



Future of Health Care or Quick Fix?

Wal-Mart's Clinics Could Change the Nature of Medical Visits

By TERRY MORAN and CHARLES HERMAN

Oct. 17, 2006 — - The Wal-Mart Supercenter store in Fayetteville, Ark., looks like almost any other outlet from this retailer in America. There's the produce (Wal-Mart is one of the nation's biggest grocers now), and, of course, consumer electronics, apparel, an automotive center and a pharmacy, a bank and a health clinic.

That's right. A health clinic.

It's what many experts believe might play a crucial role in the future of health care in America: store-based, in-and-out, flat-fee, no-appointment-necessary medical clinics.

Sandy Branson is one of the nurse-practitioners at the RediClinic in the Wal-Mart in Fayetteville. She has worked here for a few months, seeing anywhere from a dozen to 20 patients a day.

Branson treats a strictly limited number of ailments. Only patients whose symptoms match a specific list at the RediClinic get treated. She usually sends her patients home fast and happy. Visits last 15 minutes on average.

Tina Johnson came in to get four immunization shots for her 5-year-old son, Carston. She told ABC News her visit went much more quickly than those she and her son have had in a pediatrician's office.

It's a reaction Branson said she hears a lot as patients tell her, "'We're so glad you're here,' 'this is so great ... getting in and out,'" Branson said. "I hear it all the time, probably every patient I've seen since August."

'Get Well' Visit

It's a pretty simple idea and here's how it works: Wal-Mart leases space to clinics that treat patients for a flat fee.

Let's say you're feeling ill and are feverish, achy and your nose is stuffed up. When you arrive at the clinic, you're checked in and you pay a flat fee of \$45 upfront for a "Get Well" visit.

Tim Green was not feeling well the day ABC News was in Fayetteville. He thought he had strep throat and wanted to be examined by a health care professional.

"I've been under the weather the last couple of days, and I decided to try to be seen," Green said. "I called my doctor and wasn't able to be seen. ... This was the next number on my list."

So he went to the Wal-Mart clinic where Branson checked him out. Following a carefully designed set of protocols spelled out in the clinic's proprietary computer program, coupled with her own training and experience, Branson diagnosed a sinus infection and wrote Green a prescription.

There's another reason that Green, a salesman at the local Dillard's department store, went to Wal-Mart instead of a doctor's office: He has no medical insurance.

"Definitely for people with no insurance ... they should come here because of the fact that it's cheap and you are going to get great service," Green told ABC News.

Right now, very few patients in America have ever seen a clinic like the one where Branson works. But that's going to change, and fast.

Today there are roughly a couple hundred store-based clinics like this one operating nationwide -- most in major retail chains like Wal-Mart, Target, CVS, Kroger, and most are located in the Midwest and the South.

But the dozen companies battling to control this emerging market said they have plans for expanding that number to several thousand in the next couple of years.

"When you put the convenience together with the affordability, and then you match that with high-quality routine health care, that's why this is such an appealing concept that I think will grow very rapidly," said Web Golinkin, CEO of RediClinic.

But, Golinkin admitted, his clinics didn't make money last year and probably wouldn't this year. "We'd expect a clinic would take 12-18 months to get the cash flow to break even," he said.

One Fix, but Not the Whole Solution

There are still a lot of questions about how these store-based clinics will fit into the big and troubled picture of American health care.

"This isn't the answer," said Mark Smith, who runs the California HealthCare Foundation, an influential think tank. "It is maybe an answer to one set of problems we have."

Smith says these consumer-driven, store-based clinics will end up tackling only the easiest health care problems -- ear infections, strep throat and the like. But even that could make a difference.

"If we can't agree to take care of the cheap, simple stuff cheaply and simply, there's no way we'll be able to afford to take care of the expensive, complicated stuff," Smith said.

Others, like Alan Garber, director of the Stanford University Center for Health Policy, may support the general idea of in-store clinics but worry about the way these clinics could affect the rest of the health care system.

"One of the fears that I am sure many doctors' offices have is that the doctors will be left with the complicated patients who may not bring in much revenue but take an extraordinary amount of time," Garber said.

Some doctors have already come out against the concept of retail-based health care. In particular, the American Academy of Pediatrics announced that it opposes the use of the retail-based clinics. The group worries about the "continuity of care," the gathering of information about a patient over multiple visits and across multiple health care providers.

"I'm concerned that some things are going to be missed," said Dr. Denice Cora-Bramble, a pediatrician and the executive director of Community Pediatric Health at the Children's National Medical Center in Washington, D.C. "It's understanding what are some of the other issues in the life of a child that impact that particular encounter."

Side Effect for Wal-Mart: Extra Revenue?

And then there's the Wal-Mart factor. Wal-Mart is a retail giant -- the world's biggest. Each week 130 million consumers shop there. And neither Wal-Mart nor any of the other big chains in this business are setting up these clinics for charity's sake. "Retailers are getting into this because I believe they benefit from anything that brings the customer into the store," Garber said. "It's probably viewed as a great revenue source."

ABC News asked Bill Simon, Wal-Mart's executive vice president in charge of these operations, about the profit motive at play with the in-store health clinics.

"It's an opportunity for us to do what we do best in a segment of the economy that needs a little dose of Sam Walton's business philosophy," Simon said. "How do we straight-line from the health care provider to the patient rather than provide all the twists and turns that occur in the health care system today."

There's one way big retailers will hold down costs, by strictly limiting what the clinics do. No MRIs with their high-maintenance costs are done in these clinics. There are also strict limits on the kinds of ailments nurse practitioners like Sandy Branson are allowed to treat.

But for all the potential limits and concerns, it's clear many patients -- or customers here at Wal-Mart and at other stores -- are ready for the revolution to begin.

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