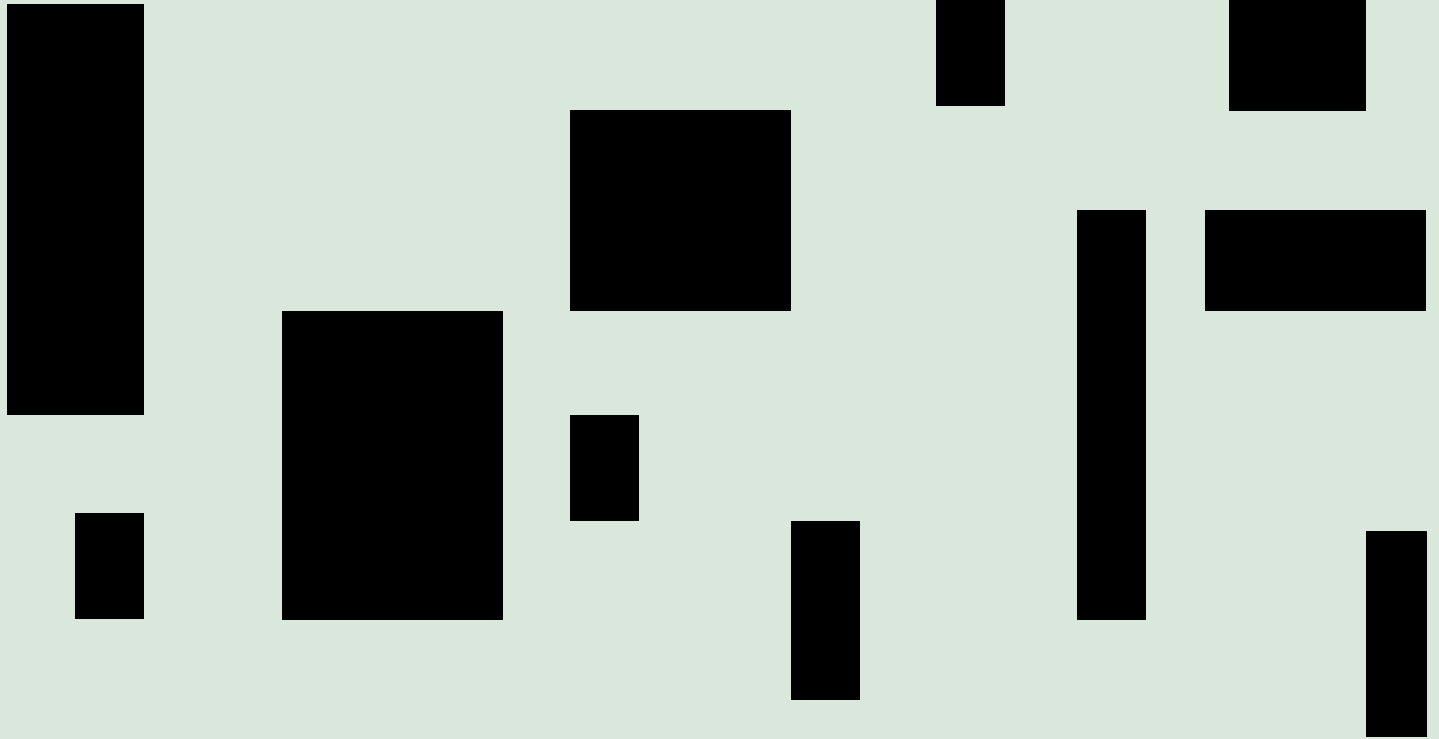
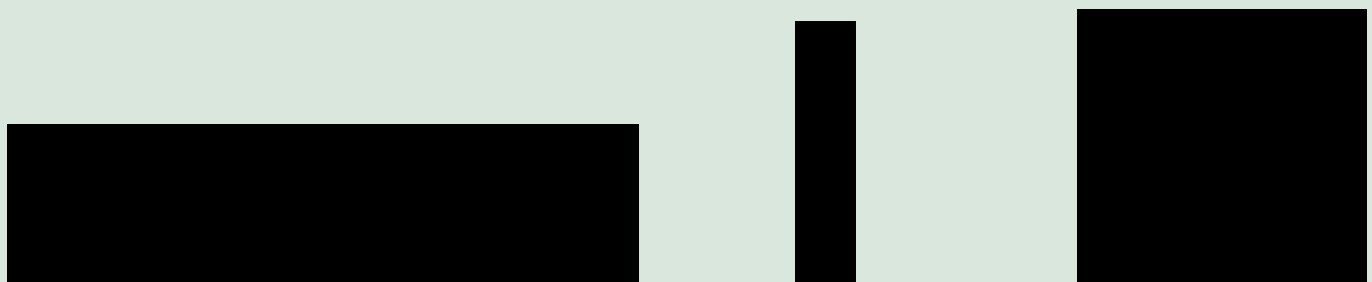


Perspectives



Near-site health centers: The next frontier

Employers have found it difficult to provide cost-effective and high-quality primary care to employees and their family members in recent years, as doctor availability has decreased and appointment wait time has increased in many locales. However, there's a positive development on the horizon: Near-site health centers are emerging as a way for employers to deliver high-value, convenient care to their populations.



The primary care challenge: current solutions

Employer-sponsored health care programs work best when employees and family members have access to cost-effective primary care in all geographies, urban and rural – a constant battle in certain locales where recruiting and retaining clinicians isn't easy. Exacerbating those workforce challenges locally is an inadequate pool of primary care doctors nationwide to keep up with population growth. And it's not getting better: While demand for primary care skyrockets, more medical students than ever choose specialty and sub-specialty training instead. Increased use of nurse practitioners and physician assistants, as well as telehealth and other technologies, may help alleviate the shortage. However, some estimates still predict that the U.S. will be shy 52,000 primary care physicians by 2025. (Ref: Petterson, 2012)

In response, employers have increasingly looked to two complementary approaches – embracing telemedicine offerings and sponsoring dedicated health centers, offering a broad range of services. Telemedicine services are scalable and their use is on the rise nationwide, although access is limited in a few states due to current state regulations. According to Willis Towers Watson's

2016 Emerging Trends in Health Care Survey, 67% of employers offer telemedicine programs, a number that could grow to 90% by 2018.

Onsite clinical services have historically been an option only when the employer has a sizeable footprint in a given geography. For example, Willis Towers Watson's threshold for employers to consider offering onsite clinical services is a minimum of 1,000 employees in one location, and quite often employers require at least 2,000 eligible employees and/or adult dependents before investing in a center. These minimums are essential for a center to be available for adequate hours and generate an acceptable (greater than 1.0) return on investment.

The prevalence and success of these centers have been noteworthy. According to the 2015 Willis Towers Watson/National Business Group on Health Best Practices in Health Care Employer Survey, 32% of large employers currently have onsite or near-site health centers; 4% are planning to implement them in 2016 and another 12% are considering them for 2017 or 2018. Employers that already have an onsite or near-site center are even more enthusiastic about these centers – 38% responding to Willis Towers Watson's 2015 Employer-Sponsored Health Care Centers Survey expect to open additional centers

and 66% of those employers plan to expand the services offered over the next two years.

Employers plan to fund these expansions because they believe that these onsite resources are highly effective at increasing employee access to convenient health services (95% strongly agree), decreasing employee time away from work (94%), and delivering and promoting screening and preventive services (90%). Moreover, 62% of employers believe the centers reduce or moderate medical trend.

What's changed: the near-site alternative

Yet, while onsite health centers are viewed as effective, they don't meet the needs of the many employers that lack sufficient concentration of employees or members in any one geographic area to warrant deploying onsite clinics. To fill this gap, employer interest is growing in the concept of a shared near-site center in which multiple co-located employers could participate. While the idea has been around for many years, only scattered attempts – with limited results – have brought such efforts to life. It's no simple feat for multiple organizations to synchronize priorities and resources to meet the capital and operating expenses required to operate a near-site health center. In fact, in most previous cases, a single employer has planned and funded the clinic, and subsequently offered access and services to employees of neighboring companies. A true joint model has not emerged.

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Recently the convergence of many factors make near-site facilities more likely to succeed:

1. More challenging patient access within the existing medical community, including lengthy waits for appointments or substantial travel or wait time for clinical services in numerous markets
2. High cost of care in the local delivery system – usually due to escalating prices often associated with provider consolidation and deleveraged managed care payers
3. Increasing employer motivation to offer onsite/near-site services as an employee perk or retention tool
4. Higher profile of productivity advantages that stem from providing employees with convenient access to care
5. Close proximity of like-minded employers
6. Some employers have existing accessible and affordable real estate for a near-site center due to staffing changes or business consolidation

There's also been change on the capital investment front. Service vendors have entered the market willing to provide up-front capital funding to employers in exchange for guaranteed future volume, which can make a near-site center more attractive and affordable. A case in point are two new near-site facilities in Northern California (see callout box).

To be successful today, near-site employer-sponsored health centers offer concierge-level service, geographic convenience and extended hours. Since participating employers are not all within walking distance, most also offer parking or sponsored transportation. Moreover, they employ targeted marketing

Near-site center prototype

To help multiple employers in one geographical area develop a shared model, Willis Towers Watson and Crossover Health, a California-based workplace health company, have developed and launched a model for a number of near-site health centers in Northern California. These centers include primary care, physical therapy, chiropractic and acupuncture, behavioral health, health coaching and vision services, as well as transportation to and from the center. Providers at the near-site centers help direct referrals to in-plan specialists that have been shown to deliver excellent patient experience and evidence-based resource use. Willis Towers Watson provides implementation support, oversight and performance measurement services.

The first center opened in Mountain View in October 2015 and has five technology industry clients, including Intuit and Microsoft. For one participating employer population, the second quarter of operation had a 72% increase in unique patients and an 18% increase in visits per active patient. Of note, 57% of first quarter patients returned for visits in the second quarter and a net promoter score of 86% was measured over the first two quarters of operation. A second center opened in April 2016 in Santa Clara, California.

and communications to gain early acceptance and use, which dramatically improves their financial results.

Conclusion

The development of near-site centers presents employers with an exciting option and an increasingly important tool in the arsenal of programs that improve employee health. Employers can use onsite and near-site health centers along with telemedicine, incentives, and an array of other programs and services to keep employees healthy and productive. The in-person care delivery and health coaching offered by employer-sponsored health centers can better engage members in their health, and the convenience is hard to beat.

Now, with more employers willing and able to partner with their neighboring organizations on financing and priorities, we are likely to see more near-site centers. The ultimate test, though, will be return on investment and the value delivered to employees. If prototypes, like the one in Mountain View, can delight employees and deliver attractive ROI to employers, a new frontier for delivery of employee care may be on the horizon.

For more information on near-site or onsite health centers, please go to willistowerswatson.com or contact your local Willis Towers Watson consultant.

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