

*White paper*

# The role of employer-based onsite clinics: Total population management strategy

By Health and Productivity Practice  
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Employer healthcare cost containment strategies have become more important than ever with the passage and implementation of the Patient Protection Affordable Care Act (PPACA). As more of the benefit dollar starts to impact the bottom line, employers of both small and large organizations are searching for approaches to control spend, increase productivity, and have a healthier and happier workforce. In the past, presenteeism, absenteeism, short- and long-term disability, and workers compensation were rarely considered part of the healthcare spend equation. Today, however, it's critical to integrate a company's entire risk profile and thoroughly examine all data to identify the most appropriate solutions.

Employers of all sizes and industry types, whether self-insured or fully or partially insured, are looking for ways to control spend and mitigate risk. The executive suite is interested in proven strategies that provide a strong return on investment financially, as well as from a clinical, and employee satisfaction standpoint. The National Association of Worksite Health Centers (NAWHC), an organization for employer sponsors of onsite clinics, surveyed 255 employers from 15 different industries across the US. The benchmark report released in December of 2014 disrupts the notion that onsite clinics are just for large employers. The report also showed that more than 30 percent of surveyed employers were considering some form on onsite clinic as part of their cost-containment strategy.<sup>1</sup> Another report suggests that in 2015, more than 10 percent of all employees aged 65 and younger are being served by employer-based onsite clinics.<sup>2</sup>

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## Transforming service models

Historically, employer-based onsite care offered more traditional occupational services, such as emergency first aid, pre-employment physicals, and workplace health and safety. However, the services did little

to improve the overall health and well-being of the workforce, or to provide any substantial improvements in workforce productivity. Today's onsite clinic concept is employee-centric, and offers integrated, comprehensive services that go beyond the four walls of the traditional healthcare system and the limited occupational service model.

Thirty-seven percent of employers with 500-1,000 employees reported having an onsite clinic, while 48 percent with fewer than 200 employees said they have some sort of worksite health program in place.<sup>3</sup> Shared services, and the incorporation of technology such as telehealth, kiosks, mobile service units, and urgent care relationships, help to extend clinic services availability for acute care needs.

For those employers with 500 employees or less in a single location, creative solutions have emerged to make the implementation of a clinic much more cost-effective. For example, some organizations are using near-site clinics, or space that is closest to the geographic epicenter for its employee population, rather than locating a clinic in their own facility. This can make it more convenient for spouses and dependents to take advantage of the clinic's services, if that is a desired outcome. Government entities are frequently choosing to share clinic space with organizations in similar businesses or geographic areas. In some rural areas, it's common to see several companies partnering to share a clinic space.

### *Past, present, and future healthcare systems*



- **PAST**  
Emergency first aid, pre-employment physicals, and occupational health and safety
- **PRESENT**  
Onsite and near-site clinics, telehealth, kiosks, mobile service units, and total population health management, including chronic condition management
- **FUTURE**  
Leveraging technology for fully integrated and coordinated care, including virtual care and medical record management

## Understanding the employer's objectives

The scope of services that an onsite healthcare clinic offers can vary substantially, depending on whether an employer's objective is to increase the health and well-being of its workforce, increase productivity, reduce the number of on-the-job injuries and related expenses, or all of these. To establish an employer's objectives and priorities, as well as the initial direction and timing for an onsite clinic, it's critical to perform a comprehensive analysis of its medical and pharmacy claims, along with disability data. The diagram below illustrates the comprehensive scope of services that an onsite clinic can offer; an employer may choose to implement different services over a period of time after determining the clinic's primary objectives.

### Total population health management (onsite care)



- Your care team**  
Supervising Physician, Nurse Practitioner, Nurse (RN), Ancillary Staff, Physical Therapist, Chiropractor
- Prevention**  
Screenings, flu shots, ergonomic evaluations, travel clinic
- Acute Care**  
First aid, OTC, worker's compensation triage
- Wellness and Lifestyle Management**  
Physical activity, tobacco cessation, behavioral health, nutrition
- Chronic Condition Management**  
Disease management, gaps in care closure
- Pharmacy and Benefit Management**  
Adherence, generic management, dispensing
- Workplace Injury Triage**
- Carrier and Community Resources**

## Onsite clinic best practices

There are six main components to a successful onsite clinic operation:



### Component #1

A comprehensive online health record, integrated with current medical and pharmacy claims.



### Component #2

A corporate culture-savvy onsite care provider who is able to navigate and coordinate the healthcare environment.



### Component #3

An employee-centric model, built with the health risk profile of the total employee population taken into consideration.



### Component #4

A long-term, flexible strategic plan, predicated on data-driven intelligence.



### Component #5

An extensive, outcome reporting package and consistent review.



### Component #6

A tactically located clinic facility.

## Collaboration and integration

The clinic provider must be well integrated with the employer's healthcare plan, the healthcare network, community resources, physicians and specialists in the area and the health plan medical management programs. By building the most collaborative, wrap-around, employee-centric services, an employer can ensure the greatest outcome.

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Catastrophic case and chronic condition management program participation is essential for any cost-containment strategy, and is typically built into an employer's health plan fees. However, employee knowledge of these programs and rates of engagement with them is often poor. Along with a robust communication plan, employers should consider a value-based benefit design that uses incentives for behavior modification and engagement with these programs, which has been proven to be highly effective. Additionally, employers should consider the onsite clinic personnel to be an essential part of the marketing strategy to keep these programs top of mind for employees. Clinic staff is able to provide lifestyle modification initiatives, preventive services and counseling, and ongoing educational support, using evidence-based strategies to help address chronic health conditions in the employee population.



## Staffing and administrative management

Due to the increasing popularity of onsite clinics and the desire for more cost-effective options, the marketplace has seen many staffing and administrative platforms emerge. While the industry is quite dynamic, the most common models that employers are using include employer-hired clinical staff, local hospital system programs, or a third-party vendor. There are pros and cons associated with each of these models.

### *Employer-hired clinical staff*

In this model, the employer may manage the administration of the clinic and its operational costs, and also hire and employ its staff for the clinic. Many employers in the healthcare industry opt for this model, as it is an easy transition from their core business. Healthcare industry employers are generally well-armed with the necessary technology, such as electronic health records, and have expertise in clinic operations. For employers that consider this model, it is critical to ensure due diligence upfront in investigating the unique legal and regulatory considerations regarding compliance liability and employee privacy.

### *Contracted local healthcare providers*

A hybrid model appears to be growing in popularity. In this case, the employer contracts with local healthcare providers to provide the clinic's medical services, but may manage the business operations itself. For this model to succeed, it's critical that the clinic personnel be aware of the employer's goals. If the contracted provider is simply there to drive healthcare business to its own network, and not to effectively manage the employee population's health, there may be a conflict of interest. Some employers have found that these clinics operate similarly to the system that has been ineffective in managing the healthcare of their employees in the past, and question the overall effectiveness for achieving their objectives. The bottom line is that employees need to view the onsite clinic provider as a trusted manager of their overall health and well-being, and not as someone with a hidden agenda.

### *Third-party vendors*

Employers of all sizes may choose to use a third-party vendor for onsite clinic development and management. With this model, the vendor ultimately controls all clinic operations and employs all clinic personnel. The vendor is also responsible for complying with the current regulatory environment, as well as all liability and licensure issues pertaining to the clinic's staff. While an employer may find this model to be the most costly solution, the expertise of an onsite clinic vendor may be well worth the expense. Best-practice vendors have extensive experience in building a complex system that drives healthcare management beyond the acute care or occupational health needs of the population. They also bring resources such as population health-based electronic health records, information technology expertise, data mining tools, and clinician training.

### **Government regulations**

A number of federal, state, and local regulations can impact an employer's onsite clinic design, and employers should consult with their legal advisors early in the planning phase. Data security, licensure, insurance liability, and real estate regulations often lead employers to outsource their clinic management and operations. It is important for an employer to understand that an employer-sponsored onsite clinic that provides medical care beyond treatment for minor injuries and first aid is considered an employee welfare benefit plan, and thus may be subject to the Employee Retirement Income Security Act of 1974 (ERISA). For employer-sponsored plans other than governmental and church plans, ERISA Section 3(1) defines an "employee welfare benefit plan" very broadly to include any "plan, fund, or program" established or maintained by an employer for the purpose of providing enumerated welfare benefits to participants and beneficiaries.

Beyond ERISA, other considerations include the Health Insurance Portability and Accountability Act (HIPAA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (the two parts known together as the Affordable Care Act or ACA), the American Disabilities Act (ADA), and the Genetic Identification Nondisclosure Act (GINA).

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Some states have corporate-specific laws pertaining to the practice of medicine that restrict or prohibit organizations from providing services via employed physicians. State laws also vary in terms of credentialing and oversight requirements for mid-level providers, such as nurse practitioners or physician assistants, which can impact clinic staffing models. Variations in state laws present even greater challenges for employers with locations in multiple states.

While the scope of regulations may appear daunting, many employers have moved past these obstacles and found the journey to be well worth the effort. Ultimately, employers have put the health and well-being of their workforce into their organization's own hands, and have found fulfilling outcomes regardless of their objectives. After all, in the long term, a healthier, more productive employee population can help to support all business objectives.

### **How can we help?**

To learn more about onsite clinics, total population management, or building collaborative teams, contact your local Wells Fargo Insurance sales executive, or:

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## Addendum: Best practices

- At the onset of the clinic's operations, ensure clear identification of the necessary metrics to gauge productivity, financial ROI, health outcomes, patient satisfaction rates, and overall utilization of services. Assess all metrics annually at a minimum. Data mining and report generation should be early considerations.
- Incorporate comprehensive information technology, which is key to best-practice outcomes. There is a difference in functionality between a population health management-based electronic health record (EHR), a data mining tool, and an ambulatory or outpatient EHR, which is most often used by local providers.
- Ensure that there is the ability to process zero dollar claims data through the health plan. These are claims submitted for the purpose of capturing the service coding data but are NOT intended to be paid. The claims have a "\$0" dollar amount on them. Without this ability, it is difficult to predict an ROI.
- Provide assurance to employees that all activity associated with the onsite clinic is HIPAA protected. Clear communication regarding protection of personal health-related information is critical. Consider all legal considerations early on in the process of choosing the service model for the clinic. As integration takes place, employers must maintain strict separation of workers' compensation and medical management files; firewalls or separate systems can be used to isolate the files.
- Encourage senior management to show their support for the onsite clinic and encourage employees to use its services.
- Locate the clinic so that employees can easily access it, and if necessary, ensure the clinic offers flexible hours to accommodate multiple shifts.
- Strongly consider the use of incentives to increase utilization, specifically by use of the value-based benefit design.
- Consider expanding clinic access to include spouses and dependents. Eligible spouses are very often the highest cost for employers. Use of telehealth technology can enhance the ability for dependents to access the onsite clinic, regardless of location.
- Maximize the use of today's available technology, such as telehealth and home monitoring, to help lower the overall costs associated with an onsite clinic and maximize its benefits.
- Choose clinic staff who are the "right fit" for the organization, and are able to quickly adapt to the culture and inner workings of the environment. Employees must view the primary provider as a trusted partner in regard to their healthcare needs.
- Ensure all clinic staff have a working knowledge of the healthcare plan, workers' compensation and disability benefits, pharmacy benefits, local and regional resources, and physicians and specialists in the network. Over time, the staff will be key deliverers of care management services, ensuring that employees receive the right services at the right time.

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- 1 National Association of Worksite Health Centers, NAWHC, Interview with Larry Borese, Executive Director, April 2015.
  - 2 The Growth of On-Site Health Clinics, a Fuld & Company white paper. Accessed May 21, 2015 at [http://www.yourhealthstat.com/files/article/The%20Growth%20of%20On-Site%20Clinics%20\(Feb%202009\).pdf](http://www.yourhealthstat.com/files/article/The%20Growth%20of%20On-Site%20Clinics%20(Feb%202009).pdf)
  - 3 Sherman, B.W., Fabius, R.J. Quantifying the Value of Worksite Clinic Nonoccupational Health Care Services: A Critical Analysis and Review of the Literature. Journal of Environmental Medicine. Vol 54, Number 4, April 2012.

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