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NATIONAL ASSOCIATION OF WORKSITE HEALTH CENTERS

HEALTH WEALTH CAREER

WORKSITE MEDICAL CLINICS

2018 SURVEY REPORT

ABOUT THE SURVEY

This survey was sent to employers identified through Mercer's *National Survey of Employer-Sponsored Health Plans*, which uses a national probability sample of public and private employers with 10 or more employees, and to other employers known to have worksite clinics, in collaboration with the National Association of Worksite Health Centers. The survey asks whether the employer offers an onsite or near-site medical clinic. Those that responded affirmatively were invited to participate in this follow-up survey, along with clients and other employers known to offer clinics. The survey was fielded from March–April 2018, and 121 employers with clinics provided information — responses typically were provided by the benefits director or HR director. These organizations ranged in size from 150 to over 300,000 employees.

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WORKSITE MEDICAL CLINICS

2018 SURVEY REPORT

INTRODUCTION

Where worksite clinics once focused on treating work-related illnesses and injuries, employers are increasingly using them to provide a wide array of primary care services. These offerings range in scale from a single nurse to comprehensive patient-centered medical homes — a full replacement of primary care in the community. Worksite clinics are also increasingly offering ancillary services, including management of chronic conditions, physical therapy, chiropractic care, mental health, pharmacy and more — all without shifting undue cost to workers.

In today's healthcare environment, worksite clinics have an important strategic role. Many parts of the US have a shortage of primary care, and limited access to behavioral healthcare is a widespread problem. Establishing a new clinic, or expanding an existing occupational health clinic to provide general medical services, is one way employers can ensure that their employees — and even employees' families — will have timely access to quality care. By "general medical services," we mean the range of non-occupational healthcare from acute or first-contact care through comprehensive primary care services and a patient-centered medical home.

Worksite clinics that offer general medical services have the potential to cost effectively address other pressing problems with current US healthcare: poor access to routine care, lack of coordinated and patient-centered treatment models, fee-for-service payment mechanisms that reward quantity over quality, and even low rates of childhood immunizations. And they can leverage one of the strengths of the US healthcare system — its plentiful supply of skilled registered nurses, nurse practitioners and physician assistants — to offer workers and their families convenient, high-quality, affordable care.

KEY FINDINGS

1

Worksite clinics continue to spread, especially among larger employers.

One-third of all organizations with 5,000 or more employees provide a general medical clinic at or near the worksite. That's up from 24% in 2012 and from just 17% in 2007.

2

Two-thirds (67%) of survey respondents with general medical clinics allow members to select the clinic as their primary care provider, compared to just 49% of respondents to our 2015 survey.

In addition, 35% say their clinic serves as a patient-centered medical home, up from 26% in 2015. As employer willingness to provide primary care increases, so does their obligation to provide high-quality, fully integrated services within the broader connected healthcare neighborhood.

3

Half of survey respondents that offer a medical plan eligible for a health savings account (HSA) believe that the requirement to charge members with HSAs for clinic services before their deductible is met has reduced clinic utilization.

Since both HSAs and worksite clinics are seen as positive ways to control healthcare spending, there is considerable support in Congress for legislation that would make it easier to employers to offer both.

4

Among respondents that have invested the time and resources to measure ROI, most found that their clinics are providing positive returns.

Well over half of these employers reported a return of 1.5 or higher—meaning that for every dollar invested, they have saved a dollar and a half.

5

There was a significant shift in clinic administration from in-house to outsourced.

Only 28% of respondents manage their clinic with in-house resources (meaning, they employ or contract for staff directly), compared to 34% of the respondents in our 2015 survey and 43% of those in our 2012 survey.

6

Reflecting the growing scope of services provided by worksite clinics, survey results suggest that it has become more common to staff clinics with physicians.

In 2018, 66% of the clinic sponsors responding to the survey have physicians on staff, compared to 52% of the sponsors responding to our 2015 survey.

7

Worksite clinics are delivering on their promise of convenience.

Only 3% of survey respondents reported the average wait time in their clinics to be more than 10 minutes, reflecting the unique focus on patient experience in the fee-for-value employer clinic model.

8

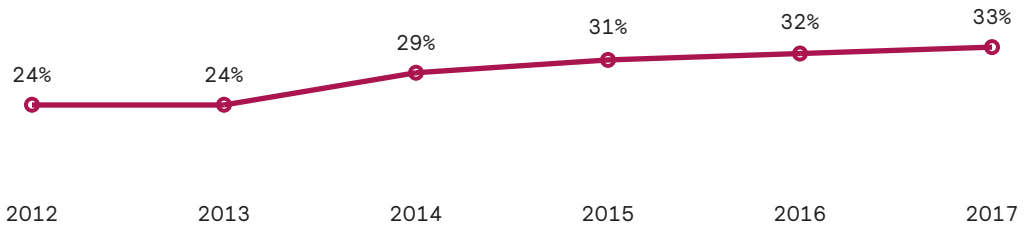
Just over two-fifths (41%) of respondents are satisfied with their clinic's navigation of patients to community value-based care, indicating a significant opportunity for improved member cost, quality and patient experience.

WORKSITE CLINIC PREVALENCE

Mercer's *National Survey of Employer-Sponsored Health Plans 2017* has documented continued growth in the prevalence of onsite or near-site clinics providing non-occupational health services, particularly among very large employers. General medical clinics are offered by 33% of organizations with 5,000 or more employees (up from 24% in 2012 and just 17% in 2007), and another 11% of employers of this size are considering adding a clinic by 2019. Among employers with 500–4,999 employees, growth has been slower. Even though only 16% currently provide a general medical clinic, another 8% are considering adding one by 2019.

OFFERINGS OF WORKSITE OR NEAR-SITE CLINICS FOR PRIMARY CARE SERVICES CONTINUES TO EDGE UPWARDS

Among employers with 5000 or more employees



Source: Mercer's *National Survey of Employer-Sponsored Health Plans*

Although clinics for occupational health services are still somewhat more common than clinics for general medical services, they are growing slowly among employers with 5,000 or more employees (from 31% in 2007 to 38% in 2017) and actually declining among employers with 500–4,999 employees (from 32% in 2007 to 18% in 2017). This may be related to the overall decline in manufacturing in the US and to reduced injury rates in the workforce, and to the expansion of clinic services beyond occupational services only. In addition, midsize employers may be taking advantage of options to outsource occupational healthcare to local health providers.

	EMPLOYERS WITH 500-4,999 EMPLOYEES			EMPLOYERS WITH 5,000+ EMPLOYEES		
	OFFERED IN 2007	OFFERED IN 2017	CONSIDERING OFFERING BY 2019	OFFERED IN 2007	OFFERED IN 2017	CONSIDERING OFFERING BY 2019
Clinic for occupational health services	32%	18%	7%	31%	38%	6%
Clinic for general medical services	14%	16%	8%	17%	33%	11%

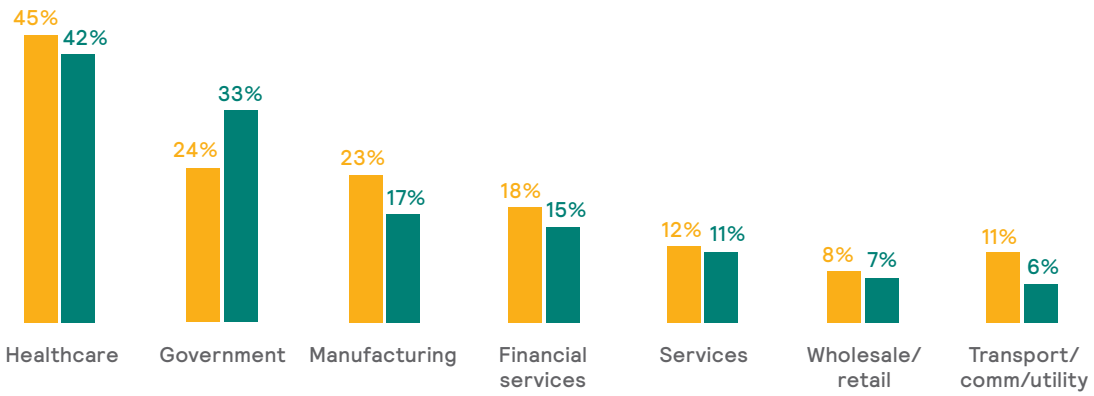
Source: Mercer's *National Survey of Employer-Sponsored Health Plans*

Healthcare providers are the most likely to offer worksite clinics, both for occupational health services (45% of those with 500 or more employees) and for non-occupational general medical services (42%). For hospitals and other healthcare facilities that have ongoing surveillance and screening requirements, worksite clinics are typically easier to set up and operate, as they exist within a healthcare environment and can often utilize existing resources. They may serve outside organizations as well as the facility's own employees, helping to subsidize the cost of the clinic.

Among manufacturers with 500 or more employees, 23% offer a clinic for occupational services and 17% for general medical services. Manufacturers tend to have large workforces in a single location and have historically offered occupational health services to assist employees with workplace injuries and exposures associated with manual labor as well as workplace surveillance and screenings for regulatory compliance. By expanding these clinics to provide general medical services, they can leverage existing infrastructure to engage members in a face-to-face modality and more effectively achieve their population-specific goals.

PROVIDE WORKSITE OR NEAR-SITE MEDICAL CLINIC, BY INDUSTRY

Employers with 500 or more employees



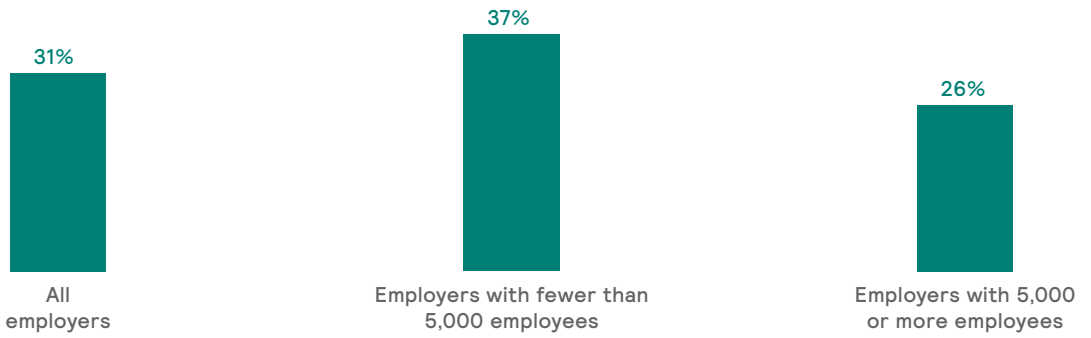
Source: Mercer's *National Survey of Employer-Sponsored Health Plans*

The rest of this report is based on responses to the follow-up survey of 121 employers that offer a worksite clinic for occupational services, general medical services or both. A slight majority of respondents (57%) have 5,000 or more employees.

Relatively few respondents (13%) offer just occupational health services; most provide either a combination of occupational and general medical services (42%) or just general medical services (45%). Employer size is an important factor — although certainly not the only factor — influencing worksite clinic size and structure. The majority of respondents with 5,000 or more employees operate more than one worksite clinic; among this group, the average number of clinics is four. But even among respondents with fewer than 5,000 employers, 33% operate more than one clinic.

Nearly one-third (31%) of survey respondents contract with at least one shared, multi-employer clinic. Although smaller employers are somewhat more likely to use a shared clinic (37% of those with fewer than 5,000 employees), a significant percentage of larger employers offer them as well (26%); a large employer that offers an onsite clinic at its largest location might choose to contract with a shared clinic to provide a similar benefit to employees working in a smaller location. These arrangements are becoming more common as the vendor marketplace expands with solutions designed for smaller populations.

OFFER AT LEAST ONE SHARED CLINIC, BY EMPLOYER SIZE

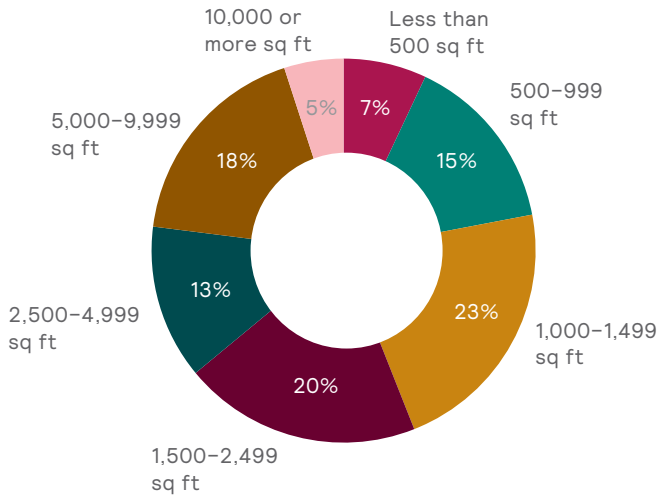


For the rest of the survey, employers operating (or contracting with) more than one worksite or near-site clinic were asked to base their responses on their largest clinic only.

About one-fifth (21%) of respondents operate clinics of less than 1,000 square feet, while, at the other end of the spectrum, 23% operate very large clinics of 5,000 square feet or more. Although the biggest employers are the most likely to offer a very large clinic, they don't always do so — it also depends on the services offered, employee proximity to the clinic and the space available. Among employers with 5,000 or more employees, 33% have a clinic of 5,000 square feet or more and 15% have a clinic of less than 1,000 square feet.

Although the majority (65%) of respondents have offered a clinic for more than five years, 20% implemented their clinic within the past three years.

SIZE OF WORKSITE CLINIC

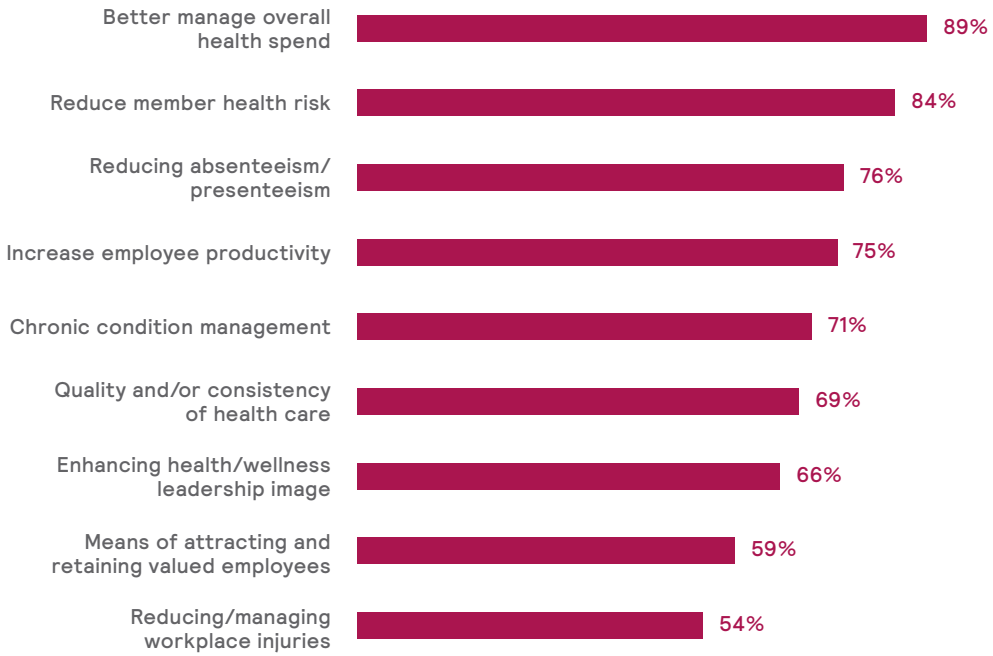


OBJECTIVES AND MEASURING PERFORMANCE

Employers' top objective for their clinics is having better control of their overall healthcare spending. Nearly 9 in 10 respondents (89%) rated this objective either a 4 or 5 in importance on a scale of 1 to 5. This was closely followed by "reducing member health risk" (84%) — likely because many employers believe the two objectives are closely related. The next two most common objectives speak to the convenience of a worksite clinic — "reducing absenteeism or presenteeism" (76%) and "increasing employee productivity" (75%). Employers also utilize clinics as a way to enhance healthcare, with 71% citing "chronic condition management" and 69% citing "quality and/or consistency of care" as an important objective. Clinics are increasingly positioned as centers for wellness and health promotion, and 66% of respondents say "enhancing health/wellness leadership" is an important objective. In today's tight labor market, a worksite clinic can be seen as a valuable perk, and 59% of respondents see the clinic as a "means of attracting and retaining valued employees."

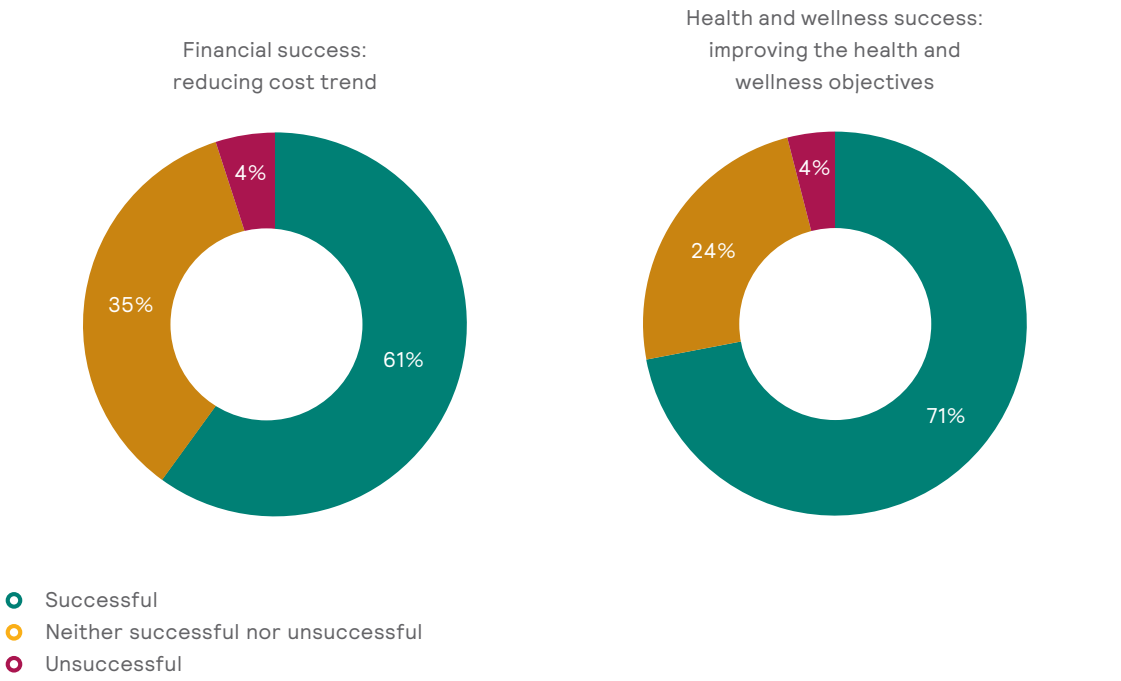
IMPORTANT OBJECTIVES IN ESTABLISHING A WORKSITE CLINIC

Percentage of respondents rating objective "Important" or "Very important" on a five-point scale



When asked about their organizations' perception of the financial success of the clinic in terms of reducing health benefit trend, 61% of respondents believe it has been successful. Respondents were also asked about the clinic's performance in improving employee health and wellness, and 71% say it has been successful in this regard.

ORGANIZATION'S GENERAL PERCEPTION OF THE SUCCESS OF THE CLINIC

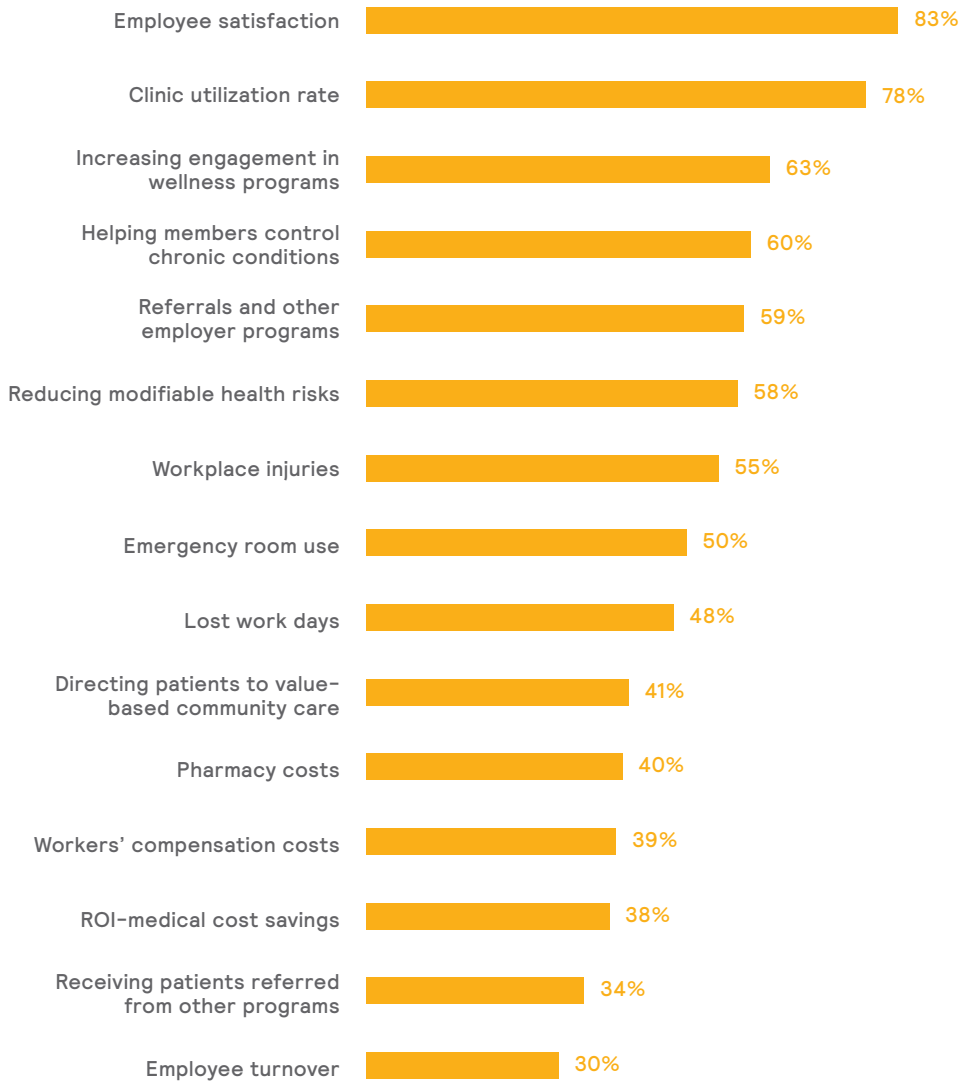


Looking at more specific measures of success, employers were most likely to report that the clinic has performed well in terms of employee satisfaction (83%) and utilization (78%). Nearly two-thirds (63%) are satisfied with the clinic's role in increasing engagement in wellness programs. Although not all employers attempt to measure the clinic's impact on employee health, the majority of respondents are satisfied with the clinic's ability to help members control chronic conditions (60%) and reduce modifiable health risks (58%). Half of respondents are satisfied with the reduced number of emergency room visits, due to availability of the clinic. Just over two-fifths (41%) of respondents are satisfied with their clinic's navigation of patients to community value-based care, indicating a significant opportunity for improved member cost, quality and patient experience.

Survey results suggest that many clinics could do a better job of navigating patients to value-based care in the community.

MEASURES OF CLINIC SUCCESS

Percentage of respondents rating clinic performance as successful



Slightly more than half (54%) of respondents have not attempted to measure the return on investment (ROI), which remains a challenge for most employers. It requires an objective methodology and comprehensive data aggregation for calculating savings from various sources, such as medical, pharmacy, absence and workers' compensation, as well as accurate accounting of the clinic's implementation and operating costs. An analysis that compares the experience of the population served by the clinic with the experience of a statistically adjusted control group will help guard against non-program-related effects that are often cited by vendors as savings.

Among respondents that have invested the time and resources to measure ROI, most have found that their clinics are providing positive returns. Well over half of these employers report a return of 1.5 or higher — meaning that for every $1 invested in the clinics, they have saved at least $1.5. Only 7% report an ROI of less than 1:1.

RETURN ON INVESTMENT (ROI) FOR THE WORKSITE CLINIC IN THE MOST RECENT REPORTING PERIOD

Majority of respondents (54%) haven't attempted to measure ROI

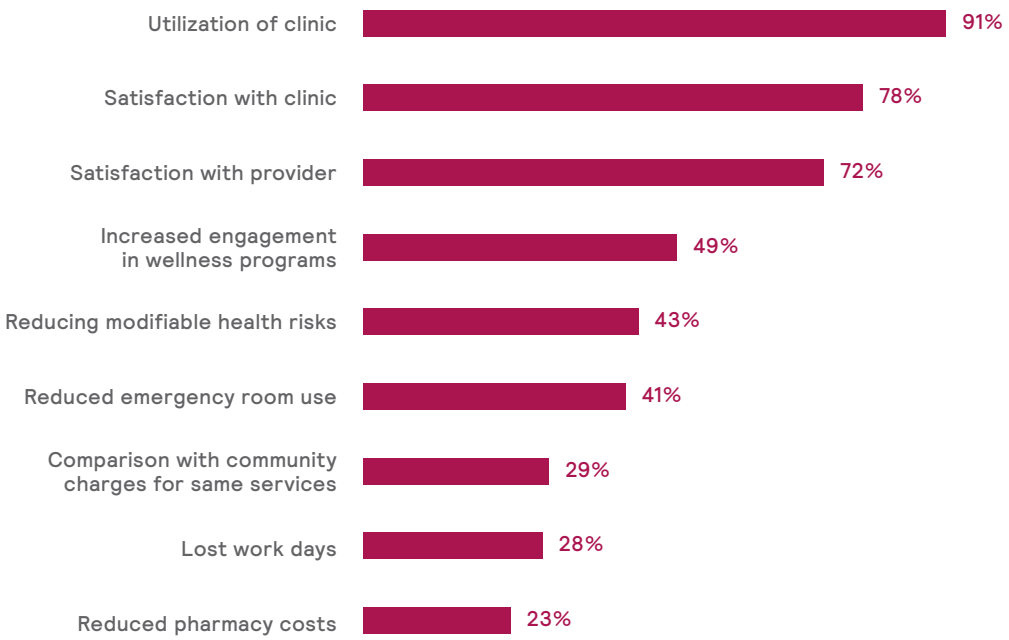
RETURN	PERCENTAGE OF RESPONDENTS
Less than 1.00	7
1.00–1.49	11
1.50–1.99	13
2.00–2.49	8
2.50–2.99	3
3.00–3.99	3
4.00 or more	3

Measuring ROI is challenging. But most respondents that have measured report positive returns.

Two-fifths of respondents have asked an independent organization to audit at least some aspect of clinic operations within the past two years. In most cases, the auditor reviewed regulatory compliance. Clinical care (chart reviews), environment of care and program performance were included in about two-thirds of the audits and financial accounting in just over half. One of the benefits of an employer-sponsored clinic is the transparency it provides. Failure to conduct independent assessments is a missed opportunity to optimize performance, reduce risk and maintain alignment with broader company strategies. We recommended conducting an assessment every two years.

Most respondents evaluate clinic performance based on utilization and patient satisfaction measures, but some focus more on results, such as reduction in modifiable health risks (43%), emergency room use (41%), lost work days (28%) and pharmacy costs (23%). Over a quarter (29%) compare community charges for the same services. Although difficult to measure, knowing the total cost of care for clinic participants is the bottom-line indicator of cost impact.

VALUE AREAS USED TO EVALUATE THE PERFORMANCE OF CLINIC

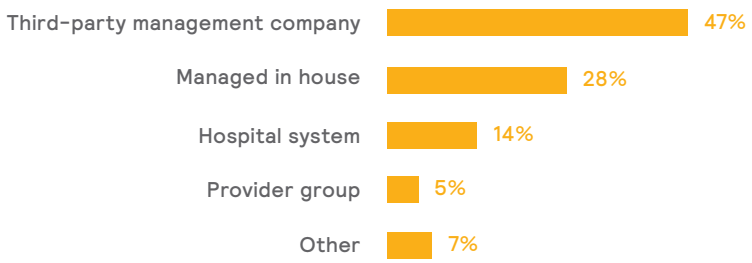


CLINIC MANAGEMENT, STAFF, TECHNOLOGY AND COST

Only 28% of respondents manage their clinic with in-house resources (that is, they employ or contract for staff directly), compared to 34% of the respondents in our 2015 survey and 43% of those in our 2012 survey. When a clinic is managed in-house, in most cases, it is occupational in focus. As more employers expand the range of services offered in their worksite clinic, it has become increasingly common to outsource administration, most often to a third-party management company (47%, up from 40% in our 2015 survey).

Key advantages of outsourced management include resources for staff management, risk avoidance to the company, avoidance of breaching corporate practice of medicine, clinical oversight and access to electronic medical records, analytics and reporting. Some respondents have outsourced to a hospital system (14%) or provider group (5%). These kinds of entities can leverage existing resources and are increasingly working to develop employer-market solutions, although they may have misaligned incentives to promote utilization of health system resources.

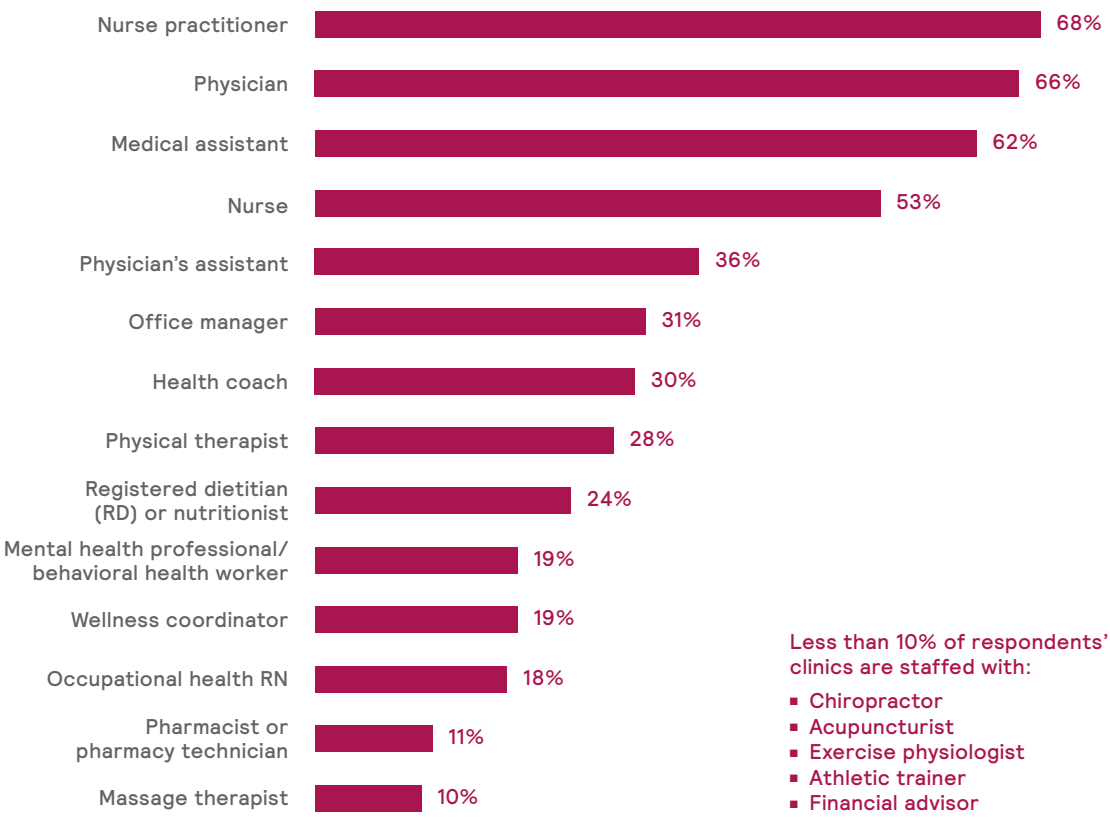
WORKSITE CLINIC MANAGEMENT



The most common type of reimbursement in outsourced models is a cost-plus (management fee) arrangement, which is used by 58% of respondents that do not manage the clinic in-house. Only 13% of respondents use fee-for-service reimbursement, in which the clinic submits claims to the health insurance plan for reimbursement (this compares to 22% of respondents in our 2015 survey). Capitation — a set charge per member per year — is used by 14% (compared to 12% in our 2015 survey). Only 2% use a shared-risk model. In the capitated model, the vendor takes more risk, but at the same time capitation lacks the transparency of a cost-plus arrangement.

There's been a strong movement toward outsourcing clinic administration.

CREDENTIALS OF CLINIC STAFF



Less than 10% of respondents' clinics are staffed with:

- Chiropractor
- Acupuncturist
- Exercise physiologist
- Athletic trainer
- Financial advisor

Staffing

While nurse practitioners are the type of staff found most often in respondents' clinics (68%), physicians are on staff in 66% of respondents' clinics (significantly higher than the 52% reported in our 2015 survey). Over half of respondents have a medical assistant (62%) or nurse (53%) on staff, and about a third (36%) have a physician

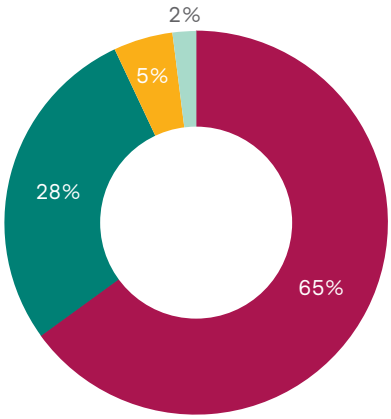
assistant. Only 11% have a pharmacist or pharmacy technician on staff, essentially unchanged from 2015. However, the amount of physical therapists on staff grew sharply — 28% of respondents have them, up from 17% of respondents in 2015.

Employers seeking to leverage their worksite clinics for their employee wellness programs have added health coaches (30% of respondents) or wellness coordinators (19%). Nearly a quarter (24%) have a registered dietitian or nutritionist (up from just 15% in our 2015 survey), and a few have an exercise physiologist (8%) or athletic trainer (6%). Behavioral health/mental health professionals are found in 19% of respondents' clinics. Some clinics even include therapists specializing in complementary medicine, such as chiropractors (8%), massage therapists (10%) or acupuncturists (8%).

Survey results suggest that most respondents have adequate staff to meet demand and properly manage appointment scheduling, unlike many community-based clinics. In 60% of respondents' clinics, wait times average less than 5 minutes, and only 3% report an average wait time of more than 10 minutes.

"NO-SHOW" RATE FOR CLINIC

Percent of respondents reporting rate



"No show" rate of:
- Less than 5%
- 5%–10%
- 11%–15%
- More than 15%

No-show rates

The majority of respondents (65%) report that their no-show rate is below 5%. A little over a quarter (28%) have a no-show rate of 5%–10%. Only 7% reported a no-show rate of more than 10%. No-show rates varied little based on employer size but differed considerably by industry. All respondents in healthcare reported no-show rates below 5%, compared to 50% of those in government and 57% of those in manufacturing.

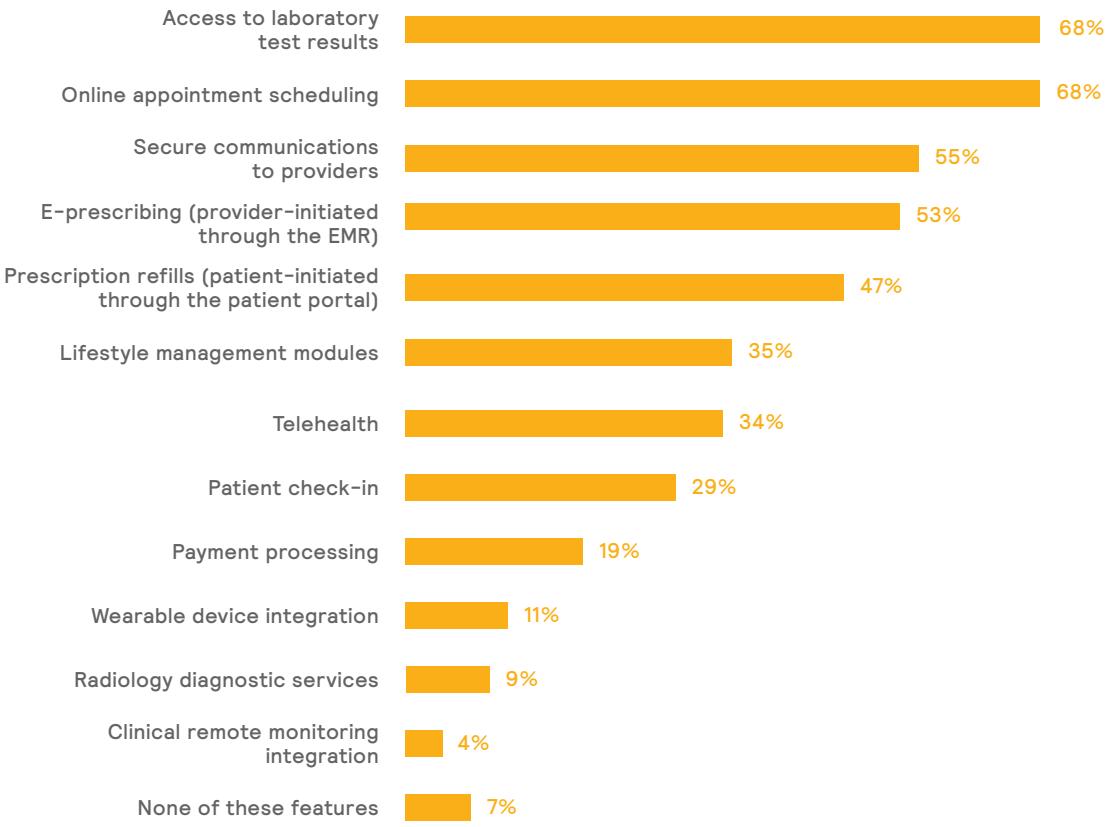
Technology solutions

Worksite clinics increasingly incorporate information technology solutions to streamline their operations – in fact, they may do so to a greater extent than most medical practices. Among respondents with general medical clinics, 84% use electronic medical records and 60% provide a patient portal — this is up sharply from just 43% of respondents in our 2015 survey. About half (49%) provide patients with personal health records (up from 37% in 2015). One-third of respondents now offer a mobile phone app for the clinic — more than double the percentage in our 2015 survey.

Employers with these types of technology solutions are able to offer employees such conveniences as online appointment scheduling (68%, up from 48%), online access to laboratory test results (68%, up from 54%) and secure communication with providers (55%). Over half (53%) offer e-prescribing (initiated by the provider through the electronic health record) and 47% allow prescription refills (patient-initiated through the patient portal). These tech-enabled services extend the patient/provider relationship, while patient check-in (29%) and payment processing (19%) speed the paperwork and get the employee back to work sooner.

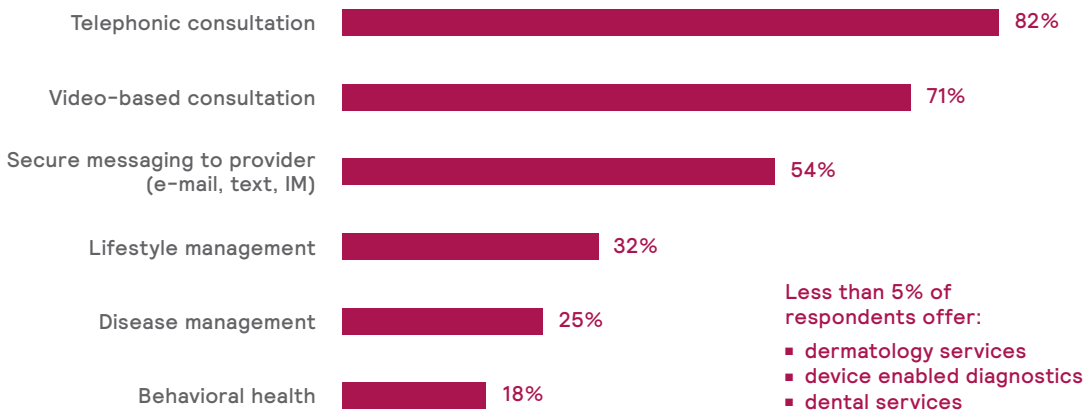
TECHNOLOGY-BASED FEATURES AVAILABLE AT THE CLINIC

Based on respondents that offer a general medical clinic that uses information technology



TELEHEALTH SERVICES PROVIDED

Based on respondents that have a general medical clinic and offer telehealth services



Telehealth services — the ability to consult with a health provider remotely via some form of telecommunication technology — have become the norm among large employers, although overall utilization remains low. When telehealth services are provided by clinic-based staff, as they are in 21% of respondents' clinics, there is an opportunity for a closer connection between patient and provider. Unlike independent telemedicine providers, clinic staff typically have access to the full patient history and medical information, allowing for more holistic treatment, tracking of prescriptions and follow-up. An additional 10% of respondents say their clinic has a contract with a commercial telehealth vendor and makes services available to employees, and 40% say that the clinic doesn't provide telehealth services but that employees have access some other way.

One important advantage of telehealth is to improve access to sometimes-scarce services, such as behavioral health. Among the clinics providing telehealth services, 18% offer behavioral healthcare.

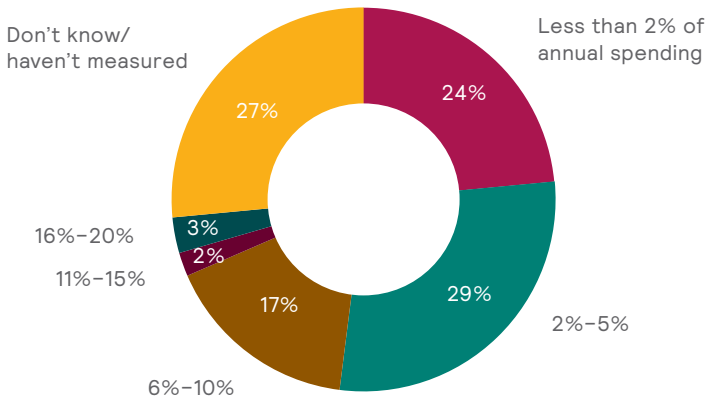
When telehealth services are provided by clinic-based staff, there is an opportunity for a closer connection between patient and provider.

Clinic cost as a percentage of healthcare spending

Respondents were asked to provide the annual operating cost of their clinics as a percentage of their organizations' total annual healthcare spending. Given the range of services provided by respondents' clinics, it's not surprising that cost varies widely. Compared to respondents in 2015, spending levels have increased. Only 24% say the clinic accounts for less than 2% of total spending on healthcare (down from 31% in 2015). More commonly, respondents report that it accounts for 2%–5% of spending (29%), and another 21% say it accounts for 6% or more. However, 27% of respondents don't know or haven't measured the cost of clinic operations.

It would be instructive to compare these spending levels to the portion of spending on primary care in larger commercial health systems. Although the monitoring of primary care spending rates is still rare in this country, based on information provided in a paper published in the *New England Journal of Medicine* in 2017 (https://www.nejm.org/doi/full/10.1056/NEJMp1709538), a benchmark of 7%–8% seems reasonable. It should be noted that this includes payments for ob/gyn and pediatric care, which most employer clinics do not provide.

PERCENTAGE OF ANNUAL HEALTH SPENDING ATTRIBUTABLE TO CLINIC



ACCESS, INCENTIVES AND UTILIZATION

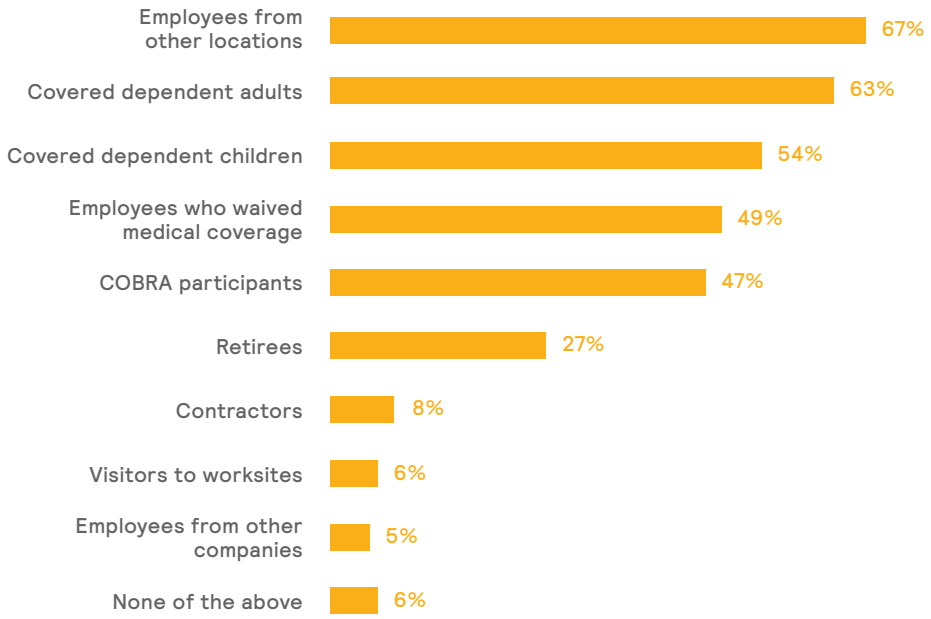
In most clinics (64%), all employees at a work location have access to the clinic. Some employers may restrict access to enrolled employees, or may define eligibility based on participation in specific medical plans, but typically at least 75% of employees at a location have access.

To optimize the savings potential of a worksite clinic, more employers with general medical clinics are allowing covered dependents and employees from other locations to access the clinics so they can take advantage of the often lower cost of quality care. Of course, it's not always feasible to

allow dependents to use a clinic due to logistical barriers, such as a hazardous work environment, security issues or limited parking. In addition, the clinic must have capacity and offer the right types of services for the broader population (for example, pediatric care). Survey respondents are most likely to give spouses and domestic partners covered through their organizations' health plans access to the clinics (63%, up from 55% in 2015). Covered dependent children are given access in 54% of respondents' clinics (compared to 46% in 2015).

ELIGIBLE POPULATION (IN ADDITION TO EMPLOYEES WORKING AT THE SITE)

Based on respondents that have a general medical clinic



On average, 51% of respondents' employees with access to a clinic visited the clinic in 2017. Survey respondents were asked to provide utilization rates for 2016 and 2015 as well, and these results show average utilization generally increasing over time, from 46% in 2015. Where dependents are eligible to use the clinic, the average utilization rate in 2017 was 29%.

UTILIZATION RATES

Percentage of eligible employees/dependents using the clinic during the year at least once

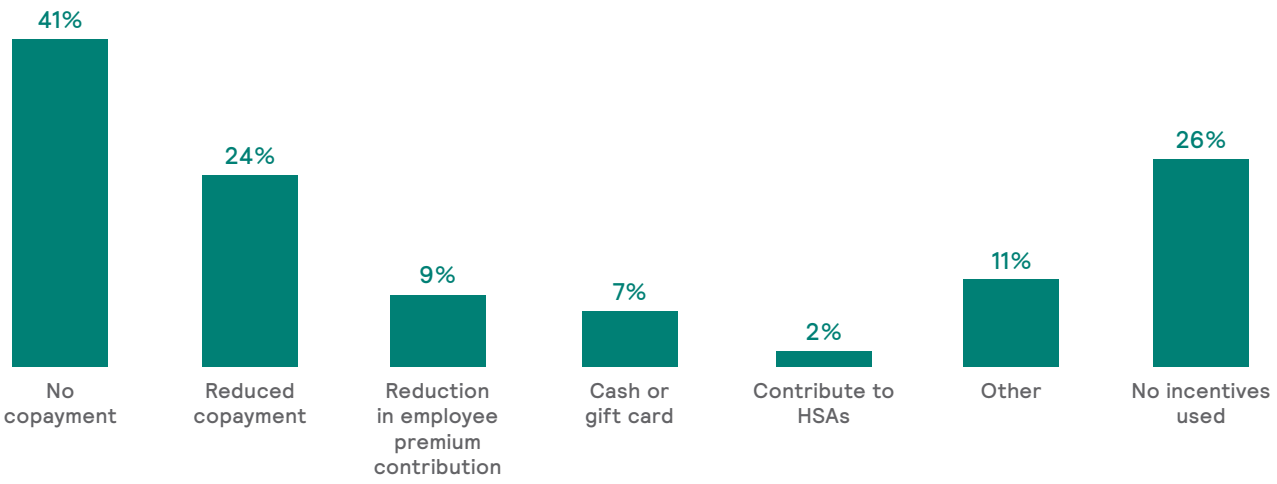
	AVERAGE	MEDIAN
Employees		
2017	51%	50%
2016	48%	50%
2015	46%	48%
Dependents		
2017	29%	22%
2016	28%	24%
2015	27%	20%

Encouraging clinic use

To encourage employees to visit the clinic for non-occupational health services, 41% of respondents with a general medical clinic require no copayment at all, and 24% charge less than the health plan for an office visit. Some (9%) will reduce the health plan premium contribution (typically tied to completion of clinic-based wellness and prevention services), and a few (7%) offer cash or a gift card. These incentives are often tied to broader wellness incentives, allowing required biometric screenings or health coaching visits to be fulfilled through the clinic. In fact, using the clinic to host a biometric screening campaign or provide flu shots is one way to get employees through the door for the first time to start to build relationships with clinic staff.

INCENTIVES USED TO ENCOURAGE EMPLOYEES TO VISIT THE CLINIC FOR NON-OCCUPATIONAL CARE

Based on respondents that have a general medical clinic



CONSIDERATIONS FOR HSA-ELIGIBLE PLAN SPONSORS AND ENROLLEES

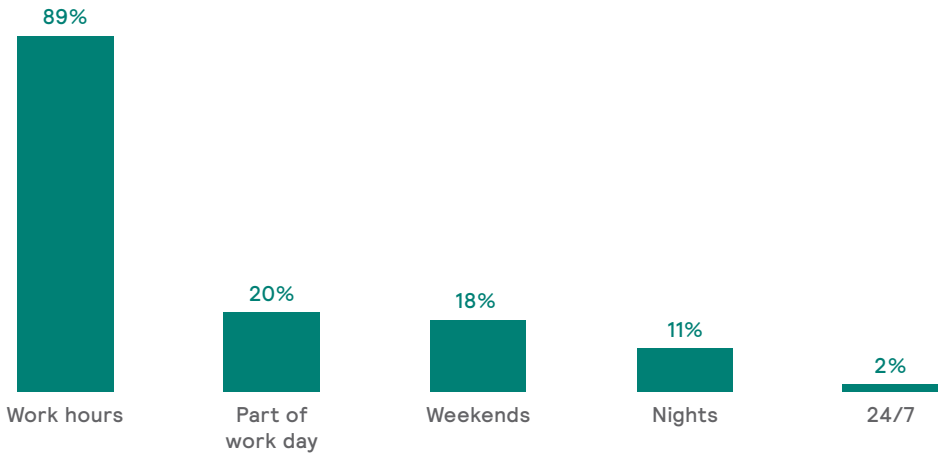
IRS rules governing health savings accounts (HSAs) can pose challenges for worksite clinic sponsors that also offer an HSA-eligible health plan. Although the rules are less than crystal clear, current IRS guidance states that having access to a worksite health clinic that provides significant medical benefits for free or at a reduced cost may prevent an employee from making or receiving HSA contributions. At the time of this writing, Congress is considering legislation that would allow individuals to use employers' worksite medical clinics or retail clinics providing certain services without risking HSA eligibility. Until that welcome change is official, the number of medical benefits that a worksite health clinic may offer at no cost without affecting HSA eligibility is limited. These benefits typically include preventive care, such as vaccinations, screenings and physicals, and "insignificant" medical care, such as providing aspirin or other nonprescription pain relievers and treating injuries occurring at the worksite. If the clinic provides "significant benefits" for free or at a reduced cost (that is, below fair market value), an employee may lose eligibility for an HSA.

Typically, this requirement means the employer must charge employees for services received at the clinic, regardless of whether that is preferred. Survey respondents whose clinics provide more than just preventive/wellness services and also offer an HSA-eligible plan were asked about their charging practices. Although some (13%) say they don't charge fees to members who have HSAs, most often they use an allowed-amount fee schedule that is either consistent with community charges (29%) or discounted (9%). Others have determined the cost of a visit based on the clinic's operational experience (13%), and some use the Medicare fee schedule (7%). The remainder (28%) use some other type of fee structure. Employers have discretion in fee determination, and these variations in approach may reflect strategic direction or differences in operational environment.

Half of these survey respondents believe that the requirement to charge members with HSAs for clinic services before their deductible is met has reduced clinic utilization. Since both HSAs and worksite clinics are seen as positive ways to control healthcare spending, there is considerable support in Congress for the House-introduced legislation that would make it easier to employers to offer both.

To ensure easy access, most respondents' clinics (89%) are open during work hours, and some are open during the evening (11%). Just 20% are open only part of a workday. Weekend hours are offered by 18% of clinics (up from just 10% in 2015), and a few (2%) are open 24/7.

CLINIC HOURS OF OPERATION



SERVICES OFFERED AND HEALTH PLAN INTEGRATION

As the range of services offered in worksite clinics becomes more comprehensive, more employers are allowing members to select the clinic as their primary care provider (PCP). Two-thirds (67%) of respondents with general medical clinics now allow this, up sharply from 49% of respondents to our 2015 survey.

The most common types of general medical services provided are vaccinations, screenings and preventive care exams, each provided by more than 80% of respondents. Urgent care is provided in 77% of clinics. Chronic disease management, which has strong potential for reducing expensive hospital stays and improving productivity, is offered at 72% of respondents' clinics (up from 63% in 2015). Laboratory/x-rays, physical therapy and mental health/Employee Assistance Program services are each offered by about a third of respondents. A mini-dispensary pharmacy is offered by 30% and a comprehensive pharmacy by 13%.

GENERAL MEDICAL SERVICES OFFERED

Based on respondents that have a general medical clinic

Immunizations	86%
Screenings	84%
Preventive care exams	82%
Urgent care (other than workplace injury)	77%
Chronic disease management	72%
Lab/x-ray	34%
Mental health or employee assistance program counseling	34%
Physical therapy	34%
Mini-dispensary pharmacy	30%
Comprehensive pharmacy	13%
Vision	8%
Concierge pharmacy	6%
Dental services	6%
Other	15%

Many survey respondents see their clinics as playing an important role in their organizations' health management or wellness strategies. A worksite clinic is a convenient way for employees to undergo biometric screenings (offered at 81% of general medical clinics) and participate in face-to-face chronic condition coaching (71%, up from 60% in 2015) or lifestyle coaching (also 71%). It also offers easy access to health improvement programs, such as smoking cessation and weight or nutrition management programs. As studies increasingly demonstrate the effect of mental health on physical health and productivity, more employers are using their worksite clinics to offer employees support for stress management (49%, up from 44% in 2015).

HEALTH MANAGEMENT SERVICES OFFERED

Based on respondents that have a general medical clinic

Biometric screening	81%
Face-to-face chronic condition coaching	71%
Face-to-face lifestyle coaching	71%
Nutrition management	67%
Weight management	63%
Smoking cessation	58%
Stress management	49%
Case management	27%
Health advocacy (e.g., navigational or clinical)	23%
Resiliency	13%
Disability management	6%
Infusion services	3%
Financial counseling	1%
None of the above	9%

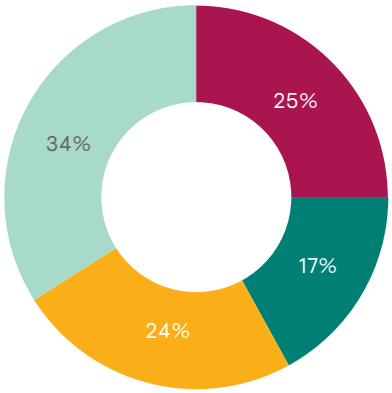
Health plan integration

The majority (66%) of clinics offering general medical services are credentialed through the employers' health plan networks. One-fourth of respondents' clinics are credentialed and submit claims to the health plans; about the same portion (24%) submit zero-dollar claims to the health plan to ensure clinic services are part of total health data on population. Another 17% are credentialed but do not submit claims. Credentialing simplifies integration and may provide additional quality assurance. Clinics that are not credentialed are likely to be independently funded health centers established by the employer, sometimes in response to specific workforce health objectives.

The majority (80%) of respondents use health plan in-network lists when determining how referrals are made to community resources. Only 26% of respondents say their clinic management organization establishes direct contracting arrangements with local healthcare providers; the rest may be missing an opportunity to steer employees to high-quality, cost-effective care.

CLINIC IS CREDENTIALED WITHIN THE HEALTH PLAN NETWORK

Based on respondents that have a general medical clinic



- Credentialed in the health plan, and claims for services provided through clinic are submitted to health plan for reimbursement
- Credentialed in the health plan, but claims are not submitted to health plan for reimbursement
- Zero-dollar claims are submitted to the health plan to ensure clinic services are part of total health data on population
- Clinic is not a part of the health plan network

A growing number of clinics are serving as a patient-centered medical home (PCMH) — a delivery model through which patients who are high risk or chronically ill have their care coordinated by a PCP or other primary care staff, such as a nurse practitioner or physician assistant. In our 2015 survey, 26% of respondents said their clinic was a PCMH; this has grown to 35% of current survey respondents. The reason for its appeal is clear — it allows employers to offer a greater level of care to the employees and family members who account for a greater portion of total healthcare expenditures.

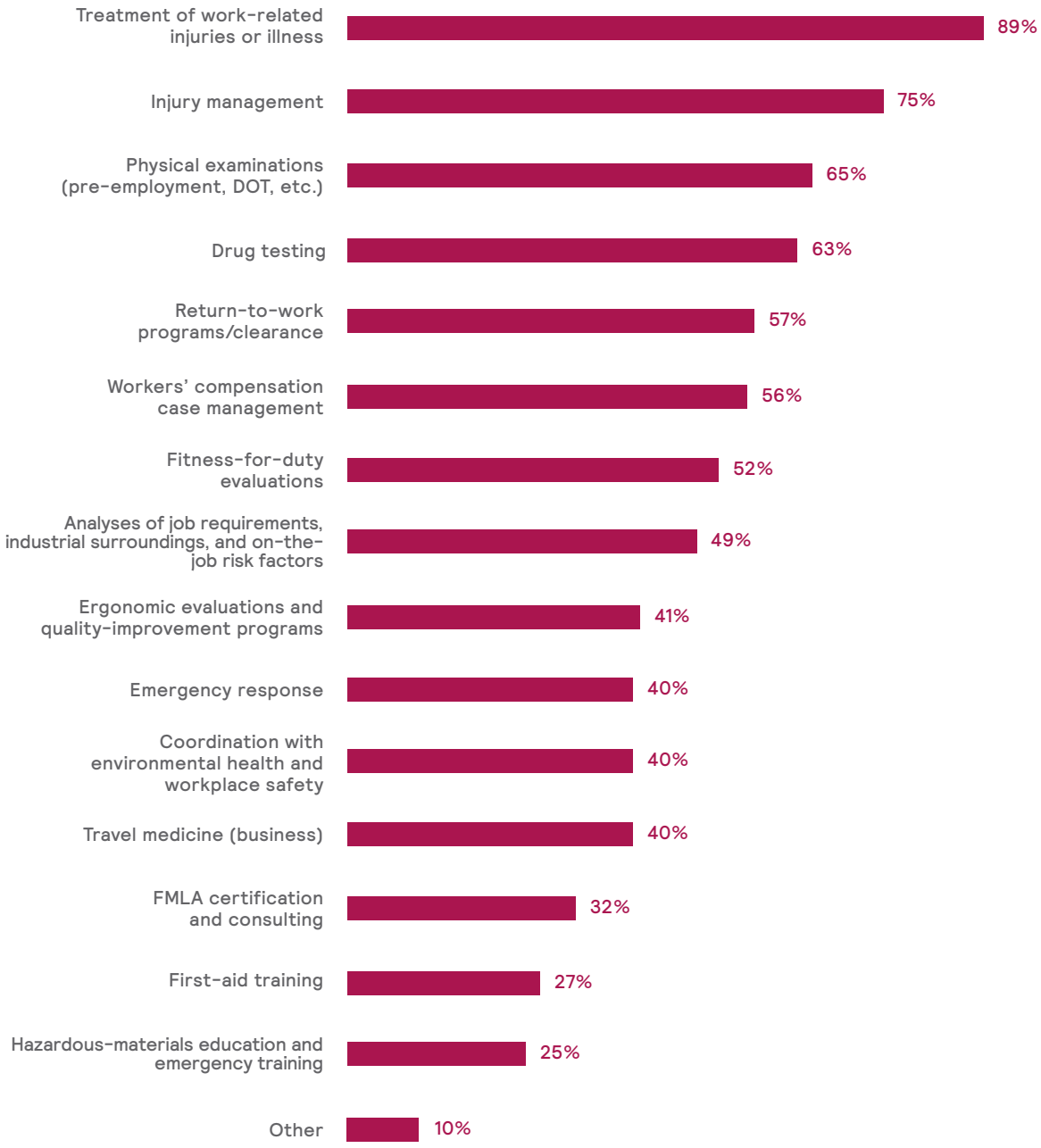
Occupational health services

Onsite or near-site occupational care is most common among employers in healthcare and manufacturing. By providing work conditioning and setting health and safety standards, the best of these clinics have helped achieve significant reductions in OSHA-recordable incidents. In addition to the treatment of work-related injuries or illnesses and injury management, the most common services offered by occupational clinics are physical exams and drug testing. They may also use their specialized expertise to provide analyses of job requirements, industrial surroundings and on-the-job-risk factors, and to coordinate with environmental health and workplace safety programs. More than half (57%) of the occupational clinics are involved in return-to-work programs, and a similar number handle workers' compensation case management.

Relatively few of the survey respondents currently offer only occupational services, but of those, about two-fifths either plan to expand to offer general medical services within two years or are considering it.

OCCUPATIONAL SERVICES OFFERED

Based on respondents that have an occupational health clinic



CONCLUSION

Worksite health services are the most direct way for employers to influence healthcare delivery and provide convenient and quality services to their employees and families. Since our last survey, we've seen expansion in the scope of clinical services, growth of shared clinics and an increase in the use of clinics as a medical home. Employers are finding that worksite clinics can be a strategic asset in a broader healthcare strategy that increasingly emphasizes narrow networks and soft steerage to value-based providers. These clinics can also play a valuable role in promoting the employer's well-being programs. As the market adapts to the growing demand, smaller self-funded employers are also able to take advantage of worksite clinics. When designed and managed correctly, a worksite clinic can deliver high value to both employer and employee. Ongoing assessment and performance measurement are critical to optimize and take full advantage of this valuable investment in primary care.

About Mercer's Worksite Clinic Consulting Group

In recognition of the need for leadership and innovation in this growing area, Mercer has established a national worksite clinic consulting group composed of thought leaders, innovators and subject-matter experts with extensive experience in all phases of a worksite clinic's lifecycle. The worksite clinic consulting group is part of Mercer's Total Health Management (THM) team, which is composed of diverse practitioners and thought leaders in the areas of medical, absence and disability, consumerism, behavioral health and behavioral science. The THM team develops strategies and designs programs that support employee health as an asset for a productive work environment. For more information contact David Keyt at david.keyt@mercer.com.

About National Association of Worksite Health Centers

The National Association of Worksite Health Centers 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 from their onsite, near-site/shared and virtual health centers, onsite pharmacies, worksite fitness and wellness centers. It offers employers and their vendor partners resources, networking opportunities, education, benchmarking and advocacy to support the development and expansion of worksite health and wellness centers. For more information visit www.nawhc.org

For further information, please contact your local Mercer office or visit our website at www.mercer.com.

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