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By Electronic Mail (HPC-Testimony@state.ma.us)

Commonwealth of Massachusetts
Health Policy Commission
Two Boylston Street
Boston, MA 02116

Re: Written Testimony In Response To Health Policy Commission Questions

Dear Sir/Madam:

I. Introduction

MinuteClinic respectfully submits the following written testimony to the Health Policy Commission regarding the questions below.

II. Background

MinuteClinic provides affordable, accessible high quality care at 1,000 locations in 31 states and the District of Columbia, and has treated over 25 million patients since its founding in 2000. In 2008, MinuteClinic opened its first Limited Services Clinic (“LSC”) in Massachusetts. It currently has over 58 locations across the Commonwealth, including locations in Central Massachusetts and locations in Western Massachusetts. *See List at Appendix A.*

MinuteClinic is fully accredited by The Joint Commission. All MinuteClinic practitioners follow evidence-based clinical guidelines. These guidelines, which promote both quality and also the avoidance of unnecessary tests and expensive treatments that are not cost effective, are deployed through practitioner training and incorporated into MinuteClinic’s electronic medical record (“EMR”) system. MinuteClinic recently implemented the Epic EMR system, including in its Commonwealth clinics, and we have also completed implementation of the MA HIway.

HPC Questions for Written Testimony

III. Questions and Responses

Question No. 1

Chapter 224 of the Acts of 2012 (Chapter 224) sets a health care cost growth benchmark for the Commonwealth based on the long-term growth in the state's economy. The benchmark for growth in CY2013 and CY2014 is 3.6%.

- a. What trends has your organization experienced in revenue, utilization, and operating expenses in CY2014 and year-to-date CY2015? Please comment on the factors driving these trends.
- b. What actions has your organization undertaken since January 1, 2014 to ensure the Commonwealth will meet the benchmark, and what have been the results of these actions?
- c. Please describe specific actions your organization plans to undertake between now and October 1, 2016 to ensure the Commonwealth will meet the benchmark, including e.g., increased adoption to alternative payment methods (including specifically bundled/episodic payments), participation in CMS Medicare Shared Savings, Pioneer or Next Gen programs?
- d. What systematic or policy changes would encourage or enable your organization to operate more efficiently without reducing quality?

Response to Question No. 1

Clinic Expansion & Net Revenue Growth

MinuteClinic expanded the number of its clinic locations in the Commonwealth through 2013 and 2014, ending 2013 with 46 clinics, ending 2014 with 53 clinics, and with 58 clinics as of the filing of this testimony. During this period of expansion, 2014 net revenue grew 52.2% as compared to 2013 net revenue. The number of MinuteClinic visits in 2014 also grew 39.6% as compared to 2013.

Cost of Care

MinuteClinic's prices per service are significantly below other channels of care delivery. A 2009 Rand-sponsored study, based almost exclusively on MinuteClinic, found MinuteClinic's costs to be 40-80% less expensive than alternate sites of care and equal in quality. Comparing Costs and Quality of Care at Retail Clinics With That of Other Medical Settings for 3 Common Illnesses, *Annals of Internal Medicine*, August, 2009.

To reduce the cost of care, MinuteClinic employs a single-provider model, that is, a single family nurse practitioner (“FNP”) who performs the administrative and clinic functions at each of its locations. Patients check in using a self-service kiosk.

One of the main drivers of cost in ambulatory care is provider salaries. It is our understanding that an FNP costs approximately half the amount in salary to employ as compared to a physician, and that it typically takes approximately two-to-three full-time equivalent personnel to support a physician. Through the single-FNP provider model, MinuteClinic can efficiently utilize appropriate-level practitioners for the services that MinuteClinic offers. This results in lower costs, which MinuteClinic passes on to its patients in the form of lower prices.

In addition, because MinuteClinic has centralized corporate functions, the overhead costs associated with, *e.g.*, providing revenue cycle and operational support, is comparatively lessened for each LSC site, as compared to a provider who cannot efficiently spread overhead cost over multiple locations. MinuteClinic also utilizes an existing facility – the LSCs are located in CVS stores – eliminating the need for significant, additional infrastructure expenditure. MinuteClinic’s use of a single EMR system also eliminates the need for costly document storage space and systems.

Use of evidence-based clinical practice guidelines also helps lower costs by standardizing practice, reducing variation, and highlighting cost-effective solutions.

Studies support the cost efficiency of the MinuteClinic model:

- As noted above, a 2009 study found MinuteClinic’s costs to be 40-80% less expensive than alternate sites of care and equal in quality. Comparing Costs and Quality of Care at Retail Clinics With That of Other Medical Settings for 3 Common Illnesses, *Annals of Internal Medicine*, August, 2009.
- According to a 2013 study published in *The American Journal of Managed Care* concerning de-identified CVS Health employees, comparing MinuteClinic users to non-users (matching the groups on over 500 demographic, health status and care seeking characteristics), utilization of physician visits, emergency department visits and hospital care were all lower for MinuteClinic patients, and adjusted total costs of care for MinuteClinic users were 8% lower than for those who did not use MinuteClinic. Retail Clinic Care Associated with Lower Total Cost of Care, *Am. J. Manag. Care*. 2013;19(4):e148-e157. MinuteClinic believes that when high quality care is accessible to patients, the overall cost of care is reduced.

Nationally, MinuteClinic is in network with over 300 health plans, including most in Massachusetts, who view MinuteClinic’s clinical services as providing low cost access to care. In conformity with MinuteClinic’s goal of providing affordable, accessible high quality care, in Massachusetts we accept MassHealth and Medicare and participate in most Medicaid managed care plans, and we have locations in a variety of communities.

About half of MinuteClinic’s patients are seen on evenings and weekends when physician offices are typically closed, and the only options are the more costly emergency rooms or urgent care centers. For these patients, MinuteClinic offers more convenient and lower cost access to services within the scope of services that it provides.

Organization Plans

In its communities, MinuteClinic enters into clinical collaborations with major health systems (including UMass Memorial Health Care, Baystate Health and Lahey Health) wherein the health system physicians may serve as collaborating physicians for MinuteClinic’s practitioners and MinuteClinic and the health systems pursue joint clinical programs and EMR integration.

With these collaborations and MinuteClinic’s electronic connectivity capabilities through Epic and the MA HIway, Massachusetts health systems can have increased integration and collaboration with MinuteClinic’s low-cost model.

Systematic or Policy Changes

MinuteClinic believes that the following would promote efficiency without reducing quality:

- Enactment by the Commonwealth of statutes and regulations that would allow Physician Assistants to provide care in LSCs and at the scope of service level currently being provided by Nurse Practitioners at LSCs. MinuteClinic greatly appreciates the Legislature’s and Department of Public Health’s recent efforts with respect to expanding LSC scope of services with respect to FNP services so that MinuteClinic could provide more high quality, affordable and accessible access points to care for Commonwealth residents. MinuteClinic currently utilizes Physician Assistants in eight states, and these practitioners provide the same scope of services and high quality care as is provided today by our Massachusetts FNPs. If Massachusetts were to have similar regulations to these other states such that MinuteClinic could utilize Physician Assistants in its LSCs, MinuteClinic’s workforce challenges would be eased and it would be better able to expand its access points in the Commonwealth;
- Enactment by the Commonwealth of statutes and regulations that would fully support and promote the use of telehealth by LSC providers, FNPs, and Physician Assistants. We note and appreciate that the Fall 2015 HPC Newsletter described a pilot program to further the development of telemedicine in the Commonwealth that would “incentivize the use of community-based providers and the delivery of patient care in a community setting and facilitate collaboration between participating community providers and teaching hospitals.”
- A national, standardized approach to EMR integration, such that the products offered by EMR providers should be interoperable with the products that other

EMR providers offer. This will promote the best use of clinical information and avoid wasteful duplication.

- Promotion of the use of evidence-based guidelines, where appropriate, to improve quality and lower costs.
- From both a clinical and cost perspective, promotion of the appropriate level of health care provider for the particular patient care service provided.

Question No. 2

What are the barriers to your organization's increased adoption of alternative payment methods and how should such barriers be addressed?

Response to Question No. 2

Given the limited scope of services provided by LSCs, MinuteClinic is not a PCMH and is not seeking to play that role. As a result, while our capabilities permit us to collaborate with and support PCMHs (*See, e.g.*, Response to Question No .6 below), MinuteClinic is not taking the lead with respect to sharing and bearing risk.

Question No. 3

In its prior Cost Trends Reports and Cost Trends Hearings, the Commission has identified four key opportunities for more efficient and effective care delivery: 1) spending on post-acute care; 2) reducing avoidable 30-day readmissions; 3) reducing avoidable emergency department (ED) use; and 4) providing focused care for high-risk/high-cost patients.

- a. Please describe your organization's efforts during the past 12 months to address each of these four areas, attaching any analyses your organization has conducted on such efforts.
- b. Please describe your organization's specific plans over the next 12 months to address each of these four areas.

With respect to reducing avoidable emergency department (ED) use, as noted in the Response to Question No. 1, about half of MinuteClinic's patients are seen on evenings and weekends when physician offices are typically closed, and the only options are the more costly emergency rooms or urgent care centers. For these patients, MinuteClinic offers more convenient and lower cost access to services within the scope of services that it provides. A 2008 study found that the average total cost of a MinuteClinic episode was \$279 less than in the ED setting. Thygeson et al., *Use and Costs of Care in Retail Clinics Versus Traditional Care Sites*, Health Affairs, 27, no. 5, 1283-1292 (2008). And a 2010 study found that 7.9% of ED visits could take place at a retail clinic.

Weineck et al., *Many Emergency Department Visits Could be Managed At Urgent Care Centers And Retail Clinics*, Health Affairs, 29, no. 9, 1630-1636 (2010).

Question No. 4

As documented by the Office of the Attorney General in 2010, 2011, and 2013; by the Division of Health Care Finance and Policy in 2011; by the Special Commission on Provider Price Reform in 2011; by the Center for Health Information and Analysis in 2012, 2013, and 2015; and by the Health Policy Commission in 2014, prices paid to different Massachusetts providers for the same services vary significantly across different provider types, and such variation is not necessarily tied to quality or other indicia of value. Reports by the Office of the Attorney General have also identified significant variation in global budgets.

- a. In your view, what are acceptable and unacceptable reasons for prices for the same services, or global budgets, to vary across providers?
- b. Please describe your view of the impact of Massachusetts' price variation on the overall cost of care, as well as on the financial health and sustainability of community and lower-cost providers.

Response to Question No. 4

With respect to pricing, MinuteClinic supports and practices price transparency – today our pricing is transparently posted in all LSC locations and online so patients are aware of costs. Our payer rates are comparatively low in the Massachusetts marketplace because we exclusively utilize FNP providers.

Response to Question No. 5

The Commission has identified that spending for patients with comorbid behavioral health and chronic medical conditions is 2 to 2.5 times as high as spending for patients with a chronic medical condition but no behavioral health condition. As reported in the July 2014 Cost Trends Report Supplement, higher spending for patients with behavioral health conditions is concentrated in emergency departments and inpatient care.

- a. Please describe ways that your organization has collaborated with other providers over the past 12 months 1) to integrate physical and behavioral health care services and provide care across a continuum to these patients and 2) to avoid unnecessary utilization of emergency room departments and inpatient care.
- b. Please describe your specific plans for the next 12 months to improve integration of physical and behavioral health care services to provide care

across a continuum to these patients and to avoid unnecessary utilization of emergency room departments and inpatient care.

Response to Question No. 5

MinuteClinic supports the medical home concept, and believes it is an important model to ensure integration of behavioral and physical health.

To complement and support care provided in the primary care medical home, and consistent with current Department of Public Health regulations, MinuteClinic's policies require our providers to offer patients who do not have a primary care provider a list of primary care practices in the area who are accepting new patients; and, also consistent with current Department regulations, and subject to patient consent, MinuteClinic sends the patient's primary care provider a record of the MinuteClinic visit, so all primary care providers will have such information as they coordinate the patient's care. As noted above, MinuteClinic enters into clinical collaborations with major health systems (including UMass Memorial Health Care, Baystate Health and Lahey Health) wherein the health system physicians may serve as collaborating physicians for MinuteClinic's practitioners and MinuteClinic and the health systems pursue joint clinical programs and electronic medical record integration.

We screen for depression and other serious psychiatric symptoms during our physical examinations, and, if identified, consistent with our scope, refer to the patient's PCMH.

MinuteClinic also offers wellness programs on smoking cessation and weight loss to encourage patients to pursue healthy behaviors.

Question No. 6

The Commission has identified the need for care delivery reforms that efficiently deliver coordinated, patient-centered, high-quality care, including in models such as the Patient Centered Medical Home (PCMH) and Accountable Care Organizations (ACOs). What specific capabilities has your organization developed or does your organization plan to develop to successfully implement these models?

Response to Question No. 6

MinuteClinic is supportive of both the PCMH and ACO models of care:

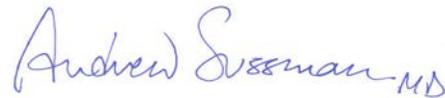
- **Support of, and coordination with, Primary Care Providers:** For care coordination, if a patient who visits MinuteClinic has a PCP, MinuteClinic will, with patient consent, send the visit summary to the PCP; and if the patient does not have a PCP, the practitioner will offer the patient a list of PCPs in the area who are accepting new patients.
- **Clinical collaborations:** As noted above, MinuteClinic has clinical collaborations with over 60 major health systems around the country (including UMass Memorial Health Care, Baystate Health and Lahey Health), wherein the health system physicians may serve as collaborating physicians for MinuteClinic's practitioners and MinuteClinic and the health systems pursue electronic medical record integration and joint clinical programs (such as coordinated care for hypertensive and other chronic disease patients). With our Massachusetts clinical collaborators we are working towards, and with UMass Memorial Health Care have completed, electronic clinical interchange.
- **Electronic medical records:** MinuteClinic has moved from its current proprietary EMR system to the Epic EMR called EpicCare. Epic – the most widely used EMR in the U.S. – supports MinuteClinic's evidence-based model of care and facilitates connectivity with providers around the country that use Epic and other EMR systems. MinuteClinic also participates in health information exchanges (HIEs), including the MA HIway.
- **Accountable Care Organizations (ACO) and Patient Centered Medical Homes (PCMH):** With its existing collaborative protocols and relationships, and its electronic medical record capabilities, MinuteClinic is well positioned to support ACO and PCMH care models.

Our work to form clinical collaborations in the Commonwealth and around the country leaves MinuteClinic in a good position to collaborate with ACOs and PCMHs.

IV. Closing Remarks

Thank you for your consideration. We look forward to continuing to work cooperatively with the Commonwealth to increase access to high quality, affordable health care services for Massachusetts residents.

Yours very truly,

A handwritten signature in blue ink that reads "Andrew Sussman, M.D." The signature is written in a cursive style.

Andrew Sussman, M.D.
President, MinuteClinic

The above signatory is legally authorized and empowered to represent the named organization for purposes of this testimony, which is signed under the pains and penalties of perjury

Appendix A – List of MinuteClinic LSC Locations in Massachusetts

Address	City	State	Zip
5 MACY ST	AMESBURY	MA	01913-3706
1900 MAIN ST	TEWKSBURY	MA	01876-2111
19 DODGE ST	BEVERLY	MA	01915-1705
311 NEWBURY ST	DANVERS	MA	01923-1027
68 MAIN ST	ANDOVER	MA	01810-3846
222 MAIN ST	WILMINGTON	MA	01887-2341
300 CANAL ST	SALEM	MA	01970-4558
344 GREAT RD	ACTON	MA	01720-4004
501 BOSTON POST RD	SUDBURY	MA	01776-3335
105 MAIN ST	MAYNARD	MA	01754-2514
174 LITTLETON RD	WESTFORD	MA	01886-3191
984 WORCESTER ST	WELLESLEY	MA	02482-7933
414 UNION ST	ASHLAND	MA	01721-2154
137 W CENTRAL ST	NATICK	MA	01760-4310
188 LINDEN ST	WELLESLEY	MA	02482-7933
626 SOUTHERN ARTERY	QUINCY	MA	02169-5648
272 E CENTRAL ST	FRANKLIN	MA	02038-1319
316 N PEARL ST	BROCKTON	MA	02301-1101
555 MAIN ST	MEDFIELD	MA	02052-2520
270 GROVE ST	BRAINTREE	MA	02184-7209
67 D MAIN ST	MEDWAY	MA	02053-1831
1025 CENTRAL ST	STOUGHTON	MA	02072-4401
80 MARKET ST	ROCKLAND	MA	02370-2602
189 SUMMER ST	KINGSTON	MA	02364-1247
100 D N MAIN ST	CARVER	MA	02330-1046
207 ROCKLAND ST	HANOVER	MA	02339-2222
8 PILGRIM HILL RD	PLYMOUTH	MA	02360-6123
1880 OCEAN ST	MARSHFIELD	MA	02050-4906
1515 COMMERCIAL ST	WEYMOUTH	MA	02189-3060
284 WINTHROP ST	TAUNTON	MA	02780-4398
1620 PRESIDENT AVE	FALL RIVER	MA	02720-7148
266 NEW STATE HWY	RAYNHAM	MA	02767-5446
1479 NEWMAN AVE	SEEKONK	MA	02771-2618
19 SUMMER ST	BRIDGEWATER	MA	02324-2630
8 E WASHINGTON ST	NORTH ATTLEBORO	MA	02760-2314
35 W MAIN ST	NORTON	MA	02766-2711
2340 GAR HWY	SWANSEA	MA	02777-3907

599 STATE RD	WESTPORT	MA	02790-2819
142 WORCESTER RD	CHARLTON	MA	01507-1244
44 W BOYLSTON ST	WORCESTER	MA	01605-1261
246 MILL ST	LEOMINSTER	MA	01453-3310
24 W MAIN ST	NORTHBOROUGH	MA	01532-1910
792 MAIN ST	CLINTON	MA	01510-1608
323 N MAIN ST	UXBRIDGE	MA	01569-1757
234 WASHINGTON ST	HUDSON	MA	01749-3735
57 ROLLSTONE RD	FITCHBURG	MA	01420
100 WORCESTER ST	NORTH GRAFTON	MA	01536-1024
366 KING ST	NORTHAMPTON	MA	01060-2333
928 RIVERDALE ST	WEST SPRINGFIELD	MA	01089-4620
1001 THORNDIKE ST	PALMER	MA	01069-1501
137 FEDERAL ST	GREENFIELD	MA	01301-2544
165 UNIVERSITY DR	AMHERST	MA	01002-8900
36 WHITE ST	CAMBRIDGE	MA	02140-1449
85 HIGH ST	MEDFORD	MA	02155-3825
189 WATERTOWN ST.	WATERTOWN	MA	02458-1005
215 ALEWIFE BROOK PKWY	CAMBRIDGE	MA	02138-1101
947 PROVIDENCE HWY	DEDHAM	MA	02026-6838
978 BOYLSTON ST	NEWTON	MA	02461-1504