

# Employee Benefits Planner

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## On-site health care

*The Three Cs:  
convenience, care, cost*

By Joseph McErlane Jr.



On-site health care is a rapidly growing trend in the United States. As employers, employees, and their families face continually increasing health care expenses, they are searching for solutions. Countless organizations have promoted health management programs, managed networks, and high-deductible health plans as means of cost containment. To truly lower medical expenses, it is necessary to improve overall health and to provide more efficient, timely, and easier access to medical care.

In the past, on-site health care—providing clinics at the workplace—has been viewed by many as being available only to the largest employers. Today that concept has changed. On-site health care exists in hundreds of workplaces around the country; small- and medium-size

employers are now providing convenient access to care at little to no cost to their employees. Providing an on-site clinic can reap benefits beyond financial returns. Rewards for the organization can go well beyond costs.

Clinics are springing up at businesses; school districts; municipalities; and for white-, gray-, and blue-collar occupations. The on-site clinic is not confined to or defined by a specific industry. Businesses with 250 employees to 1,000 employees are beginning to adopt the on-site clinic model. As their clinics mature, even the smaller organizations are reeling in return on their investment. Not all employers have the time, means, expertise, or general know-how to begin the process of placing a clinic in the worksite. An independent

clinic management organization can begin the evaluation process for any business considering an on-site clinic.

It is widely believed that high-deductible health plans such as HSAs are going to be a large component of employee health benefits in the future. Providing the workforce with free primary and preventive medicine at an on-site clinic may mitigate the pain of this transition. By removing overhead, paperwork, and general operational activities in the traditional clinic, one can achieve a level of efficiency that allows for the removal of administration costs for copays and deductibles. This leads to happier workers who can save their copay/ deductible dollars for when they need them most. In the current economic times, any form of monetary savings is appreciated. What is uniquely interesting about the on-site clinic model is the opportunity for the employer to provide a game-changing, highly-valued benefit for employees that is financially viable—and, in reality, is the right thing to do. To examine the possibility of installing an on-site clinic, I suggest reviewing the three Cs of on-site health care: convenience, care, and cost.

### Convenience

Convenient and timely access to medical professionals is getting increasingly difficult. The Journal of the American Medical Association reported in October that only 2 percent of medical students are going into primary care practice. This reduction in primary care physicians will inherently change how we receive health care in the future. The employer has a unique opportunity to provide a dedicated medical team for employees and their dependents. From

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the employees' perspective, they no longer have to leave work, sit in a waiting room, and waste hours of time to see the doctor. Moreover, the message being sent to the workforce is quite simple: We have placed a medical team on site to provide you with highly accessible routine medical care, preventive medicine, and health education. This very powerful message should not be taken lightly.

### Care

A significant advantage the on-site clinic gains over conventional clinic models is the opportunity for the medical team to spend increased time with the patient. A routine office visit today usually lasts seven to 10 minutes before the doctor is out the door and on to the next patient. When revenue requirements and productivity metrics are removed, the medical team can spend the necessary time focusing on the patient's underlying issues.

Successfully recruiting the "right" medical professionals for the on-site clinic is a delicate process. Careful selection and matching of a medical team and other medical resources is needed to best fit with the employer's health care needs, culture, and day-to-day business practices. If contracting with a third party for clinic management, the goal should be selecting the right team. The employer should feel they have a "doc in the family."

### Cost

As with most business decisions, an initial investment is required. The exact sum largely depends on the needs of the workforce and the appetite of the company. Clinics can be constructed for as little as \$20,000 and costs grow from there depending on the facility and needs. Monthly fees are billed for the independent on-site clinic manager. This fee varies depending on the personnel chosen for the clinic.

For the medical staff, a combination



of physician and midlevel provider (e.g., physician assistant or advance practice nurse) is



recommended. Though these dollars may be seen as a cost to the employer, in actuality they are a redirection of current health plan expenses.

In an on-site clinic, the medical team gains accurate medical information about prevalent chronic diseases and the opportunity for early detection of large, complex claims. Early identification of what would otherwise be a large "shock claim," combined with health management from clinicians, supports business goals for lowering the health plan's medical costs. Furthermore, as the workforce consistently taps into the knowledge and health resources on site, they become educated consumers of health services, which lowers unnecessary medical services.

Additional outcomes of an on-site clinic include a reduction in absenteeism and an increase in productivity/morale. Health data captured in this environment can become a significant resource for human resource professionals as they examine yearly health plan expenses and design the health plan going forward. Having a physician influence the benefit plan design based on the evolving health needs of the workforce will lead to efficiencies and savings both short- and long-term.

### Pitfalls to avoid

Independence from potential conflicts of interest is important for these clinics.

The on-site clinic manager should derive its revenue solely from the clinic management services provided and not from referring ancillary or complementary services. The clinic manager's objectives must be aligned with the employer's objectives. Referrals (when appropriate) should be focused on "in-network" specialists, as this will support out-of-pocket exposure to the employee and allow the employer to maximize negotiated fee schedules in the existing health plan.

Certain clinic management companies are developing unique relationships

with regional Centers of Excellence with predetermined pricing for specific tests and levels of care. Clinic goals are best realized when the management company solution effectively inte-

grates data from various benefit sources and develops a continuum-of-care/employee-engagement strategy authored by clinicians.

Effective communication and support of the clinic to the employees is essential to the success of the program; employees should be rewarded for their participation in the clinic. Building it doesn't necessarily mean they will come. An effective communication campaign with an incentive program will yield highly favorable results. The clinic must meet all privacy and HIPAA requirements to mitigate any concerns employees may have. Actively communicating compliance with state and federal laws will alleviate fears of privacy invasion in the workplace. Finally, to ensure transparency in all transactions, the clinic manager should pass on any supplies or medications necessary for a clinic setting to the employer at cost. ❑

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