

# Study Snapshot:

## Understanding the Impact of Retail Clinic Visits on Utilization and Spending

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### key findings

- Fifty-eight percent of retail clinic visits for low-acuity conditions represented new utilization of health care services by patients who otherwise would not seek care.
- The increased spending from new utilization outweighed the savings from substitution of more costly care.
- Retail clinic utilization was associated with a modest increase of 21 percent higher spending for low-acuity conditions (\$14 per person per year).

### The Question:

Do retail clinic visits for low-acuity conditions reduce health care spending?

Conventional wisdom among policymakers and health insurers is that retail clinics may reduce health care spending by substituting for more costly visits to physician offices or emergency departments (EDs). Retail clinics provide patients with convenient, low-cost health care by offering longer hours, shorter wait times, and walk-in visits. However, given their convenience and lower price, retail clinics may also lead to new utilization of health care services by patients who otherwise would not seek care, thus increasing spending. In a study funded by the Robert Wood Johnson Foundation's Changes in Health Care Financing and Organization (HCFO) initiative,<sup>1</sup> Ateev Mehrotra, M.D., M.P.H., Harvard Medical School, and colleagues analyzed utilization and spending data from Aetna enrollees, including users and nonusers of retail clinics. They assessed whether retail clinic visits for low-acuity conditions represented substitution for more expensive care or new utilization of health care services, and whether the visits subsequently reduced health care spending. The full results of the study are available in *Health Affairs*.

### The Implications:

Study findings refute the notion that retail clinics reduce health care spending by substituting for more costly visits to physician offices or emergency departments. Rather, retail clinics increase utilization for low-acuity conditions and, subsequently, spending. The impact of retail clinics depends on whether patients visit retail clinics in place of physician offices or EDs or visit retail clinics when they otherwise would not seek care. The researchers found that roughly three-fifths of retail clinic visits for low-acuity conditions, such as earaches and upper respiratory infections, represented new utilization of health care services by patients who otherwise would not seek care for these conditions. The increased spending from new utilization outweighed the savings from substitution of more costly care, resulting in a modest increase of 21 percent higher spending for low-acuity conditions (\$14 per person per year). These findings have both positive and negative implications. Increased health care utilization could address illness early and prevent costly services in the long term as well as improve efficiency in the health care delivery system by treating less complicated cases in retail clinics and freeing up doctors to focus on more complicated cases. However, retail clinics could disrupt the physician-patient relationship and continuity of care. The researchers note that their findings could help guide insurers' coverage decisions for retail clinics and other efforts to improve convenience and access in health care.

### Contact Us

For more information on the results from this grant, please contact the principal investigator Dr. Ateev Mehrotra ([Mehrotra@hcp.med.harvard.edu](mailto:Mehrotra@hcp.med.harvard.edu)) or call (617) 432-3905.

<sup>1</sup> The Robert Wood Johnson Foundation Changes in Health Care Financing and Organization (HCFO) Initiative supports timely and policy relevant health services research on health care policy, financing, and organizational issues.

**If you would like to learn more about other HCFO-funded work, please contact: Bonnie J. Austin, HCFO Deputy Director | [bonnie.austin@academyhealth.org](mailto:bonnie.austin@academyhealth.org)**



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