Retail Medicine: How Far Can It Expand?

During a webinar sponsored by Foley & Larder LLP and Oliver Wyman, “Health Market 2.0: Provider + Retailers—The New Front Door to Health,” presenters described the current status of retail medicine. And then they speculated on what might happen next, in light of the inherent challenges to further expansion in the healthcare space.

The speakers mostly avoided specifics about their current retail healthcare operations, and even more so in talking about their plans for the future. They spoke instead in generalizations, perhaps because the role of retail medicine is evolving so rapidly, and in directions no one could have predicted even five years ago.

Alex Hurd, Walmart

The first speaker was Alex Hurd, head of New Product Development and Payer Innovation for Walmart’s U.S. Health & Wellness business. The company has 5,000 pharmacies, which do immunizations as well as medication-therapy management. Walmart’s mission to provide affordable healthcare, Hurd said, is exemplified by its $4 prescription products. Walmart is also a major vendor of over-the-counter health supplies such as glucose-testing strips.

Walmart sells ancillary healthcare products, notably, in 3,000 vision centers around the country. This is one of the product areas that is virtually integrated. There are also 500 audiology centers.

Primary care in stores is a newer capability for Walmart. The company launched a pilot last year in 17 markets across Texas, South Carolina, and Georgia. Full primary care is provided by nurse practitioners, who are overseen by local physicians or hospital groups.

There is a $40 price point for each visit to the clinic and $4 for Walmart sales associates who use the service.

Walmart also assists its customers in selecting health insurance. The initiative is called “Health Care Begins Here,” and the initial focus was Medicare. Then, after the ACA was passed, the company added individual and family plans. Walmart has agents in roughly 2,500 stores, and there is also a Web portal, where customers can choose insurance.

This past year, Walmart kicked off “Health Care Begins Here” with a health fair, in 2,000 stores. This year, fairs will be held in all of the stores.

Stephen Lockhart, Sutter Health

Stephen Lockhart, MD, the Chief Medical Officer, East Bay Region, for Sutter Health, spoke on the provider perspective. Sutter Health, he said, is the largest contiguous not-for-profit healthcare system in the U.S., located in northern California. Its patients are extremely diverse, with more than 100 languages spoken, and both wealthy and impoverished counties are included.

In the new high-deductible environment, there are many services that patients consider to be “shop-able,” and they are looking for them in the retail environment. That is based on two things, convenience and price. Since the Sutter patients are already making these decisions, Lockhart said that the company decided that its best strategy is to make the connection with the retail environment in a meaningful way.

Dr. Lockhart highlighted two ways that Sutter is doing this. The first is with CVS, which has been reformulating itself from a retail operation to a healthcare company. One of the services they provide is Minute Clinics, which are urgent care clinics. At Sutter Health, he said, they have urgent care clinics of their own. But since CVS has a much broader retail footprint than Sutter ever could, Sutter has begun to provide clinical oversight to the 14 northern California Minute Clinics.

Connectivity was a major concern. Sutter’s electronic health record (EHR)
can be shared with the Minute Clinic. With this link in place, Sutter can work with CVS to create care-coordination strategies, for example, with medication reconciliation.

The joint effort with CVS also provides Sutter with an opportunity to engage in a growth strategy, by providing care to the large number of patients who come to the Minute Clinics who do not have a PCP.

Sutter has also been offering virtual consults to Sutter’s employees, although they have not yet expanded the platform to include primary care visits. However, the company is at present providing urgent care visits through the MDLIVE telemedicine service. Fifteen of Sutter’s physicians are currently providing those visits, and more and more are getting credentialed to do so.

It is important, Dr. Lockhart said, to view the entire process from the customer viewpoint. It is essential, he emphasized, to recognize that maximizing the patient’s experience, and looking at it from their perspective, and making it less complex and providing connectivity, is truly what is going to build Sutter’s brand and promote patient loyalty.

**Tom Morgan, UnitedHealth Group**

Tom Morgan, Chief Innovation Officer, UnitedHealth Group spoke on the central role of evidence-based medicine in the new models for providing care. Even though UnitedHealth is the largest payer in the U.S., the company still needs to focus on the direct-to-consumer space, he said, because that is where the markets are evolving. Some of this is related to the ACA—very specifically, the public exchanges—and the growing interest in private exchanges.

The health insurance industry as a whole, Morgan said, needs new insurance products and new care models and technologies that appeal to different consumer segments and produce better clinical and cost outcomes. There is also a need to extend evidence-based care in ways that are appealing to providers. Finally, the company needs to link to existing retailers, because UnitedHealth does not yet have that footprint and that sort of connection with consumers.

For that reason, UnitedHealth needs to design differently, applying diverse kinds of consumer and provider insights, recognizing that there is a need for a patient-controlled delivery system. Already, the company has invested in human-centered design. And right now, they are testing several options.

One is local, direct-care models that are offered across the country. They have a growing footprint of physician practices and clinics that they have acquired. The intent with these clinics, and primary care offices, is to extend them in such a way that physicians aren’t just diagnosing and assigning treatment. They are instead in a position where they are educating, where they’re monitoring, where they’re coaching patients.

That is one of the areas where United, with the data and technology solutions provided by its Optum division, can enable that kind of a process. They can improve patient outcomes, and drive more consumer volume to the clinic practices. That is the rationale for the acquisitions they have made in the provider space.

United now offers a wider range of products for consumers. There is the health savings account banking service that they have offered for several years, and more recently, more advanced evidence-based adult weight loss models, to models that offer consumers discounts for services that are traditionally not covered by the insurance model. One model is being implemented in collaboration with Walmart—a sleep product. It comprises a six-week program, which can be bought off the shelf at Walmart, that couples Optum sleep advisors with a wearable sleep and fitness tracker, to ultimately teach people with insomnia how to relax and rest, without pills.

United is also taking on the challenge of promoting evidence-based care in more appealing and more effective ways, via group models.

Over the last few years, Morgan has been doing a lot of work to provide clinical content to consumers with specific health conditions, in a group setting. That can be in a face-to-face setting, or through a virtual connection.

One example is a diabetes prevention program—a 16-week lifestyle intervention, with a considerable body of evidence behind it, that has been scaled up through a partnership with the YMCA, nationally.

Another is called “Expectant Me,” and it is a group prenatal-care model. It has had tremendous outcome results in terms of helping babies, via a collaboration with Yale. After some really strong results in a pilot study, it is now being introduced into several different markets. The third is an intervention for juvenile obesity.

These programs, Morgan said, have had great results, and he thinks the reason why is that they get consumers together, either online or face to face—and there is peer support. So it’s an efficient way to deliver content, and it’s much more powerful than a seven-minute office visit.

“It will allow them a larger primary care footprint; it will allow them to deliver care more efficiently.”