

## Health Care

# Employers can see guaranteed ROI from onsite health clinics

BY MCLEAN ROBBINS

**A**re your employees still taking time off from work for routine checkups and immunizations? Some companies are showing impressive results from onsite health clinics.

It's no secret employers are frustrated with skyrocketing health care costs and shocking premium increases. As a result, many have decided to bring health care closer to home — or the office — by opening onsite primary care facilities, pharmacies and clinics. Companies like Toyota, Pepsi Bottling Group, Harrah's Entertainment and Florida Power and Light have opened or expanded onsite health care facilities in the past two years.

Jeff Sholvin, vice president of benefits for Harrah's Entertainment, which has five onsite clinics across their campuses, marvels at how the clinics have helped control costs, keeping the company's annual inflation hovering around 3%. "I can take that to the bank," he says. "You talk about predictability — that's what the clinics provide to me."

It's not just gamers who are trying to cash in, either. A recent session on onsite clinics at the National Business Group on Health's annual Health and Productivity Conference had representatives from Costco, Intel and Kellogg trying to figure out how onsite clinics could best work for them.

Watson Wyatt and the National Business Group on Health's annual health benefits survey of 573 large and mid-size employers finds that one in five employers currently offer an onsite clinic. An additional 6% hope to open one this year. Fourteen percent of employers currently offer an onsite pharmacy, and 4% hope to open one in 2008.

### Large, self-funded employers benefit most

Stuart Clark, executive vice president of Comprehensive Health Services, one of the nation's leading onsite management companies, says that a generally accepted guideline for a company is it must have 1,000 employees or more (on a single site) and be self-insured.

There are about 1,700 employers in the United States who meet that criteria, although only around 500 currently have clinics, Clark suggests. Onsite clinics are considered "standard best practice" for any large employer, Clark says.

"Every employer's health care strategy is focused on cost reduction," Clark says, stating that most onsite programs should expect a 3:1 return on investment within the first three years.

Among the many reasons to consider onsite clinics, three stand out, Sholvin says:

1. Reducing medical claims by providing care at a lower cost.
2. Making health care access convenient for employees.
3. Providing employees with a lasting benefit.

In 2006, the program's pilot year, Harrah's saw a 4.8% decrease in non-catastrophic per member costs and a double-digit increase in generic drug usage, cholesterol and colon cancer screenings.

Rob Lawrence, director of health and environmental safety for sanofi pasteur says that the company has had an onsite clinic for the past decade. Its 2,100 employees benefit from full-time nurses, nurse practitioners and health advocates.

"People love that they can run out on their lunch break to get a flu shot or pick up a prescription," Lawrence says. Since partnering with CHS five years ago, sanofi pasteur has seen a 2:1 ROI and a 51% increase in clinic utilization rates in the past three years. Lawrence suggests partnering with an outside vendor to help track metrics and being sure to adequately address privacy concerns to employees.

He also adds that when considering an onsite clinic, employers need to think about how the facility will help them meet larger benefits goals and align with existing plan designs and initiatives such as wellness programs.

Clark concurs. "If the employer isn't going to [integrate the clinic with] benefit design, it's impossible to guarantee savings," he says. "It's not a silver bullet for health care. It's our belief that the onsite industry will be successful over the long term only if it becomes an integration point for the larger health care spend." —**M.R.**