REVITALIZING RURAL HEALTHCARE

How Retail Partnerships Can Improve Health Equity and Access to Care
Sarah and her growing family reside in rural New Mexico, in a town with few amenities: a brand-name grocery and household retailer, a local pharmacy, and a primary care office with one provider. The primary care office is part of a health system that is a two-hour drive away.

Sarah’s children require their annual wellness visits. Since the primary care practice has limited access and there are no consecutive scheduling slots available for her four children, Sarah must schedule appointments on separate days and ask for additional time off work. The family has no medical insurance, because Sarah works two part-time jobs and is not eligible for family healthcare benefits. The out-of-pocket costs for wellness visits are expensive, and Sarah frequently forgoes her own care to financially save for her children’s healthcare needs.

But what other options does she and her family have to receive affordable, accessible care in their small town?

When it comes to on-demand services, healthcare continues to lag behind other industries. In-person treatments and services are still limited by an individual’s physical location, the day of the week, or ability to access care (e.g., telemedicine may not be an option for individuals who are not technologically savvy). By contrast, big-box retailers have a far-reaching geographic presence and extended hours, which make them extremely accessible and hyper-consumer centric.

Building on the strength of these features, some big-box retailers are becoming more active providers of health services (e.g., primary or urgent care). Retailers such as Walmart and Walgreens, which drive tremendous foot traffic to their brick-and-mortar locations, are aggressively investing in retail medicine and becoming direct competitors to existing ambulatory clinics.¹

But along with that competitive threat is an opportunity for health systems and physician clinics to better serve their patients by partnering with these retailers. A retail partnership strategy can help healthcare organizations expand access while addressing changing consumer expectations about care delivery.

IMPETUS FOR RETAIL PARTNERSHIPS

The growing consumerism of the past decade has strengthened consumers’ power and voice. Consumers now have access to meal and grocery delivery services, transportation services via mobile application, and an abundance of other direct-to-consumer services. Expectations in the healthcare space are no different. Consumers want “health on demand,” with one-stop access and simple logistics.

Providing such an experience typically requires healthcare organizations to become embedded in their patients’ local communities. But health systems encounter several familiar obstacles when trying to establish a physical presence in far-flung geographies:

- Recruiting and retaining providers to work in rural areas is difficult.
- Unfavorable economies of scale make efficient staffing a challenge, which contributes to high fixed costs.

Big-box retailers don’t face the same constraints, making them attractive partners for healthcare providers. These retailers are heavily engaged in an individual’s day-to-day activities, making them ideal locations to offer primary and urgent healthcare services.

The locations already have large, existing shares in grocery or home goods, which leads to high, consistent consumer foot traffic and equitable access.

A retail-medicine partnership offers efficiency and convenience. For example, a customer can pick up their monthly medication at their local retailer, schedule their flu vaccination, and shop for groceries, all in one trip.

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5 NCBI “Issues in Rural Health: Access, Hospitals, and Reform” (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4193574/).
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FIGURE 1: RETAIL HEALTH IN ACTION

Tuesday 12:00pm
- The local big-box retailer alerts the consumer that they are due for their flu vaccine and offers convenient scheduling times.
- The consumer schedules their flu vaccine on their regular shopping day.

Saturday 12:15pm
- When the consumer arrives, the provider is ready with the flu vaccine. No waiting.
- The provider reminds the consumer of an upcoming cardiology appointment with their healthcare organization.
- The flu shot is considered preventive care and is covered by the consumer’s insurance plan.
- The consumer continues their shopping trip.

Saturday 12:30 pm
The provider updates the shared EHR with the consumer’s information.

Saturday 1:00pm
- The consumer receives an alert notifying them of their recent visit to the retailer and notes what healthcare service was provided.
- The consumer’s primary care team is notified of their recent visit to the retailer, and the data is available to access.

More Data Means More-Personalized Care
Health plan revenues are substantially affected by many unique factors that apply to particular LOBs, whether those factors are established by state regulators or government programs or are related to market conditions.
This process creates a more complete and accurate picture of the patient's health and well-being and minimizes the chances of the patient forgetting when or where they received their last checkup.

Additionally, healthcare organizations can use these data points to meet consumers' heightened demand for personalized health services. The data interoperability will allow consumers to play a more active role in their own healthcare since they will have access to more personalized health information. Using predictive modeling, the healthcare organization can alert the patient's care team or local retailer if the patient is due for a health screening or requires disease management. The data integration between retail locations and the provider's EHR will enhance overall data sharing, support health management, and improve continuity of care.

Cost Avoidance

Healthcare organizations have been criticized for high out-of-pocket costs, even with insurance, and the Centers for Medicare & Medicaid Services (CMS) has projected that spending will continue to grow by 5.3% per year. The main drivers of these high costs are:

- Administrative burden.
- Provider staffing expense.
- High overhead costs.

However, retail-medicine collaborations can enable healthcare organizations to avoid costs by minimizing the number of providers required on site and using existing physical infrastructure (e.g., water, lighting, lease/rent). Those savings can be passed on to consumers in the form of lower-cost services—a major benefit for rural consumers with lower median household incomes.

Straightforward and affordable pricing for convenient care can help consumers stay up to date on their primary care needs, reducing overall healthcare costs through early detection and proactive health maintenance.

RETAIL PARTNERSHIP IN ACTION

Two healthcare organizations that have made noticeable strides in developing their retail partnership include Oak Street Health and VillageMD. These retailers' vast physical presence and engagement within the local community are improving access for patients.

Walmart Health

In 2019, Oak Street Health, a national network of primary care centers for adults with Medicare coverage, partnered with Walmart to operate primary care centers. Walmart Health offers

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7 Fierce Healthcare. February 2021, Deloitte: Greater consumer agency will decelerate healthcare spending over next 20 years. https://www.fiercehealthcare.com/payer/deloitte-greater-consumer-agency-will-decelerate-healthcare-spending-over-next-20-years#:~:text=In%202019%2C%20healthcare%20spending%20was%20off%20America%27s%20gross%20domestic%20product).
affordable and accessible care with transparent pricing regardless of insurance status. Services are provided in a separate clinic location and include primary care, urgent care, and specialty care, such as optometry, dental, and behavioral health. Walmart Health has also begun to provide chronic care management services.\(^\text{11}\)

Through this partnership, Oak Street Health has positioned itself as a convenient and affordable community primary care provider, building out its clinical footprint through Walmart and assuming financial risk for their patient population through value-based care models.\(^\text{12}\)

**Village Medical**

Another notable partnership is between VillageMD and Walgreens. Through this partnership, the organizations are on track to open 40 full-service primary care clinics, branded as Village Medical at Walgreens, by the end of summer 2021 and will open 700 primary care clinics across the country over the next five years. The 40 initial clinics will be located throughout Texas, Arizona, and Florida. Pharmacists will be a part of the multidisciplinary care team, along with physicians, social workers, and therapists. The clinics will offer both primary care and pharmacy services.\(^\text{13}\)

The information gathered at Walgreens locations will integrate with VillageMD’s EHR, thereby increasing patient safety and satisfaction and furthering care coordination.\(^\text{14}\) The clinics will accept a wide array of insurances and offer sliding-scale discounts to uninsured patients. VillageMD can now add these physical clinic locations to its growing portfolio of in-person sites, complemented by at-home and telehealth offerings.

Clear pricing signage can help consumers to easily estimate their costs prior to receiving services, and they won’t be surprised when it comes time to pay.

Future retail partnerships could include smaller, convenient, discount retailers that are known for their affordability and located in communities that heavily rely on their presence, such as Dollar General. Dollar General is known for its “small neighborhood stores” with low prices and offering only the necessities (bread, milk, laundry detergent, etc.). Dollar Generals also serve communities of 20,000 or less,\(^\text{15}\) which means they have footprints in areas with limited healthcare access and minimal big-box retailer presence. They are also likely the only store for miles in certain communities. Discount retailers could further support these communities by associating with a provider system and offering primary care or urgent care services.

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A STEP TOWARD HEALTH EQUITY

The Walmart Health and Village Medical partnerships are still fairly new. But they demonstrate the potential benefits of partnering with brand-name retailers. These integrated models enable healthcare organizations to:

- Augment the existing healthcare infrastructure within communities.
- Be physically present in rural communities without making a significant capital investment.
- Offer affordable care and deliver a variety of healthcare services to engaged consumers.
- Improve patient outcomes and remove barriers to care.16

They also help communities take a step closer to health equity. According to the Robert Wood Johnson Foundation’s “Communities in Action: Pathways to Health Equity” report, health equity is achieved “when everyone has the opportunity to attain full health potential, and no one is disadvantaged from achieving this potential because of social position or any other socially defined circumstance.”17

For families like Sarah’s, attaining full health potential becomes more realistic when a retail-pharmacy collaboration creates care options in the community. Sarah and her children would be able to present to their local, brand-name retailer for their annual wellness visits. Lower costs might mean Sarah could comfortably afford her children’s visits and her own. She wouldn’t need to take time off for the appointments, since they could take place during her routine grocery shopping. The retailer would notify the primary care office to proactively reach out to Sarah, if needed, and schedule a follow-up appointment for more advanced care. Her family’s information would be captured between the retailer and the provider in one health record platform to create a seamless consumer experience.

To achieve health equity, healthcare organizations will need to look beyond their existing clinics and identify ways to help individuals reach their full health potential with better access and lower costs. Retail partnerships bring the possibility of attaining health equity one step closer for families, patients, and communities.


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