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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 700 locations in 27 states and the District of Columbia, and has treated 17 million patients since its founding in 2000. In 2008, MinuteClinic opened its first Limited Services Clinic ("LSC") in Massachusetts. It currently has over 40 locations in the Commonwealth, including locations in Central Massachusetts and planned locations in Western Massachusetts.

III. Questions and Responses

Question No. 1

Chapter 224 of the Acts of 2012 (c.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 between CY2012- CY2013 and CY2013- CY2014 is 3.6%.

- a. What are the actions your organization has undertaken to reduce the total cost of care for your patients?
- b. What are the biggest opportunities to improve the quality and efficiency of care at your organization? What current factors limit your ability to address these opportunities?
- c. What systematic or policy changes would encourage or help organizations like yours to operate more efficiently without reducing quality?
- d. What steps are you taking to ensure that any reduction in health care costs is passed along to consumers and businesses?

Response to Question No. 1

Cost of Care

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 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 NP 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 can pass 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 provider site (LSC), 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 electronic medical record (“EMR”) system also eliminates the need for costly document storage.

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:

- 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.
- According to a 2013 study published in The American Journal of Managed Care concerning de-identified CVS Caremark 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 significantly 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.

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.

In conformity with MinuteClinic's goal of providing affordable, accessible high quality care, in Massachusetts we accept MassHealth, Medicare and most Medicaid managed care plans, and we have locations in a variety of communities.

Quality and Efficiency of Care

In addition to its focus on cost efficiency, MinuteClinic is committed to providing high quality care to the citizens of the Commonwealth. For example:

- MinuteClinic is fully accredited by The Joint Commission.
- All MinuteClinic practitioners follow evidence-based, service-specific clinical guidelines. These guidelines, which promote the avoidance of unnecessary tests and expensive treatments that are not cost effective, are deployed through practitioner training and incorporated into MinuteClinic's EMR system. Chart reviews are performed to confirm practitioner compliance. A study published in the American Journal of Medical Quality (see bullet below) confirmed 99% adherence with a clinical guideline for sore throat.

- Consistent with current regulations of the Department of Public Health (the “Department”) and with MinuteClinic’s mission to complement and support care provided in the primary care medical home, 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 that are accepting new patients. Consistent also with current Department regulations, and subject to patient consent, MinuteClinic additionally 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 going forward. This helps avoid wasteful duplication.
- MinuteClinic has also entered into clinical collaborations with 28 major health systems around the country, including in Massachusetts with UMass Memorial Health Care, wherein the health system physicians may serve as supervising physicians for MinuteClinic’s practitioners and MinuteClinic and the health systems pursue joint clinical programs and electronic medical record integration.
- MinuteClinic monitors quality through, among other things, rigorous physician medical director chart review.
- MinuteClinic also collects and monitors its HEDIS quality scores, which are high compared to other providers because MinuteClinic follows evidence-based care. For example, the State of Minnesota publishes HEDIS quality results, and MinuteClinic consistently appears at the top of the ranking for avoiding unnecessary antibiotics. In 2012, when the average avoidance was 20%, MinuteClinic’s score was over 80%. 2012 Health Care Quality Report available from <http://mncm.org> (Adult Bronchitis).
- 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 additionally tracks patient satisfaction. Ninety-five percent of MinuteClinic patients report that they are satisfied with their provider. MinuteClinic also monitors its Net Promoter Score®, which represents the willingness of a patient (or customer) to recommend a provider (or business) to a friend or colleague. MinuteClinic’s Net Promoter Score for 2012 was 81%, a level similar to the best-known brands.
- MinuteClinic has partnered with the National Patient Safety Foundation to promote health literacy. Through this relationship, MinuteClinic has become the first retail clinic provider to implement Ask Me 3™, an educational program

from the National Patient Safety Foundation, designed to promote communication between health care providers and patients in order to improve health outcomes. The program encourages patients to ask and understand the answers to three questions: What is my main problem? What do I need to do? Why is it important for me to do this? Ask Me 3 brochures are available to patients at every MinuteClinic location.

MinuteClinic pricing is transparently posted in all LSC locations so patients are aware of costs.

With respect to potential systematic or policy changes that would encourage or help organizations like MinuteClinic to operate more efficiently without reducing quality, the following would be useful:

- A national, standardized approach to EMR integration, such that the products offered by EMR providers must be interoperable with the products that other EMR providers offer. This will promote the best use of clinical information and avoid wasteful duplication
- Removal of unnecessary, state-level regulatory burdens on the ability of nurse practitioners and physician assistants to serve as an access point for the provision of needed health care services. This is particularly important now, because the national primary care physician shortage is likely to reach at least 45,000 doctors by 2020. Training of new physicians is a decade long process, with no major increase in site. An epidemic of obesity and chronic disease, as well as an aging population, compound the problem. Chapter 224 of the Acts of 2012 represented the most recent of a series of Massachusetts legislative enactments that addressed these burdens.
- 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.

As for the steps that MinuteClinic is taking to ensure that any reduction in health care costs is passed along to consumers and businesses:

- MinuteClinic has comparatively low prices. See the bullets above regarding “Cost of Care.”
- MinuteClinic’s prices are transparent and readily obtainable both on the internet and in our clinics.

Question No. 2

The 2013 Examination of Health Care Cost Trends and Cost Drivers by the Attorney General's Office found that growth in prices for medical care continues to drive overall increases in medical spending. What are the actions your organization has undertaken to address the impact of the growth in prices on medical trend and what have been the results of these actions?

Response to Question No. 2

Please see the Response to Question no. 1.

Question No. 3

C.224 seeks to promote the integration of behavioral and physical health. What are the actions your organization has undertaken to promote this integration?

- a. What potential opportunities have you identified for such integration?
- b. What challenges have you identified in implementing such integration?
- c. What systematic or policy changes would further promote such integration?

Response to Question No. 3

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

As noted above in the Response to Question No. 1, to complement and support care provided in the primary care medical home, and consistent with current Department 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. In its communities, as noted above, MinuteClinic enters into clinical collaborations with major health systems (including UMass Memorial Health Care) wherein the health system physicians may serve as supervising physicians for MinuteClinic's practitioners and MinuteClinic and the health systems pursue joint clinical programs and electronic medical record integration.

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

Question No. 4

C. 224 seeks to promote more efficient and accountable care through innovative care delivery models and/or alternative payment methods.

- a. Describe your organization's efforts to promote these goals.
- b. What current factors limit your ability to promote these goals?
- c. What systematic or policy changes would support your ability to promote more efficient and accountable care?

Response to Question No. 4

Regarded as a “disruptive innovation,”¹ MinuteClinic is an innovative care model founded on the principles of (1) providing patients with convenient access to care within the community on a walk-in basis, without appointment, (2) at affordable prices and (3) with a commitment to delivering high quality care (through guideline-based care and rigorous attention to quality, as described above in the Response to Question No. 1). MinuteClinic provides these services seven days a week.

Question No. 5

What metrics does your organization use to track trends in your organization’s operational costs?

- a. What unit(s) of analysis do you use to track cost structure (e.g., at organization, practice, and/or provider level)?
- b. How does your organization benchmark its performance on operational cost structure against peer organizations?
- c. How does your organization manage performance on these metrics?

Response to Question No. 5

As noted above more fully in the Response to Question No. 1, MinuteClinic efficiently manages cost and overhead through: (1) use of the single-provider model, (2) employment of FNP’s as providers, (3) centralized corporate functions, and (4) utilization of a single EMR system. MinuteClinic tracks expenses to the specific location level, including payroll expenditures. Because MinuteClinic operates in a cost-efficient manner, it can pass along savings to its patients.

¹ The Innovator's Prescription: A Disruptive Solution for Health Care, Clayton M. Christensen, Jerome H. Grossman, and Jason Hwang (2009).

Question No. 6

Please describe the actions that your organization has undertaken or plans to undertake to provide patients with cost information for health care services and procedures, including the allowed amount or charge and any facility fee, as required by c.224.

Response to Question No. 6

As noted above, MinuteClinic's prices are transparent and readily obtainable both on the internet and in our LSC locations.

Question No. 7

After reviewing the reports issued by the Attorney General (April 2013) and the Center for Health Information and Analysis (August 2013), please provide any commentary on the findings presented in light of your organization's experiences.

Response to Question No. 7

Please see the Responses to Question Nos. 1-6.

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.".

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