

How Employers Can Get The Most Out of Worksite Clinics

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The decision to implement a worksite clinic typically reflects an employer's desire to exert more control over health plan care and cost. Most expect their clinic investment will yield improved health outcomes and a high multiple of health plan savings. In some cases that happens, but more often the savings are elusive. A September 2015 [Mercer survey](#) found that only 41 percent of clinic sponsors think their clinics save money. The real number may be far lower, the result of a lack of rigor and standardization in clinic vendor savings calculations. In other words, while good ones offer genuine value, clinics don't always go as planned the first time around.

Make no mistake, some clinic vendors deliver consistent, powerful improvements in health outcomes and cost, with 20+ percent absolute reductions in total health care spend three years after clinic implementation.

But the fact that measurable results often aren't there reveals a widespread lack of professional discernment and accountability by the benefits managers, brokers and vendors involved. Too often, they haven't asked the right questions and they've made costly choices, presumably without consequences. The result is that employers and unions may be spending millions of dollars – typically an additional 8-15 percent of premium – for an activity that objectively yields no demonstrable improvements in health outcomes or cost.

Making the right clinic vendor choice requires appreciating a couple of fundamental assumptions. First is that a proper clinic aspires to be far more than a primary care or urgent care office. By taking control of the front end of the health system, it manages the care delivered downstream, driving appropriate care and, more importantly, disrupting the inappropriate care and cost that has become so rampant in the US system.

Second is the realization that a clinic's capacity to be an effective manager is embedded in dozens of seemingly small choices that result from thoughtful consideration about what really works. Should a clinic be led by a physician or a nurse practitioner? How long should a typical clinic visit last? Should a clinic include a drug dispensary? Should patients pay co-pays to use the clinic? What services, beyond primary care, should be housed by the clinic? Should the clinic handle both group health and occupational health issues? The decisions on these and a hundred more design elements will define a clinic's capacity to deliver better health outcomes at lower cost, in ways that satisfy both patients and the sponsoring employer.

All kinds of process flaws can drive mistakes in clinic procurement. Sometimes the choices of clinic vendor willfully ignore hard data on past performance. Large employers may be biased toward vendors that are also large. Brokers making recommendations may have an undisclosed vendor relationships. Or perhaps clinics fail to perform simply because the client or the vendor has an uninspired conception of what is possible.

Of course, a murky understanding of a costly clinic's performance can be clarified by an independent audit, a dispassionate review of how a clinic's programming is structured and how the data say it performs. Some benefits managers who advocated for the clinic and the vendor may be reluctant to put the wisdom of those decisions to the test. But as most senior leaders know, open inquiry is a far better management practice than denial in the face of poor performance.

Sometimes, existing clinics will prove themselves with flying colors. Other times, clinic sponsors may conclude that their vendor has not been effective in driving

better results, and may consider revisiting the market to see if better alternatives exist. We all make mistakes. Live and learn.

I suspect that many benefits managers now think that they expected more from their current clinic vendor. The good news is that a few great clinic companies are in the market now, and a very solid crop of next generation clinic firms has emerged and is already showing impressive performance.

In a health system defined by its excesses, the best clinic firms are evolving into powerful full continuum risk management engines that can bring its sponsor's health care back into balance. Options are out there for better clinic performance. The benefits manager who has harbored nagging regret about choosing a prominent but unimpressive vendor may find it worthwhile to actively explore a replacement.

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