaller employers (<1,000 employees) appear more focused on reducing medical and pharmacy costs and improving worker health. Larger employers (5,000+ employees) are more likely to focus on increasing employee engagement with health management programs and improving integration of worksite health management activities. And mid-sized employers (1,000-5,000 employees) were more likely to focus on increasing productivity, reducing absenteeism and reducing time off to visit medical providers.



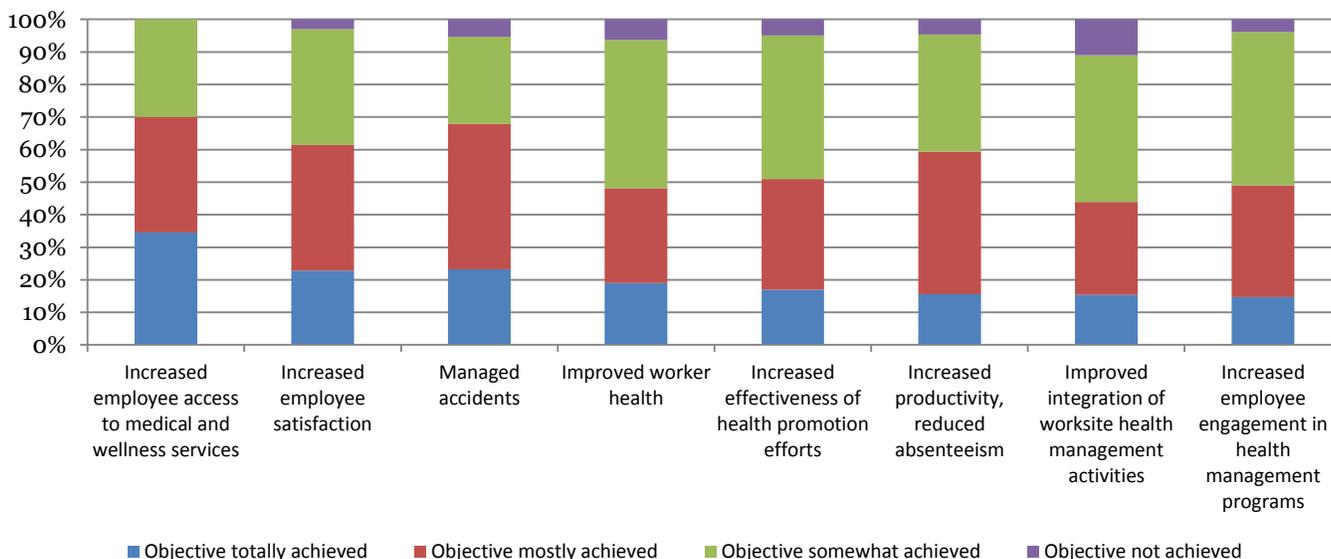
In general, employers feel that their financial objectives have been achieved at least to some degree. Almost 30% state their medical cost reduction objectives have been totally achieved while almost 90% state these objectives have been at least somewhat achieved. More specific financial goals, such as reduced ER visits, hospital admissions and use of specialists had similar results.

### Achievement of Financial Objectives



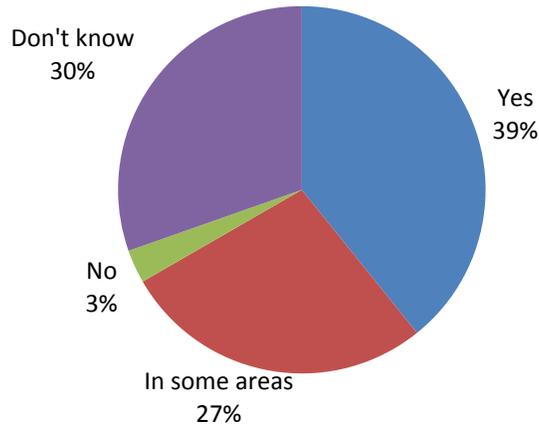
Most respondents also believe their non-financial benefit objectives were mostly met. For example, for those who had an objective of increasing employee satisfaction, almost two-thirds believe they at least mostly met their goal, and over 95% believe they at least partially met their goal. Similarly, for those who had an objective of increased productivity, approximately 95% believe they at least partially met their goal.

### Achievement of Health & Wellness Objectives



Finally, almost 40% indicated that their onsite health center program has demonstrated a return on their investment and only 4% indicated that that it has not demonstrated any return. Unfortunately, a third of the respondents don't know or measure the value of their clinic, which is a necessary component for reporting, obtaining increased resources and identifying areas for improvement and promotion.

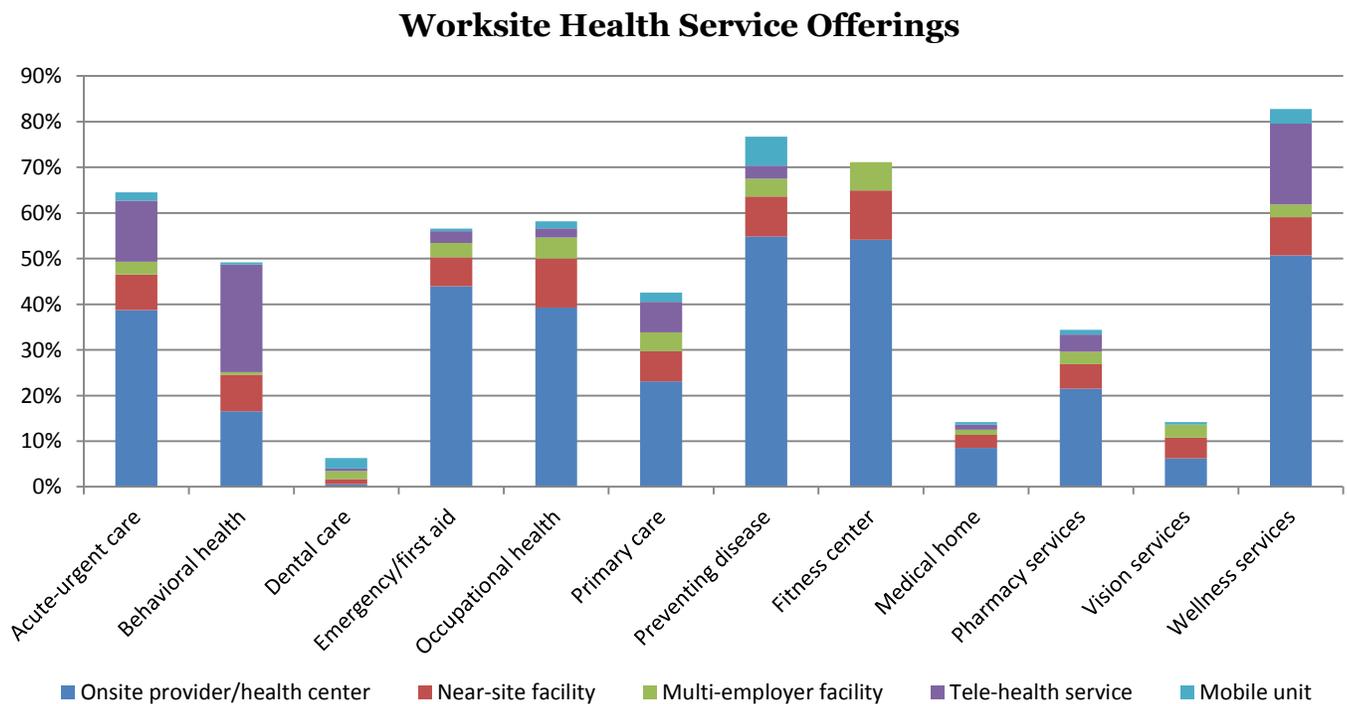
**According to the metrics you use, has the onsite health center program demonstrated its ROI?**



## Section 4 – Services and Delivery

Wellness services are most commonly included in employers' worksite health offerings, with over 80% of respondents indicating they are provided through their clinic or a tele-health service. Preventive services and fitness were also included at over 70% of respondents. The more traditional clinic offerings of acute/urgent care, emergency/first aid, and occupational health are offered by 55%-65% of respondents while primary care is offered by only about a third of employers. Dental and vision appear to be the least offered services and this could be due to the fact that there are more potential cost savings related to medical care.

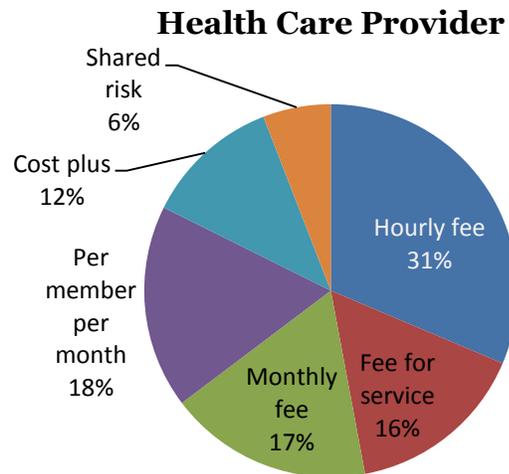
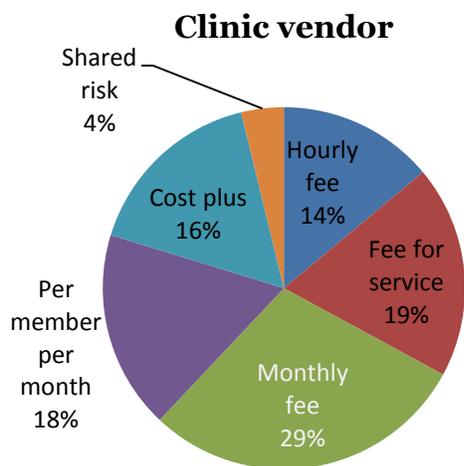
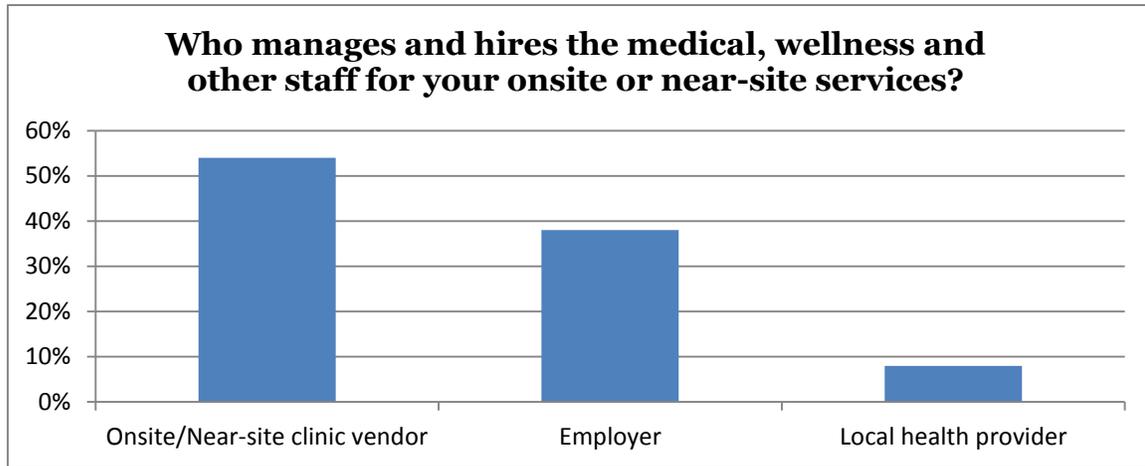
The following chart illustrates the services respondents offer through onsite/near-site clinics, mobile units, or tele-health:



The majority of employers offer the above services through an onsite provider/health center, however, telemedicine, an emerging trend for many employers, accounts for 13% of acute care, 24% of behavioral health, and 18% of wellness services. This is definitely a trend worth monitoring over the next few years.

## Section 5 – Management Structure

Employers have three main options in developing and managing an onsite clinic: contract out to a third party vendor, use a local provider or do it themselves. About 58% of employers who have an onsite/near-site clinic indicated that they use a third-party onsite clinic vendor, while 38% are managing it all by themselves. Less than 10% rely solely on a local health provider, such as a hospital system, to manage the clinic. This is an area of increasing interest for providers looking for new business opportunities and settings.

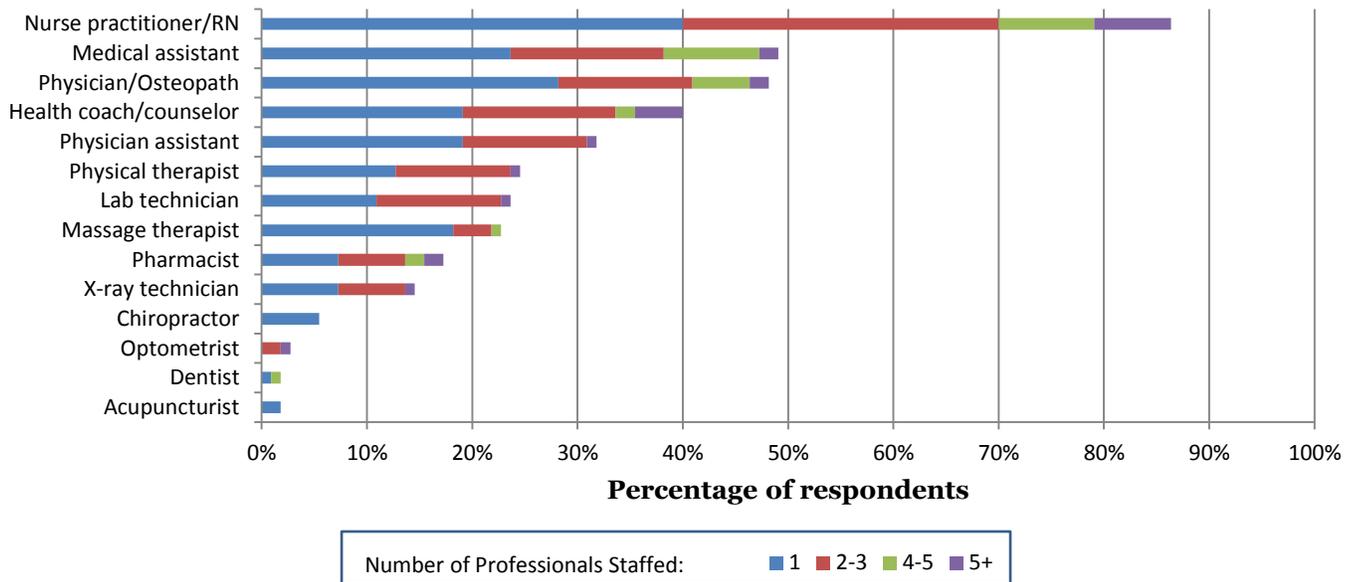


### Employers most commonly use:

- Monthly fee arrangement to pay onsite clinic vendors
  - Hourly fee to pay health care providers

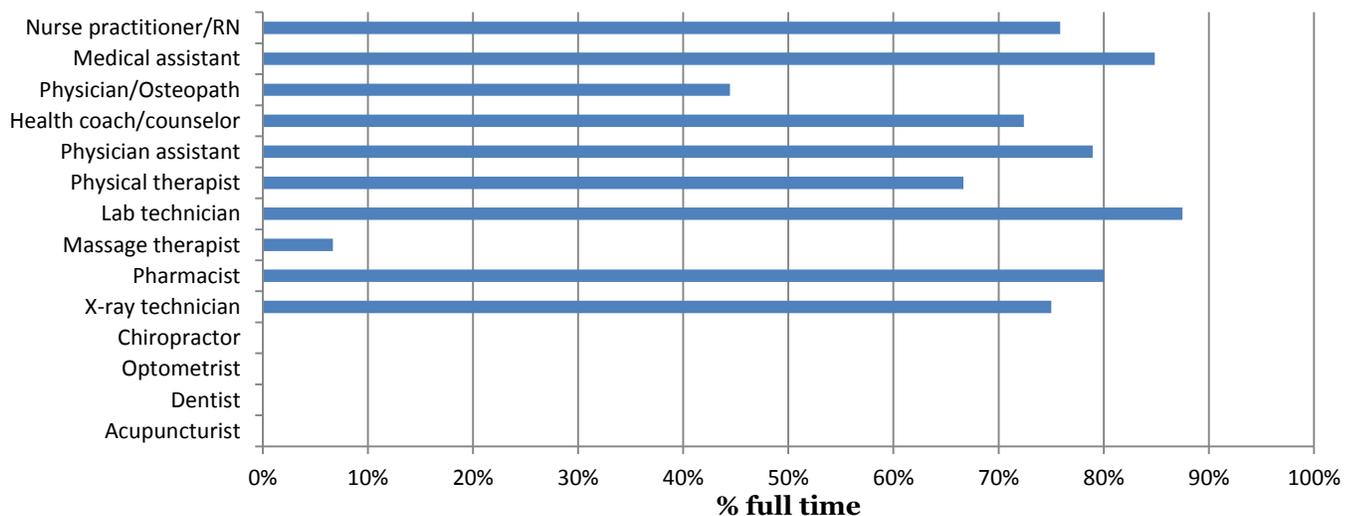
The type and quantity of providers staffed at the onsite/near-site clinic varies greatly by employer, with a nurse practitioner/RN being by far the most common. A small number of employer offer services by an acupuncturist, dentist, or optometrist at their onsite/near-site clinics, usually based upon employee demand or employer interest in offering easy access to these types of services.

### Clinic practitioner staffing levels



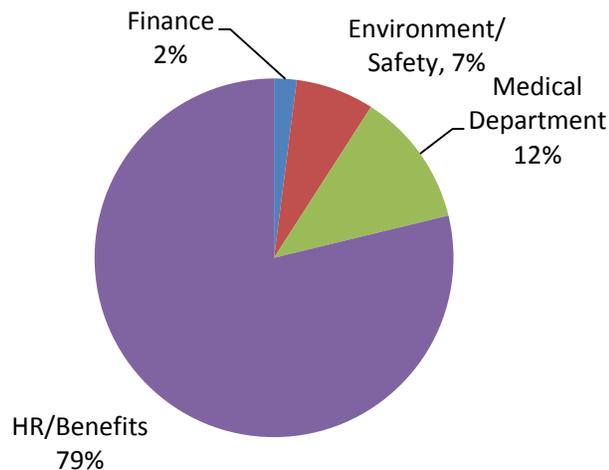
For more specialized services and less common practitioners, such as acupuncturists, chiropractors, and dentists, employers are more likely to staff on a part-time basis at their onsite/near-site clinic. For the more common and highly utilized types, such as lab technician and medical assistant, they are more likely to be staffed on a full-time basis.

### Percentage of practitioners who are staffed full time



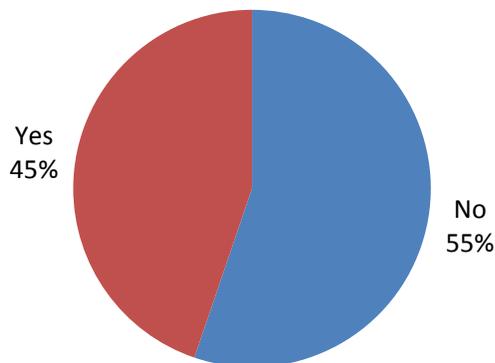
For most companies, the onsite/near-site clinic is managed by the HR/Benefits Dept.

### Department Overseeing Clinic



Approximately half the companies who have fitness centers along with onsite clinics integrate the operations. This is an area of opportunity that employers should consider, especially to enhance onsite physical therapy or related rehab services.

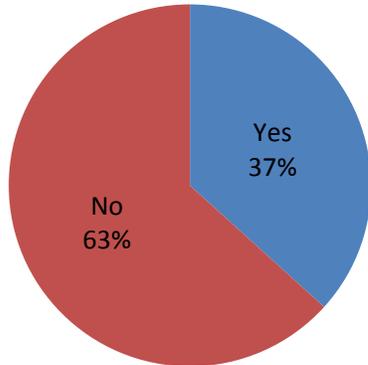
### If you have an onsite clinic and an onsite fitness center, do you integrate their services?



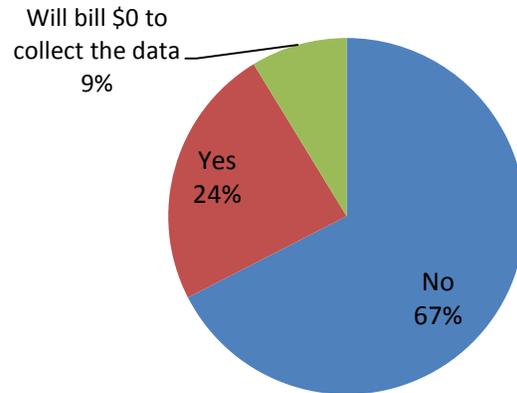
## Section 6 – Benefit Structure

The majority of respondents do not charge employees a fee to use the worksite health services. Additionally, the majority of respondents do not bill the health plan for the services.

### Do employees pay a fee to use the onsite, near-site or mobile health services?



### Do you bill your health plan for the services offered onsite, near-site or via mobile unit?



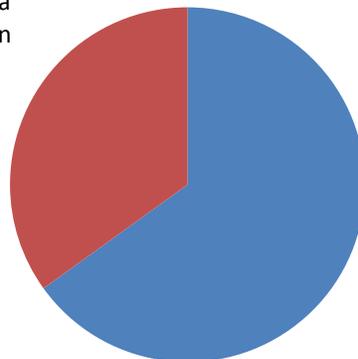
Employers that charge a fee to employees do so to ensure the employee has some skin in the game and sees the value of the service. However, the fee is usually less than the typical copay charged when visiting an outside provider, and so can become a financial incentive for employees to utilize the clinic. Some employers charge the same as a regular provider because the primary benefit to the employee is for the convenience.

Almost two-thirds of respondents indicated their clinic is part of the company's benefit plan. This could have implications for potential excise taxes starting in 2018 under the Accountable Care Act, if the cost of the clinic is to be included in the calculation of the benefit plan costs.

**2018  
EXCISE TAX  
IMPLICATIONS**

### Indicate how the onsite or near-site clinic is organized under your benefits:

The clinic is designed as a separate plan offered to employees  
35%

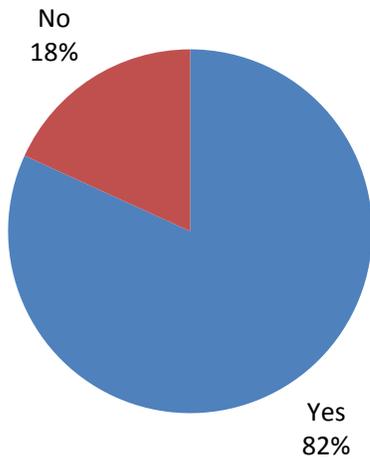


The clinic is considered part of the benefits plan  
65%

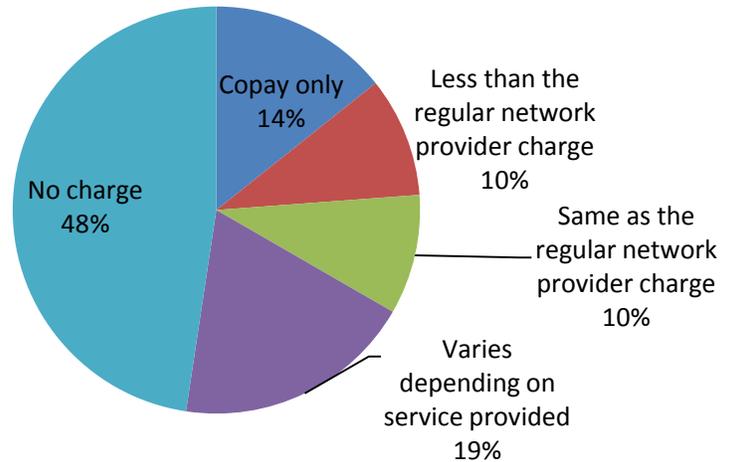
Note: It's uncertain if designing the clinic outside the benefit plan will be allowed under the ACA.

The majority of employers that have employees covered by Health Savings Accounts (HSAs) allow them to use the clinic. However, for employees with an HSA or Health Reimbursement Account (HRA), charges to use the onsite/near-site clinic varies; ranging from no cost to the employee; to the same fee or co-pay for using an outside, network provider; to a different amount than a network provider. Co-pays range from a flat \$5 fee to a \$65 fee. Until an employee hits their deductible, these fees are typically less than an employee would experience if they went to a network provider.

**If you have employees covered by Health Savings Accounts, are they allowed to use the onsite clinic?**



**If employees have a HSA or HRA, what do you charge them for the worksite health services?**

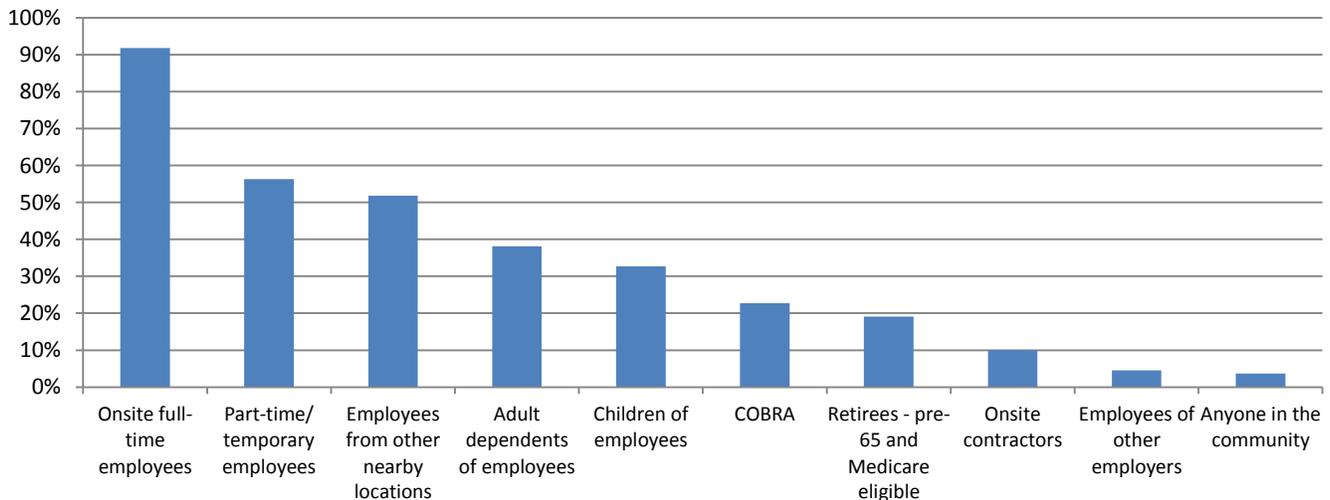


Allowing an employee access to the company's onsite clinic at no cost *prior to satisfaction of the deductible* could be interpreted as a violation of the HSA rules  
Employers considering such an arrangement should consult with their legal counsel regarding permissibility and risk

## Section 7 – Utilization

When employees use the clinic and have a positive experience, they are more likely to encourage their co-workers to visit the clinic. Ensuring the clinic is easy to use for employees and that the staff is respectful to employees are mentioned as keys to its success. The following chart shows the percentage of respondents who make their clinic available to the various employee/retiree categories:

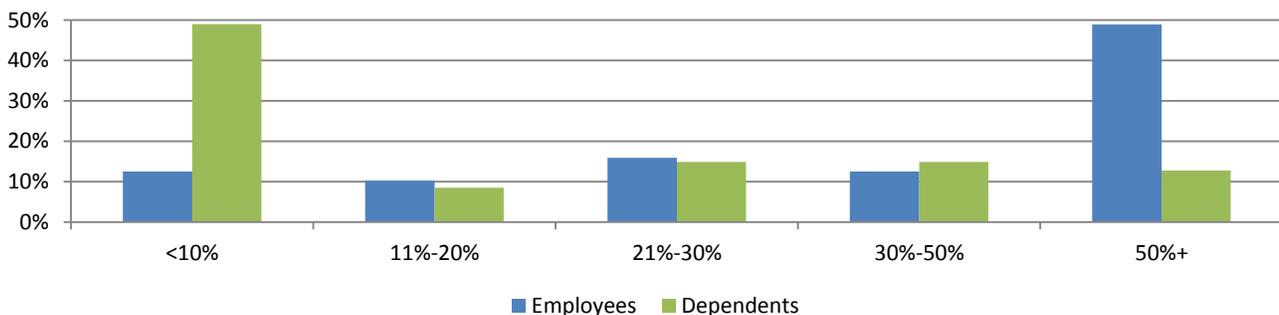
### Who is eligible to use the onsite/near-site health center?



An opportunity to increase utilization and potential cost savings include providing onsite/near-site clinic to more employees/dependents. It is interesting to note that only a little over 20% of the respondents allow COBRA employees to use the clinic, presumably concluding that this is not a requirement under the regulations.

For the following chart, over 50% of respondents indicated high employee utilization. While eligible dependents are often the highest cost for employers, use of onsite clinics by dependents has been low, with almost half the respondents indicating dependent utilization of under 10%. This can be due to several factors, including lack of eligibility, location in an area where access to non-workers is inconvenient or lack of promotion to dependents.

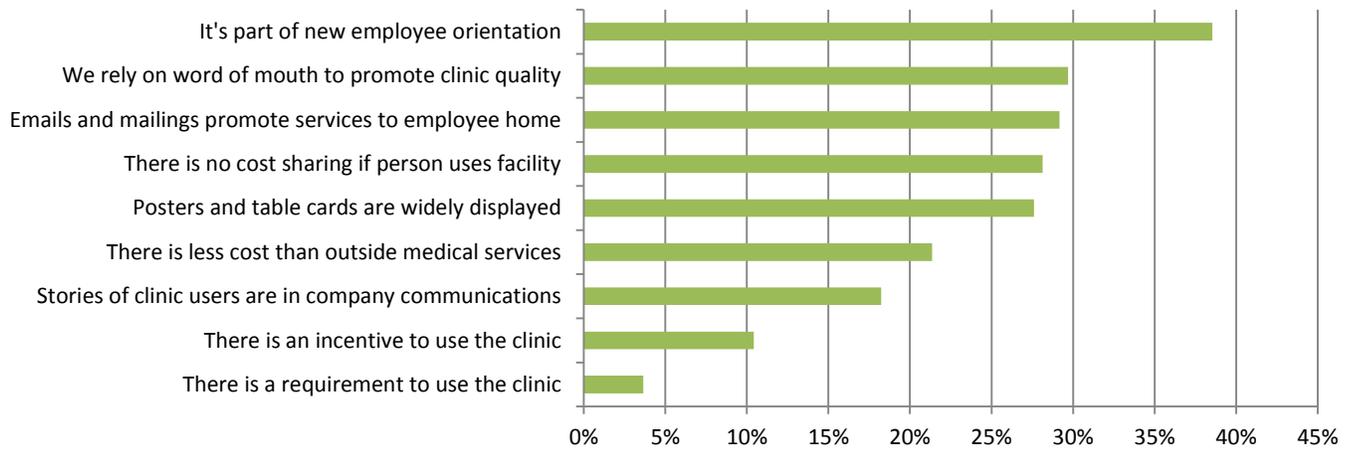
### Percentage of employees and dependents that use the onsite/near-site health center



**RECOMMENDED EMPLOYER STRATEGY:** Employers should consider making dependents eligible for their clinics. This can be done by creating more incentives for dependents to use the clinic or expand hours of operation, such as evenings and weekends.

Other noted strategies to increase onsite/near-site clinic utilization include the following:

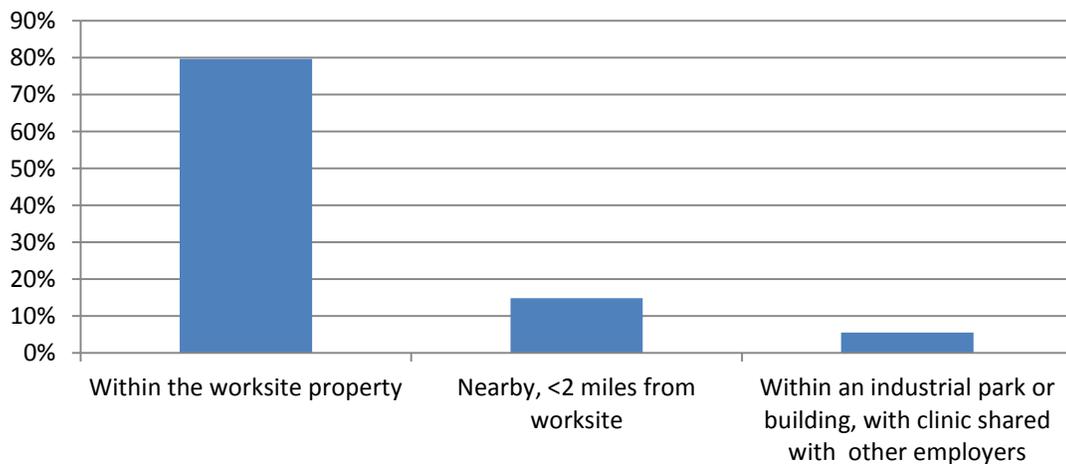
### **Methods to increase utilization of onsite/near-site health or wellness services**



## Section 8 – Clinic Operations

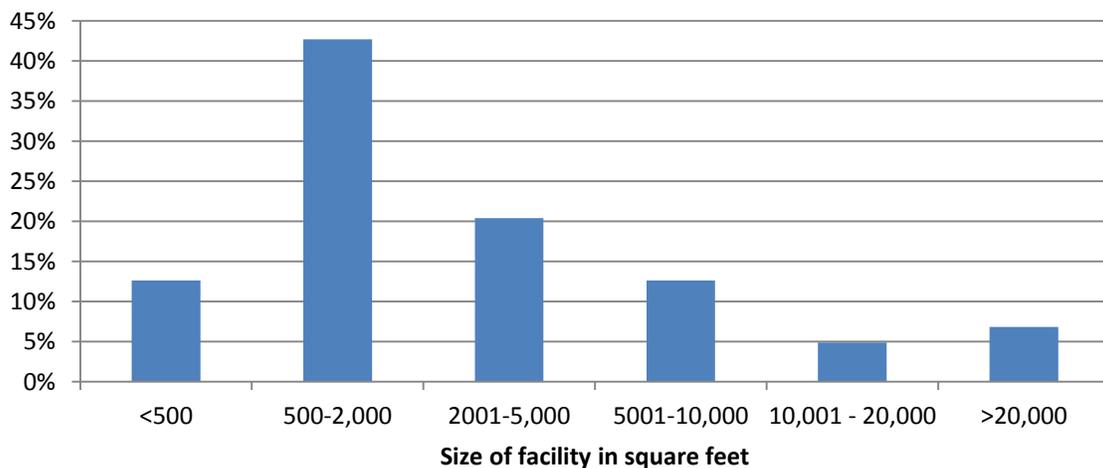
Of those respondents with clinics, 80% have them within the worksite property. Having the clinic within the property is more convenient for employees and would reduce the time off work needed for a visit. However, for smaller employers, a nearby facility or one that is shared with other employers could be a viable and cost effective option. Having a clinic outside the worksite property may also provide easier access for dependents, retirees, and COBRA employees.

**Location of clinic**

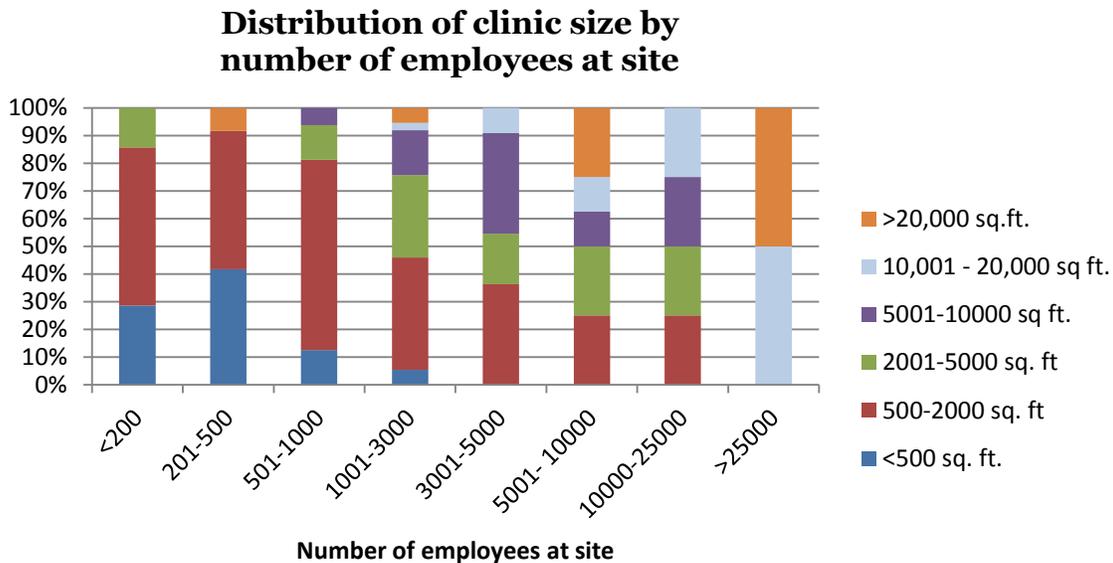


The most common size of the onsite/near-site clinic facility is between 500 and 2,000 square feet, however, some can be more than 20,000 square feet. The more services offered, the larger the location. The following chart shows the distribution among the respondents by size of facility:

**Size of clinic**

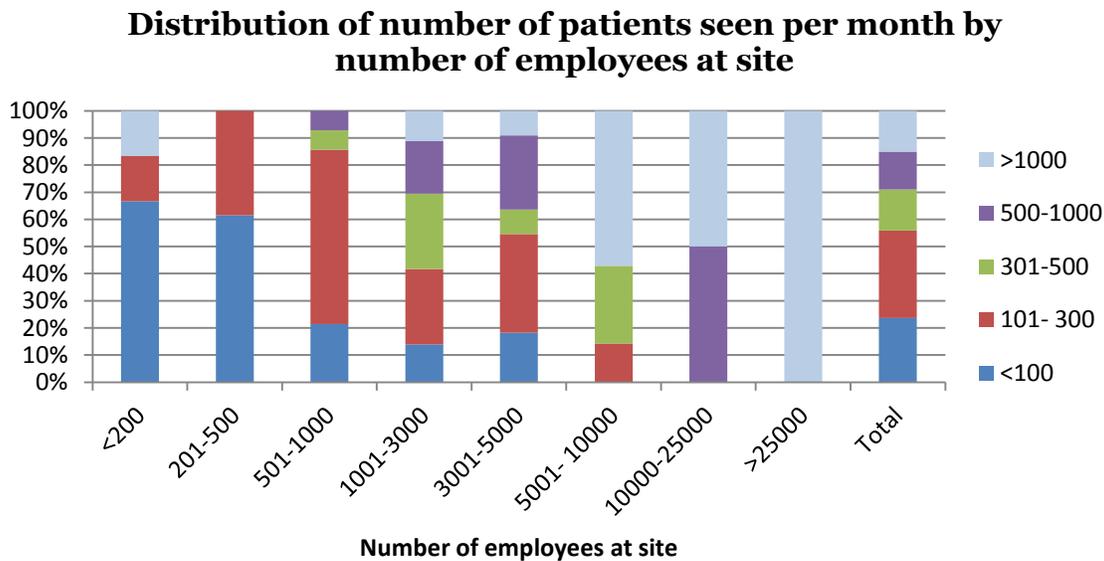


As would be expected, the size of the facility is also somewhat positively correlated to the number of employees at the location:



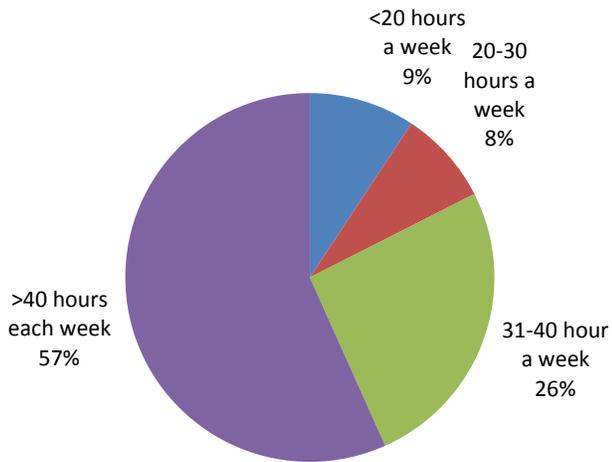
For example, none of the respondents with more than 3,000 employees at the site had a facility under 500 square feet. Similarly, none of the respondents with less than 1,000 employees at the site had a facility larger than 10,000 square feet.

Most onsite/near-site clinics see under 300 patients per month, but, as would be expected, this is dependent on the number of employees at the site.

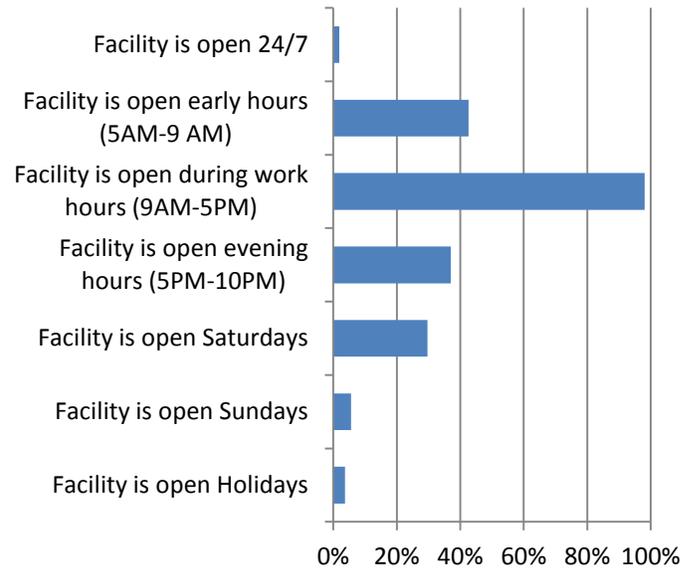


Most onsite/near-site clinics are open over 40 hours per week. Although it is most common for the clinic to be open during normal work hours, approximately 40% have early morning and late evening hours. Approximately 30% of respondents have Saturday hours.

### How many hours per week is the clinic open?



### When is the clinic open?



## ***Section 9 – Barriers and Best Practices***

Employers indicated a number of key lessons learned, barriers to overcome, and success factors in developing clinics. Repeated comments were made about the need to promote a clinic's confidentiality and privacy, offering services for free or lower than outside services, using vendors with state-of-the art ROI tools, ensuring clinic activities are integrated with all wellness programs and vendors, and offering easy access to clinic. Below are some highlighted lessons as offered by respondents, some with long experiences in this field:

### ***Communications***

- The biggest challenge in the beginning is establishing the trust of employees that their information shared with clinic staff will be confidential. Once the trust is established, word spreads through the workforce, and clinic services are highly utilized.
- It should be communicated clearly, early and often that the employer does not see an individual's health data.
- Emphasize personal and comprehensive patient care.
- Senior management needs to be visible in supporting and using the clinic.
- You need ongoing, effective communication to the workforce about the clinic and its services.

### ***Data/metrics***

- ROI should be viewed as more than cost savings. Clearly identify metrics to gauge the financial, health, utilization, satisfaction and productivity outcomes of the clinic before it's opened and measure them annually
- If using an outside vendor or provider, make sure you have the zero claims data provided by your clinic vendor for accurate report – you cannot predict an ROI without it.

### ***Provider/vendor***

- Choose a top provider and allow them to run the clinic. You do what you do best and let them do what they do best.
- Clinic providers need to understand the worksite culture and not treat the clinic as a typical medical setting.
- Having great staff that can build meaningful relationships with patients/employees is a key differentiator.

### ***Structure***

- Flexible hours and constant publicizing of services are key.
- Use of incentives is key to increasing utilization.
- Never lose sight of the on-site clinic goals and always seek to integrate as much as possible.

### ***Employer savings***

- Look into partnering with other local employers. Startups are slow; don't expect to see a large ROI in the first few years.
- Impact is measured on a 3 year window of time – behavior change doesn't happen overnight.
- It takes 18 – 24 months for full acceptance, communication of the onsite clinic services and use of the program – not a quick fix. Employee satisfaction is tremendous for convenience and quality of service. Saves money both from the medical costs but also occupational health costs

## Section 10 – Contact Information

If you are interested in learning more about this survey, onsite health centers, or NAWHC, please contact:

NAWHC	PwC
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