

TRENDS

Workplace Medical Clinics: The Employer-Redesigned "Company Doctor"

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Employers that purchase healthcare for their workforce are not only looking to have better control over costs and value but are also recognizing the need for a more robust primary care system. This has led to the resurgence of an old model—the company doctor. This time, the approach has been retooled. An employer still employs a physician to provide healthcare at the work-site, but its focus has expanded: The physician is now responsible for managing the entire care process for employees and their dependents. This is the company doctor—on steroids.

Workplace medical clinics adopt the principles of the traditional "medical home," an idea that first surfaced in 1967¹ and puts the patient at the center of the healthcare delivery process. Under the medical home model, the patient receives continuous and comprehensive healthcare from one physician who serves not only as a direct care provider but also as a coordinator of the entire care process.

The new workplace medical clinic model can easily be confused with existing work-site clinics that merely address on-the-job injuries and workers' comp cases. This redesigned version is different in several ways. First, its health focus is more comprehensive, including wellness and prevention. Second, it uses electronic medical records. Third, it is often integrated (or contracts) with local healthcare providers—physicians, specialists, and hospitals.

After World War I, with the industrialization of America, the company-doctor approach was abandoned along with the concept of mill towns and company stores. These old work-site clinics aimed to keep workers on the job and, if a work site was located in a remote area, served as the only care provider for that entire community. At the time, community resources were sparse and a company-sponsored service was a simple response to a social need.

Today, more healthcare choices and resources are available, influencing many employers to revisit the company-doctor approach but expand it well beyond the work site and into the general healthcare marketplace. In some instances, the workplace is the location where employees' healthcare information is stored and directed. In this way, the workplace (not the community-based practitioner) becomes the medical home.

ON SITE, FULLY EQUIPPED, FULLY STAFFED

The emergence of the workplace medical clinic is driven by the concerns of self-insured employers over the cost and accessibility of healthcare. Instead of waiting for healthcare reform or the advice and guidance from healthcare insiders, key employers are pushing ahead with an approach that takes care of their own.

The difference between the workplace clinic model and the old company-doctor approach is that the model uses population management tools from the managed care environment as well as best practices from a variety of clinical fields. On-site clinics are also supported by electronic medical record technology, which is often part of the integration contract with the local healthcare provider. When coupled with an employee-benefit structure that offers the reward of reduced copays and deductibles for using "in network" providers, this model is medically and financially beneficial for both the company and its workforce. The best-developed workplace medical clinics encourage their primary care clinicians to spend extra time with each patient and to incorporate wellness and team techniques (such as coaching and disease state management) into the care cycle.

These advantages result in a consumer-oriented and patient-centered employee benefit that offers comprehensive healthcare (competitive to similar services offered by hospitals) that is readily available at work.

THE SURVEY SAYS

Generally, self-insured employers are the biggest and most successful businesses in a community. They are good citizens and good customers, and they are bombarded by many options and alternatives for providing and funding healthcare for their workforces. After years of dealing with indemnity carriers, managed care plans, and benefit redesign, these employers are looking for a better alternative. The workplace medical clinic represents a viable choice, and it is gaining ground according to several reports.

A study by the National Business Group on Health and Watson Wyatt (2008) reports that more than 23 percent of self-insured companies have on-site health programs for their employees and that more such initiatives are scheduled in the near future. A study by Mercer (2009) reveals that more than 34 percent of companies with more than 500 employees offer healthcare on site or nearby. Respondents to these surveys join firms that have already adopted this model or some variation of it, including Toyota, Nissan, Pepsi, QuadGraphics, Perdue, Disney, and Pitney Bowes.

Not only are firms adopting workplace medical services, but they are also beginning to integrate their programs into the services of local healthcare providers. The LaPenna Group conducted a study of employers that have had on-site facilities for more than three years. The respondents stated that these integrations have merit; among companies that had not yet integrated their programs with local providers, 75 percent stated their intentions to do so soon.²

For a healthcare organization located in the same community as an employer with a workplace medical clinic, these survey findings indicate that rapid changes are headed their way in the near future.

IS IT WORKING?

Firms with workplace medical clinics report neutral or negative healthcare-cost inflation and wide employee acceptance (Worthington 2007; Welch 2008). Some

programs that are integrated with local healthcare providers have developed their own networks of preselected specialists and hospitals to which employees are directed by the on-site providers.

Toyota and QuadGraphics report high capture rates for their provider network, which means that many employees elect to obtain secondary and tertiary care from specialists or hospitals in the network. At QuadGraphics, more than 85 percent of employees (and their dependents) shifted their healthcare use from the traditional hospital-based system to the on-site medical clinic (Neuberger 2006). Toyota's Family Medicine Center in San Antonio reports that about 80 percent of the plant employees come to the center for healthcare services (Brewer 2009). Both QuadGraphics and Toyota track employee satisfaction with the on-site program and the company-employed physicians, and, thus far, the employees claim that the clinics deliver outstanding service and care. The medical clinic at QuadGraphics (operated by its subsidiary QuadMed, Inc.) now provides on-site services at other area firms, including Miller Brewing and Briggs & Stratton. Toyota allows its suppliers (which include more than 30 firms) to access its on-site medical services. For 18 years, QuadGraphics has offered a medical clinic, and Toyota's experience suggests that it, too, will be committed to this model for the long term.

As the adoption of on-site clinics by premier employers grows and becomes more publicized, other companies will be encouraged to follow suit. Municipalities, educational systems, large hospital systems, and medical practices are taking note. The Henry Ford Health System, Wheaton Franciscan Healthcare, Mayo Clinic, and Johns Hopkins are some of the organizations moving to establish workplace healthcare access points and programs.

Walgreens and Cerner Corporation are also committed to workplace-based healthcare programs for employees, but for different reasons.³ Walgreens recently acquired WholeHealth and CHD Meridian, traditionally the two most prominent on-site clinic managers, and is competing with other providers under the banner of its subsidiary, Take Care Health. Cerner, well known for healthcare information technology, has implemented a program at its Kansas City plant under its subsidiary Health Solutions and has recently installed a similar service at Cisco in California. Each firm intends to make the provision of on-site healthcare a viable business strategy for itself. Walgreens is leveraging Take Care Health with its retail stores and pharmacy services, while Cerner is bringing its considerable information technology resources to bear on its workplace programs.

What are the implications for healthcare organizations as this trend continues to mature? How are they restructuring their service lines to address this trend?

IMPLICATIONS FOR HEALTHCARE ORGANIZATIONS

A healthcare organization that embraces this change and develops supportive and complementary products can benefit by more than just gaining a few extra patients. Instead of fighting this movement, a hospital should lead it.

Companies that have implemented (or are planning to develop) a workplace medical clinic share the following characteristics:

- They have access to capital.
- They are innovative, quickly adopting available and tested tools to transform or redesign their employees' benefits.
- They will not wait for healthcare reform; they will initiate change themselves.
- They are not looking for an IPA, a PHO, or a PPO. Their notion of an on-site healthcare program goes far beyond having an urgent care center in the workplace. They view it as a portal for larger change.
- They look to integrate/contract with healthcare providers that know about population management, electronic medical records (often including personal healthcare records), patient involvement and responsibility, and coordinating with a network of specialists that can support the on-site program.

The concept of the workplace medical clinic has been around for decades. Healthcare organizations and their medical staffs have been lip-synching the value of healthcare integration and benefit redesign for years. The growing popularity of this movement, and its rapid adoption among major employers, will focus and escalate these discussions. Already, employers with on-site programs are asking healthcare organizations to submit their proposals for service-line items that will complement the employers' primary care initiatives.

What can hospitals offer to employers and vendors who are fashioning such programs? Can hospitals play a more active role beyond quoting service-line prices? More aggressive healthcare organizations will study this trend and get in front of it within their own communities. After all, hospitals have the components necessary to serve an employer on its own site. However, these offerings have not been organized around a population-specific model nor have hospitals been eager to segment existing services to meet the unique access need that an employer may seek.

To play a role in this movement, a hospital must be able to provide remote clinic management, primary care staffing, electronic medical records, ancillary support, and individualized contract options. Also, the hospital has to work with its medical staff to prepare them for contracting ventures that may be selective rather than inclusive. That is, if self-insured employers want to craft a program that uses only select (not all) physicians on the medical staff, they should be able to do so.

In the best case, an employer who is looking to integrate with a local healthcare provider may discover that the hospital has already implemented a similar program for its own workforce. This is optimal, as there will be no need to reinvent the model. The employer could simply use the template already in place. However, currently, few hospitals are at this level.

CONCLUSION

The medical home and the workplace medical clinic models are coming to an employer near you. They will flourish because they are innovative and patient-centered. When implemented well, they can improve health status and save healthcare dollars.

For employers that are committed to workforce wellness and quality of life and are willing to aggressively pursue whatever it takes to achieve these goals, a workplace medical clinic is a great fit. Hospitals should learn about what these programs are offering to understand what provisions their own systems of care are lacking.

NOTES

1. The term "medical home" was first introduced by the American Academy of Pediatrics in 1967 in an attempt to organize the medical data and information about children treated in a number of different environments (see www.medicalhomeinfo.org/Joint%20Statement.pdf).
2. The LaPenna Group, Inc., presented the results of this survey at ACHE's 2009 Congress on Healthcare Leadership.
3. For more information on Cerner's program, see www.myhealthexchange.com/cernerhealth/p/. See Walgreen's Take Care Health program at www.takecareemployersolutions.com/workplaceHealthCare.html.

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