

The Evolution of Retail Healthcare Models

Executive Summary

The number of Americans who have a primary care doctor is shrinking, in part due to the primary care shortage, with potential consequences for their health. A **recent study** published in the *Annals of Internal Medicine* reported that in 2016, nearly half of commercially insured adults had not seen their primary care provider (PCP) during the calendar year. Another **study**, published in late 2019 in *JAMA Internal Medicine*, found that in 2015, an estimated 75% of Americans had a PCP – down from 77% in 2002. Most notably, for Americans in their 30s, the figure dropped from 71% to 64%.

These patients tend to utilize emergency or urgent-care options, which typically creates increased out-of-pocket cost burden, decreased care continuity, and limited opportunities for preventative care. It is well-established that primary care engagement improves health outcomes and lowers healthcare costs. Walk-in clinics, promising fast service at nontraditional hours, may be more appealing than old-style, primary-care appointments, especially for people who are younger and in better health. Major national pharmacy chains have announced new options for patients who would like one-stop, comprehensive healthcare outside of the traditional care setting, as well as new opportunities for PCPs. In this POV, three Intouch market access experts offer considerations and opportunities for pharma marketers to navigate the growing retail healthcare delivery trend.

Who Is My Primary Care Physician?

The Lines Are Blurring

Walgreens Boots Alliance recently **announced** plans to open between 500 and 700 primary care clinics attached to its stores in partnership with VillageMD over the next five years. The clinics are expected to work like a traditional PCP practice with enhanced convenience, access to telehealth and in-home visits through the partnership. A key expected benefit of the partnership is the ability for pharmacists and PCPs to work in tandem to formulate comprehensive care plans.

CVS Health has taken a slightly different approach to retail healthcare, having built out 1,000 *MinuteClinics* across the United States. Building on their current retail strategy, in 2019, CVS Health **announced plans** to transform 1,500 of its stores into *HealthHUB* locations by the end of 2021; these sites will offer healthcare services such as sleep apnea assessments, phlebotomy services, and dedicated space for wellness classes.

In June, **Walmart** rolled out **two new** Walmart Health clinics in Georgia and Arkansas. These clinics are positioned as one-stop shops for healthcare, **featuring** primary care, urgent care, diagnostics, x-rays, behavioral health and dental care services. Walmart Health's other big differentiator is **price** ... a primary care visit costs \$40 for adults and \$20 for children. Walmart has **stated**, "There's a big difference between offering healthcare services to drive more people to your store and offering healthcare services because you're in the healthcare business. We're in healthcare. We're not in retail healthcare. We're recruiting physicians in all of these areas and bringing them in."



Strategic Implications

Although retail healthcare delivery models have traditionally been focused on acute health conditions such as allergy, skin and soft tissue infection, and cough/cold/flu, we expect to see **new models focused on comprehensive management of patients and chronic diseases**. Given that **60%** of the U.S. population has at least one chronic health condition

that accounts for 90% of annual healthcare spending, the emerging patient-centric delivery models will provide a new opportunity to engage with patients who have not proactively been engaged in their healthcare.

The emerging models are also expected to drive greater collaboration between PCPs and pharmacists.



In the VillageMD model, primary care clinics integrate the pharmacist as a critical member of the multidisciplinary team. This partnership will provide increased focus on medication optimization and review and reconciliation, in addition to medication adherence counseling. **Retail healthcare models are positioned to improve patient safety, coordination of services, patient satisfaction and physician satisfaction.** Physicians who will find the new retail healthcare delivery models most attractive will typically be looking for collaborative, multidisciplinary team environments where decisions are driven by local physician leadership. These models are further expected to accommodate PCPs seeking part-time employment opportunities.



Because the key drivers include convenience, patient centricity, cost effectiveness and quality, it is likely that **payers will**

embrace these evolving retail-based care-delivery models.

This is particularly true for CVS Health/Aetna, positioned as the nation's premier health innovation company. In this highly integrated model, CVS Health/Aetna is poised to provide community-based access to high-quality care while delivering a simpler, more responsive and more affordable experience. From a provider perspective, it's about providing the patient's care team a more complete picture of their health to drive coordinated care and the most favorable outcomes.

It remains to be determined which specialists in metro markets will receive referrals from retail-based PCP groups. To ease entry into markets, one option for retail-based PCP groups will be to align with dominant hospital-owned or independent multi-specialty groups that could otherwise be motivated to leverage these evolving retail groups out of their respective markets.



Considerations and Opportunities for Biopharma Marketing

- How do we optimally engage HCPs in these settings? Given focus on productivity, efficiency and patient centricity, it's likely that rep access will be limited by corporate policies. This being the case, digital and omnichannel marketing strategies will be critical.
- How can pharma marketers best leverage an emerging/growing channel and measure effectiveness?
- Will adherence to treatment pathways and formularies increase? Is the same true for generic utilization benchmarks?
- Stratification of product portfolios to identify products and services that fit best in retail-based healthcare delivery models will be critical.
- Above brand, value-added resources aligned with retail healthcare tenets will likely provide opportunities to engage at multiple levels in these organizations.

- Telemedicine, EHR tie-ins, point-of-care education, virtual engagement platforms, and formulary pull-through strategies and tactics are all fertile areas of opportunity.
- A blend of HCP, patient and B2B strategies and tactics will be essential to developing a channel-specific operational model.
- Patient demographics matter ... underserved, financially challenged populations behave differently and have different needs than groups that have a regular PCP or who are more financially stable.



Conclusion

While healthcare delivery in retail settings is not new, the delivery of comprehensive, well-coordinated, patient-centric healthcare in these settings is. Given that retail models are quickly evolving, based on regional opportunities and documented patient needs, pharma should adopt a nimble, “test-and-learn” approach with retail healthcare HCP groups that are best positioned to attract patients and drive model adoption.

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