

Appleton School District partners with City to offer an innovative employee clinic

AT A GLANCE

Industry

- Public employer

Employer size

- School District: 1,700 employees
- City: 660 employees

Business challenges

- Rising health plan costs
- Providing quality care to employees
- Providing affordable healthcare
- Maintaining high employee productivity and morale

Solutions

- Near-site clinic for employees and dependents
- Employee benefit communications
- Long-range planning
- Cost containment
- Health and wellness



Until recently, employer-sponsored clinics were typically a resource for larger employers to reduce health plan costs, improve employee productivity and provide a benefit that boosted morale. The latest Kaiser “Employer Health Benefits Survey” shows that 25% of organizations with at least 1,000 employees offered employer-sponsored clinics, while only 4% of small employers invested in this valuable resource.

With the help of innovative partnerships, on-site and near-site clinics are becoming available to more employers.

“We are extremely pleased with the partnership with ThedaCare (the clinic’s healthcare provider) and the district, and the results thus far,” said Sandy Matz, the human resources director for the City of Appleton. “Our employees are seeing this as one of the best benefits they have received in some time. The service is very personalized and caring and employees feel their needs are being met.”

How the clinic impacts costs and productivity

The school district (which has about 1,700 employees) pays 71% of the facility’s costs while the city (with about 660 employees) pays 29%. School and city leaders evaluate costs and usage each quarter and adjust accordingly.

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Officially named the Connecting Care Clinic by employees (the district's marketing students also designed the logo), the clinic has been hugely popular since it opened in October 2016.

"Employee surveys are showing 100% satisfaction with the clinic," said Greg Biese, the benefits consultant from Associated Benefits and Risk Consulting who helped select the clinic and foster the partnership between the city and the district. "And, just as importantly, the surveys showed that health plan participants are receiving effective care for health conditions they would otherwise ignore."

The survey asked employees: "If the clinic was not here, would you have sought care for your health concern today?" While 78% of employees answered "Yes," 22% indicated they would have left their conditions untreated.

"This is common behavior, to neglect one's health because receiving care would be inconvenient and/or expensive," said Matz. "It's also very significant since that extra healthcare provides a lot of value to both our organizations as well as to employees."

How so? The answer lies in the fact that 75% of all healthcare costs are attributed to preventable conditions (Centers for Disease Control and Prevention). That 22% of employees who would not have sought help for their conditions represent an enormous cost. Without the clinic, this cost would come in the form of:

- **Financial impact for employees and the employer.** A heart attack, for example, typically costs an individual about \$8,170 just in out-of-pocket medical expenses, according to the American Heart Association, which doesn't take into account lost work days and income. And the costs for the employer can be astronomical. Therefore, an employee who's willing to make an appointment at a convenient, near-site clinic for a cholesterol check and physical — but not willing to go elsewhere — increases the value of the near-site clinic immensely.

- **Employee productivity impact.** Decreased on-the-job productivity and employee absence because of health result in significant costs to employers above and beyond medical spending. Health-related work losses are estimated to cost U.S. employers more than \$260 billion each year (National Institutes of Health). The convenience of the near-site clinic greatly increases the chance employees will seek care and the medical issues before they become costly. The close proximity of the clinic helps employees miss the least amount of work as possible.

"I think we're really reaching some of those populations who maybe don't have a primary care provider identified and having been using urgent care in the past," said Julie King, human resources director for the Appleton Area School District. "We can connect them to wellness (care) and the clinic can help them navigate the health insurance networks."

The staff providing this help initially included a nurse practitioner, a registered nurse and a medical assistant. Matz said they recently added a physician's assistant, a second medical assistant, and they expanded the clinic's hours to meet increased demand.

Nurse Practitioner Jessica Griswold said: "I have heard many times from patients: 'I wouldn't have come unless the clinic was here free of charge' or 'I normally don't go to the doctor, but I knew my employer has made this clinic available.' In many of those circumstances, we have identified several underlying and potentially damaging diagnoses that otherwise would not have been found. At that point, early intervention of these health-related conditions can be addressed and carried out in order to promote better health outcomes in the future, reducing need for emergent, invasive, or potentially deadly episodes without intervening."

Goals and results

According to Matz, the initial objectives for the clinic were:

- **Preventative care.** Well child visits, sports physicals, adult physicals, immunizations, etc.
- **Disease management** (chronic condition health coaching, diabetic education, weight management and blood pressure monitoring)
- **Acute care/treatment** (cold and flu symptoms, rashes, strep throat, ear infections, bladder infections, etc.)
- **Lab work and minor procedures**

For employees, they focused on:

- **Convenience.** Local providers, dedicated staff, scheduled appointments and one-stop medical care
- **Cost** (free except for complex diagnoses which require only fair market charge for HSA members)
- **Education** (chronic condition management, navigation of and through the healthcare system, and wellness and nutrition counseling)
- **Services** (preventative care, acute care, lifestyle coaching, chronic condition management and wellness and nutritional counseling)

The Connecting Care Clinic, which is operated by ThedaCare, opened in October 2016 and immediately exceeded expectations in terms of participation from employees and their dependents. In its first months of operation, 526 health plan members have used the clinic so far.

High utilization translates to cost savings for the employers and their employees. For example, employees who have labs done at the clinic save money because the clinic’s lab costs are lower than the list price. For labs alone, the clinic saved employees \$19,681 off of the list price just in the first quarter of operation:

Total number of labs	Total savings from list price	Total savings based on insurance discount (about 40%)
349	\$19,681	\$11,244

As for cost savings for the employers, a preliminary return-on-investment (ROI) study shows the city receiving an ROI of 3.03 to 1 and the district an ROI of 2.27 to 1. While both organizations expect great returns on their investment over time, they continue to focus on the short- and long-term goals they identified from the start.

Short-term goals include:

- 20% savings on utilized services vs. a traditional healthcare setting
- Have fixed fees that are less costly than fee for service offerings in a traditional healthcare setting
- Nurture relationships that help navigate the healthcare delivery service
- Gateway to influence wellness participation
- Employee steerage to lower cost care

Long-term goals include:

- Improve employee navigation through healthcare system
- Reverse/avoid high-risk situations through coaching
- Lower costs associated with disease states with focused counseling
- Decrease future medical services by improving overall health of members
- Members are better healthcare consumers due to education efforts
- Increased productivity/decreased absenteeism
- Enhance employee retention and attraction

The employee clinic experience

The Connecting Care Clinic is designed to provide routine care and chronic-care management. All services are free with the exception of complex diagnoses which require a nominal fair-market value assessed to members who have the high-deductible plan.

The clinic offers a different care experience. Wait times tend to be shorter than traditional clinics (hence the 100% employee approval rating), so an employee’s time off the clock is minimal. Healthcare professionals tend

to spend more time with each patient, and the clinic provides easy access to employees for health coaching on chronic conditions and wellness initiatives. The clinic’s staff will refer patients to other doctors when their condition requires specialized care.

“When there’s a referral, the staff not only assists with scheduling but helps patients get appointments much sooner for urgent or serious medical issues,” Matz said. “Without the help of the clinic staff, an employee might wait weeks to be seen for follow-up.”

Compliance considerations

Some federal laws affecting employee benefit plans may be relevant to employers offering an employee clinic

— often in a manner that is not obvious or intuitive. As a result, employers must understand the obligations (if any) under COBRA, ERISA and HIPAA, for example, before opening a clinic. To help you determine whether or not your clinic will have to comply with such regulations, as well as tips on how to ensure compliance, please see our eBook [“On-site clinic compliance considerations for employers.”](#)

For more information about employee clinics and related issues, contact us at 800-258-3190 or info@AssociatedBRC.com.



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