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September 14, 2018

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. Background

MinuteClinic provides affordable, accessible high quality care at over 1,100 locations in 34 states and the District of Columbia, and has treated over 42 million patients since its founding in 2000. In 2008, MinuteClinic opened its first Limited Services Clinic (“LSC”) in Massachusetts. It currently has over 59 locations across the Commonwealth, including locations in Central Massachusetts and Western Massachusetts.

MinuteClinic is fully accredited by The Joint Commission, with its most recent full re-accreditation occurring in 2018. All MinuteClinic practitioners follow evidence-based, service-specific 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 implemented the Epic EMR system in 2015, including in its Commonwealth clinics, and we have also completed implementing our connection to the MA HIway health information exchange. In addition, MinuteClinic has affiliations with several health systems in Massachusetts, including Baystate Health System and Lahey Health.

II. HPC Pre-Filed Testimony Questions

Question 1

To address excessive health care costs that crowd out spending on other needs of government, households, and businesses alike, the Massachusetts Health Policy Commission (HPC) annually sets a statewide target for sustainable growth of total health care spending. From 2013 to 2017, the benchmark rate was set at 3.6% growth. For the first time for 2018 and again for 2019, the HPC exercised its authority to lower this target to a more ambitious growth rate of 3.1%, the lowest level allowed by state law. Achieving this reduced growth rate in the future will require renewed efforts by all actors in the health care system, supported by necessary policy reforms, to achieve savings without compromising quality or access.

- a) **What are your organization's top areas of concern for the state's ability to meet the 3.1% benchmark? Please limit your answer to no more than three areas of concern.**

MinuteClinic's primary concern for the state's ability to meet the 3.1% benchmark is the high service prices charged by healthcare providers. MinuteClinic has implemented a number of strategies to keep prices per service significantly below other channels of care delivery.

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. 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.

Other cost efficient elements of the MinuteClinic model include the following:

- 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 that cannot efficiently spread overhead cost over multiple locations.
- MinuteClinic 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 eliminates the need for costly document storage space and systems.

- MinuteClinic’s use of evidence-based clinical practice guidelines helps lower costs by standardizing practice, reducing variation, and highlighting cost-effective solutions.
- MinuteClinic focuses its clinical guidelines on use of low cost generic medications, whenever clinically appropriate.

Studies support the cost efficiency of the MinuteClinic model:

- The HPC’s own 2018 study found that in comparing “minor conditions that can be treated at all settings...[the] total costs and patient copayments average[ed] \$688 and \$130 at EDs, \$147 and \$32 at urgent care centers, and \$78 and \$26 at retail clinics.” HPC DataPoints, Issue 8: Urgent Care Centers and Retail Clinics.
- A 2013 study published in The American Journal of Managed Care, comparing MinuteClinic users to non-users (matching the groups on over 500 demographic, health status and care seeking characteristics), 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.
- 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.

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, including Central and Western Massachusetts.

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.

b) What are the top changes in policy, market behavior, payment, regulation, or statute your organization would recommend to address these concerns?

MinuteClinic believes that the following would promote efficiency and reduce healthcare

costs without reducing quality:

- Enactment by the Commonwealth of statutes and regulations that would fully support and promote the use of telehealth by LSC providers, FNP's, and Physician Assistants.
 - The Commonwealth's Board of Registration in Medicine has adopted a policy that there must be a pre-existing physician-patient relationship established prior to the provider treating the patient via telehealth. This restriction, which is not similarly present in most other states, significantly limits MinuteClinic's ability to provide high quality and low cost telehealth services to the Commonwealth's residents.
- 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 FNP's.
 - MinuteClinic greatly appreciates the Legislature's and Department of Public Health's expansion of the LSC scope of services to the full scope of practice of an FNP. This has allowed MinuteClinic to expand the scope of its high quality, affordable and accessible care for Commonwealth residents.
 - MinuteClinic currently utilizes Physician Assistants in thirteen states outside of MA, and these practitioners provide the same scope of services and high quality care as is provided today by our Massachusetts FNP's. 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.
- Adjustment by the Commonwealth of current regulations to that would permit LSCs to deliver more comprehensive primary care services to Massachusetts patients.
- 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.
- Avoidance of taxes and/or assessments on LSCs and ACSs that would create an increase to the cost of care provided.
- Promotion of the use of evidence-based guidelines, where appropriate, to improve quality and lower costs.

c) What are your organization's top strategic priorities to reduce health care expenditures? Please limit your answer to no more than three strategic priorities.

In its communities, MinuteClinic enters into clinical collaborations with major health systems (including Baystate Health System and Lahey Health) wherein the health systems

pursue joint clinical programs and EMR integration to assure seamless flow of clinical information and avoidance of wasteful duplication. 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.

MinuteClinic has begun offering services via telehealth in an effort to increase access to convenient, high quality care at affordable prices. However, given the Commonwealth's Board of Registration in Medicine policy that there must be a pre-existing physician-patient relationship established prior to the provider treating the patient via telehealth, MinuteClinic is unable to offer this modality in Massachusetts at this time. Please also see response to Question 1(b).

Additionally, please see response to Question 1(a) above.

Question 2

The HPC recently released a new policy brief examining the significant growth in hospital and non-hospital based urgent care centers as well as retail clinic sites in Massachusetts from 2010 to 2018. Such alternative, convenient points of access to health care have the potential to reduce avoidable and costlier emergency department (ED) visits.

Question Instructions: *If your organization does not own or operate any alternative care sites such as urgent care centers, please only answer questions (e) and (f) below. For purposes of this question, an urgent care center serves all adult patients (i.e., not just patients with a pre-existing clinical relationship with the center or its providers) on a walk-in (non-appointment) basis and has hours of service beyond normal weekday business hours. Information requested in question (a) below may be provided in the form of a link to an online directory or as an appended directory.*

- a) Using the most recent information, please list the names and locations of any alternative care sites your organization owns or operates in Massachusetts. Indicate whether the site is corporately owned and operated, owned and operating through a joint venture, or a non-owned affiliate clinical affiliate.**

Please see attached Appendix A for clinic locations. Please also see the Massachusetts MinuteClinic location listing on the [minuteclinic.com](https://www.cvs.com/minuteclinic/clinics/Massachusetts) website:
<https://www.cvs.com/minuteclinic/clinics/Massachusetts>

MinuteClinic locations in Massachusetts are corporately owned and operated.

- b) Please provide the following aggregate information for calendar year 2017 about the alternative care sites your organization owns or operates in Massachusetts,**

including those operated through a joint venture with another organization (information from non-owned affiliates should not be included):

Number of unique patient visits	284,545														
Proportion of gross patient service revenue that was received from commercial payers, Medicare, MassHealth, Self-Pay, and Other	<table> <tr> <td>Commercial</td><td>49%</td></tr> <tr> <td>Self Pay</td><td>36%</td></tr> <tr> <td>Medicare MA</td><td>6%</td></tr> <tr> <td>Managed Medicaid</td><td>3%</td></tr> <tr> <td>Medicare Rep/Adv</td><td>3%</td></tr> <tr> <td>MassHealth</td><td>2%</td></tr> <tr> <td>Other</td><td>0%</td></tr> </table>	Commercial	49%	Self Pay	36%	Medicare MA	6%	Managed Medicaid	3%	Medicare Rep/Adv	3%	MassHealth	2%	Other	0%
Commercial	49%														
Self Pay	36%														
Medicare MA	6%														
Managed Medicaid	3%														
Medicare Rep/Adv	3%														
MassHealth	2%														
Other	0%														
Percentage of patient visits where the patient is referred to a more intensive setting of care	53,791														

- c) For the alternative care sites your organization owns or operates in Massachusetts, briefly describe the clinical staffing model, including the type of clinicians (e.g., physicians, nurse practitioners, physician assistants, paramedics, nurses). If different models are used, describe the predominant model.**

MinuteClinics located in Massachusetts are staffed by Advanced Practice Registered Nurses who have collaborative relationships with Massachusetts-licensed physicians in accordance with applicable state law.

- d) For the alternative care sites your organization owns or operates in Massachusetts, briefly describe the method and timeliness of how the medical record of a patient's visit to an alternative care site is shared with that patient's primary care provider (e.g., interoperable electronic health record, secure email transfer, fax). What barriers has your organization faced in sharing real-time information about patient visits to your alternative care sites with primary care providers or other health care providers?**

MinuteClinic has shared approximately 172,410 medical records with primary care physicians in Massachusetts in 2017 using a variety of technological approaches to share patient visit data with primary care physicians, including:

- Epic EHR-based interoperability – on-demand, bi-directional query-and-retrieve functionality between organizations that use Epic EHR;

- Direct messaging to Epic and non-Epic PCPs – Direct push of Continuity of Care Documents (CCDs), in either real-time or overnight, depending on the connectivity path;
- Connectivity via Mass HIway (state HIE) – sending CCDs via the state Health Information Exchange to PCPs at Partners HealthCare, UMass Memorial Medical Center, and Reliant Medical Group;
- Connectivity via National Exchanges – Carequality, eHealth Exchange – allows sharing of patient data regardless of EHR platform;
- Faxing of Patient Visit Summary to PCP when electronic transmittal is not possible.

MinuteClinic experiences barriers to real-time sharing with respect to maintenance of accurate provider directories and the limited technology in use by our clinical partners.

- e) **Besides establishing alternative care sites, what other strategies is your organization pursuing to expand timely access to care with the goal of reducing unnecessary hospital utilization (e.g., after-hours primary care, on-demand telemedicine/virtual visits).**

Please see responses to Questions 1(b) and (c) regarding MinuteClinic's adoption of telemedicine in other states. Additionally, MinuteClinic has introduced the ability for patients to schedule appointments on the same day and up to one week in advance of the patient's visit date. MinuteClinic is open in the evenings, on the weekends and on holidays, ensuring access to Commonwealth patients during times when typically only costly EDs are available.

- f) **Please comment on the growth of alternative care sites in Massachusetts, including implications for your organization as well as impacts on health care costs, quality, and access in Massachusetts.**

MinuteClinic believes that an increase in alternative care sites in Massachusetts will continue to improve access and decrease costs. However, it is important that other alternative care sites place the same emphasis and focus on ensuring that high quality care is not sacrificed for lower costs. MinuteClinic consistently strives to put quality first when caring of its patients:

- MinuteClinic monitors quality through, among other mechanisms, rigorous physician medical director chart review.
- All care delivered to patients at MinuteClinic is based on solid clinical evidence. This is monitored by measuring and reporting HEDIS clinical quality indicators related to the appropriate use of antibiotics when treating bronchitis and pediatric pharyngitis as well as provider hand washing practices:
 - MinuteClinic ended the second quarter of 2018 with a score of 86.9% for avoiding antibiotics in the treatment of bronchitis.

- MinuteClinic ended the second quarter of 2018 with a score of 99.6% for the appropriate treatment of pediatric pharyngitis.
- MinuteClinic ended the second quarter of 2018 with an average compliance rate of 89.1% for hand washing compliance.
- A recent study published in the Journal of the American Medical Association reported strong antibiotic stewardship for retail clinics as compared to other ambulatory sites of care. Comparison of Antibiotic Prescribing in Retail Clinics, Urgent Care Centers, Emergency Departments, and Traditional Ambulatory Care Settings in the United States, Palms, D, Hicks, L, Bartoces, M, et al., Journal of the American Medical Association 2018; 178; 1267.
- A study published in the American Journal of Managed Care found that the quality of care at MinuteClinic for otitis media, pharyngitis, and URI based on widely accepted objective measures was superior when compared with ambulatory care facilities and emergency departments. Quality of Care at Retail Clinics for 3 Common Conditions, William H. Shrank, Alexis A. Krumme, Angela Y. Tong, American Journal of Managed Care 2014; 20; 794.
- According to a study published in the American Journal of Medical Quality, MinuteClinic practitioners treating acute pharyngitis (sore throat) using evidence-based clinical guidelines adhered to those guidelines in 99.05% of cases by withholding unnecessary antibiotics. Quality of Care in the Retail Health Care Setting Using National Clinical Guidelines for Acute Pharyngitis, James D. Woodburn, Kevin L. Smith and Glen D. Nelson, American Journal of Medical Quality 2007; 22; 457.
- MinuteClinic also closely follows patient satisfaction indicators as collected and reported by its third party vendor. A key indicator of this is the Net Promoter Score (NPS), which measures patients' satisfaction with their care providers and subsequent likelihood to recommend MinuteClinic to friends or relatives. MinuteClinic consistently maintains an overall NPS of $\geq 80\%$, well above the national average for other companies.

Question 3

Earlier this year, the HPC held a special event entitled, [*Partnering to Address Social Determinants of Health: What Works?*](#), where many policymakers, experts, and market participants all highlighted the need for health care systems to partner with community-based organizations to address patients' and families' health-related social needs (e.g., housing stability, nutrition, transportation) in order to improve health outcomes and slow the growth in health care costs.

a) What are the primary barriers your organization faces in creating partnerships with community-based organizations and public health agencies in the community/communities in which you provide care? [check all that apply]

- ☐ Legal barriers related to data-sharing
- ☐ Structural/technological barriers to data-sharing
- ☐ Lack of resources or capacity of your organization or community organizations
- ☐ Organizational/cultural barriers
- ☐ Other: Click here to enter text.

MinuteClinic believes that patients should, to the maximum extent possible, have their own PCPs, who would be responsible for referrals and partnering their patients with community-based organizations and public health agencies. Therefore, MinuteClinic supports the patient's primary care medical home and will refer patients back to their PCP (or to the Emergency Department in emergent situations). If a patient presents to MinuteClinic and indicates that he or she does not have a PCP, MinuteClinic provides a list of local area PCPs that are accepting new patients and encourages patients to develop a relationship with a PCP if such a relationship is not already established.

b) What policies and resources, including technical assistance or investments, would your organization recommend to the state to address these challenges?

Please see response to Question 3(a).

III. AGO Pre-Filed Testimony Questions

1. For provider organizations: please submit a summary table showing for each year 2014 to 2017 your total revenue under pay for performance arrangements, risk contracts, and other fee for service arrangements according to the format and parameters reflected in the attached AGO Provider Exhibit 1, with all applicable fields completed. To the extent you are unable to provide complete answers for any category of revenue, please explain the reasons why. Include in your response any portion of your physicians for whom you were not able to report a category (or categories) of revenue.

Please see attached Exhibit 1.

2. Chapter 224 requires providers to make price information on admissions, procedures, and services available to patients and prospective patients upon request.

- a) Please use the following table to provide available information on the number of individuals that seek this information.**

MinuteClinic supports and practices price transparency – today our pricing is transparently posted in all LSC locations on electronic medical boards that are displayed in the clinic waiting area and online at <https://www.cvs.com/minuteclinic/services/price-lists> so patients are aware of costs. Our payer rates are comparatively low in the Massachusetts marketplace because we exclusively utilize FNP providers.

- b) Please describe any monitoring or analysis you conduct concerning the accuracy and/or timeliness of your responses to consumer requests for price information, and the results of any such monitoring or analysis.**

Please see response to AGO Question 2(a).

- c) What barriers do you encounter in accurately/timely responding to consumer inquiries for price information? How have you sought to address each of these barriers?**

Please see response to AGO Question 2(a).

For hospitals and provider organizations corporately affiliated with hospitals:

- a) For each year 2015 to present, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing the hospital's operating margin for each of the following four categories, and the percentage each category represents of your total business: (a) commercial, (b) Medicare, (c) Medicaid, and (d) all other business. Include in your response a list of the carriers or programs included in each of these margins, and explain whether and how your revenue and margins may be different for your HMO business, PPO business, and/or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled.**

Not applicable

- b) For 2017 only, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing for each line of business (commercial, Medicare, Medicaid, other, total) the hospital's inpatient and outpatient revenue and margin for each major service category according to the format and parameters provided and attached as AGO Provider Exhibit 2 with all applicable fields completed. Please submit separate sheets for pediatric and adult populations, if necessary. If you are unable to provide complete answers, please provide the greatest level of detail possible and explain why your answers are not complete.

Not applicable

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,



Sharon Vitti
Executive Director, MinuteClinic
Senior Vice President, CVS Health

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	S	Zip
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
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
57 ROLLSTONE RD	FITCHBURG	MA	01420
100 WORCESTER ST	NORTH GRAFTON	MA	01536-1024
501 BOSTON POST RD	SUDBURY	MA	01776-3335
105 MAIN ST	MAYNARD	MA	01754-2514
234 WASHINGTON ST	HUDSON	MA	01749-3735
414 UNION ST	ASHLAND	MA	01721-2154
137 W CENTRAL ST	NATICK	MA	01760-4310
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
272 E CENTRAL ST	FRANKLIN	MA	02038-1319
555 MAIN ST	MEDFIELD	MA	02052-2520
67 D MAIN ST	MEDWAY	MA	02053-1831
6 JFK ST	CAMBRIDGE	MA	02138-4909
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
188 LINDEN ST	WELLESLEY	MA	02482-7933
626 SOUTHERN ARTERY	QUINCY	MA	02169-5648
316 N PEARL ST	BROCKTON	MA	02301-1101
270 GROVE ST	BRAINTREE	MA	02184-7209
1025 CENTRAL ST	STOUGHTON	MA	02072-4401
80 MARKET ST	ROCKLAND	MA	02370-2602
105 DAVIS STRAITS	FALMOUTH	MA	02540-3909
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
5 MACY ST	AMESBURY	MA	01913-3706
1900 MAIN ST	TEWKSBURY	MA	01876-2111
344 GREAT RD	ACTON	MA	01720-4004
19 DODGE ST	BEVERLY	MA	01915-1705
311 NEWBURY ST	DANVERS	MA	01923-1027
174 LITTLETON RD	WESTFORD	MA	01886-3191
68 MAIN ST	ANDOVER	MA	01810-3846
222 MAIN ST	WILMINGTON	MA	01887-2341
300 CANAL ST	SALEM	MA	01970-4558

