Patient & Customer Perspectives on Walk-In Medicine

A Merchant Medicine Research Report conducted by Sparks Research and sponsored by DX Marketing

BACKGROUND AND EXECUTIVE SUMMARY

One thing you can guarantee in the retail clinic and urgent care industries: if you have a question about consumer behavior, there's always someone with an answer. The problem isn't that those answers are wrong, but that they are typically based on anecdotal evidence. There is very little scientific research devoted to these questions.

In 2013 a number of clients of both Merchant Medicine and DX Marketing expressed an interest in conducting research around how consumers view retail and urgent care clinics, and in particular what are some of the primary drivers around their decision to go to one of these clinics.

In the summer of 2014 Merchant Medicine created the initial design and questions for a research study and DX Marketing agreed to fund the study. Sparks Research was selected to refine the study design, create the online survey instrument and recruit the subjects.

Between September 12 and October 8, 2014, just over 2,000 subjects from across the United States completed the online survey. The questions were aimed at understanding perceptions of retail clinics, urgent care clinics and primary care clinics, including:

- How are such clinics viewed and how do those views differ from among the three options?
- Are there points of strength for retail clinics or urgent care clinics that should be emphasized in marketing and messaging?
- Are there real or perceived concerns that can be mitigated?

The study also looked at patients' current needs, behaviors, and preferences with regard to these different types of walk-in options:

- Frequency of using retail clinics, urgent care clinics and primary care physicians (PCPs).
- Key motivators for choosing one option over the other, including medical-related factors such as type of illness or whether or not the patient is a child; "brand"-related factors such as previous experiences, perceived differences between retailer-owned clinics, independently-owned clinics and hospital operated clinics; and logistics such as cost, location, pharmacy, parking, and hours.
- Patient understanding of and preferences around specific healthcare professionals, including doctors, nurse practitioners, physician assistants, and registered nurses.

THE RESULTS POINT TO A NUMBER OF KEY TRENDS:

1. Primary care physicians are still the preferred choice for patients seeking episodic medical care.
2. Patients still have concerns around the qualifications and expertise of staff at walk-in clinics, particularly with retail clinics.
3. Retail clinics are now an accepted and equally viable option for obtaining medical care for episodic illnesses and injuries when compared with urgent care clinics.
4. Frequency of visits to retail clinics are now as high or higher than urgent care clinics.
5. Urgent care clinics have a reputation for having better qualified medical staff.
6. Urgent care clinics need to do a better job of promoting convenience.
7. Retail clinics have a reputation for having lower cost and higher convenience.
8. Retail clinics need to do a better job of promoting the skill level of their providers.

9. Patients who have visited a retail/urgent care clinic most typically call their primary care physician and/or go on-line before deciding where to go for their episodic care.
10. Patients have some confusion around the differences between nurse practitioners, physician assistants, and registered nurses.
11. The most important attributes in getting patients to visit a walk-in clinic are cost, acceptance of insurance, wait times, hours of service and location.
12. Several factors are negative drivers for patients seeking care at a retail/urgent care clinic, including parking in a garage or filling out paper forms.
13. Treating children appears to be a positive factor for some consumers and a negative factor for others. One factor that received a relatively high negative rating was a play area for children.

METHODOLOGY

A total of 2,004 online surveys were returned via Qualtrics among a national panel of respondents provided by Survey Sampling, Inc. A feedback-loop approach was used in order to ensure proper reliability and validity. Wave 1 was conducted on September 12, 2014, among 422 respondents. Results were analyzed, and the questionnaire was modified according to research goals. Wave 2 was conducted from October 6 through 8, 2014, on the remaining 1,582 respondents.

Respondents aged 18-54 were targeted using demographic distributions proportional to the national population. Respondents were provided the following definitions in the questionnaire:

Retail clinics (i.e., a medical clinic inside a retail store—such as CVS Minute Clinic, Walgreens Health Clinic): a category of walk-in clinic located in retail stores, supermarkets and pharmacies that treat uncomplicated minor illnesses and provide preventative healthcare services. They are sometimes called "retail-based clinics," "walk-in medical clinics," or "nurse-in-a-box."

Urgent care: a category of walk-in clinic focused on the delivery of ambulatory care in a dedicated medical facility outside of a traditional emergency room. Urgent care centers primarily treat injuries or illnesses requiring immediate care, but not serious enough to require an ER visit. They have x-ray and can provide stitches for serious cuts.

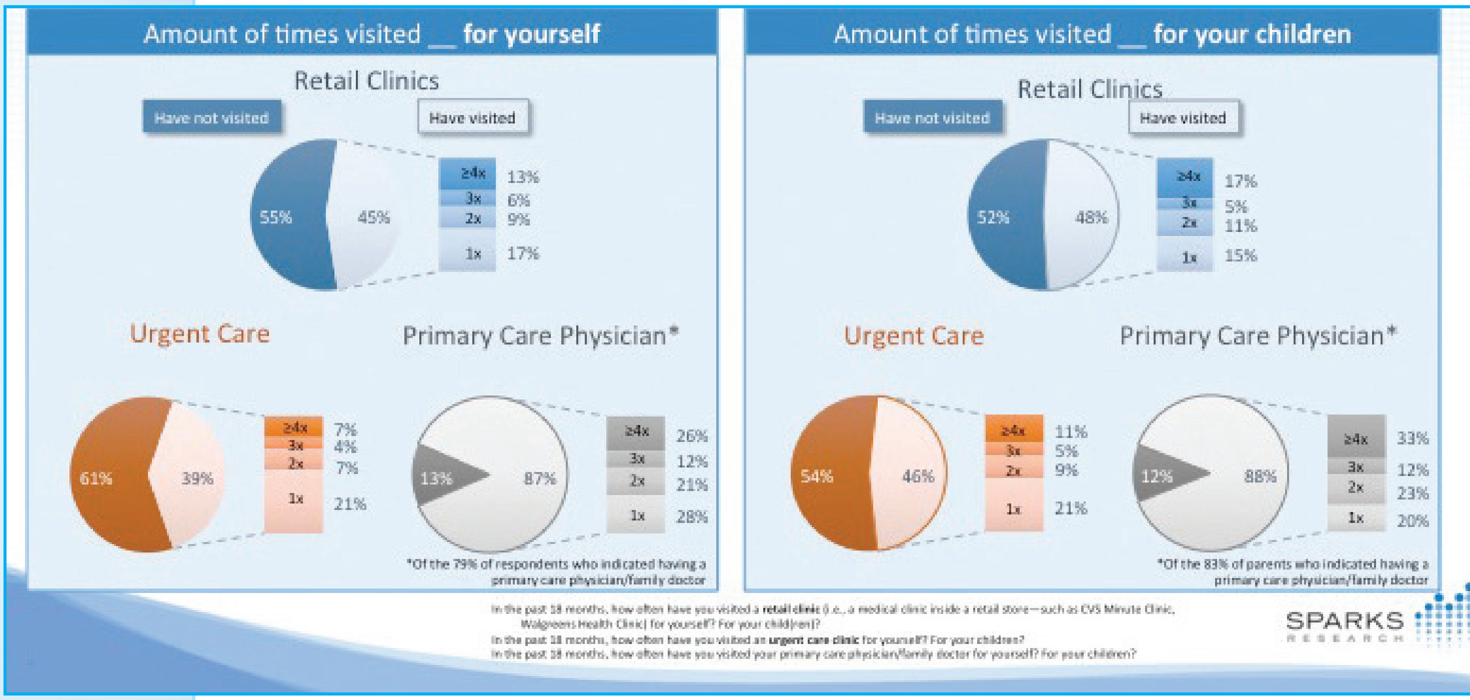
The following categories are used when analyzing responses to scaled questions:

Top 3 Box (T3B) — "8" to "10" responses on a 10-point rating scale
Middle 2 Box (M2B) – "6" or "7" responses on a 10-point rating scale
Bottom 5 Box (B5B) – "1" to "5" responses on a 10-point rating scale

Significance testing was performed at the 95% confidence level. Significant differences are highlighted throughout the report.

Note: some percentages may not total to 100% due to rounding or multiple response questions. Margin of error for the report is ± 2.19%.

Clinic Patronage Frequency
(Past 18 Months)

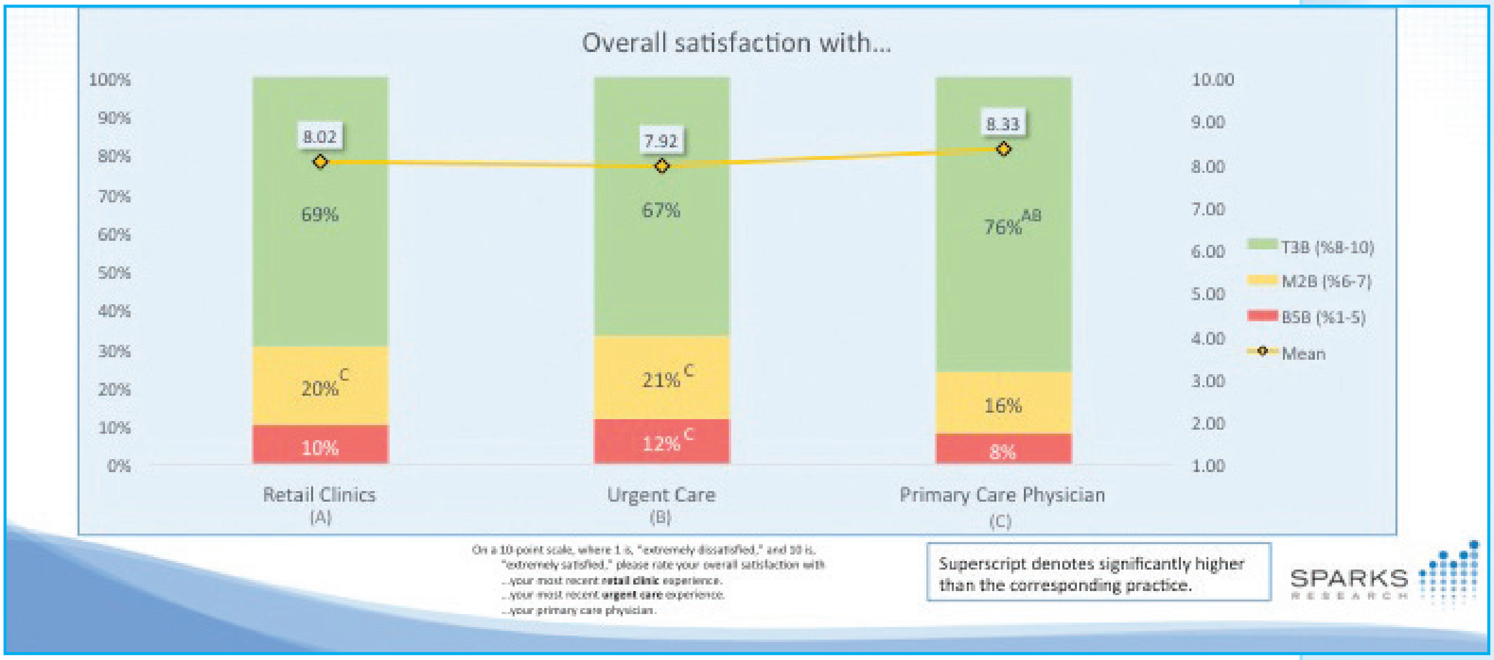


Frequency of Visits

One particular surprise came from the question about how many times a person has visited an urgent care clinic, retail clinic or primary care physician in the last 18 months. For adults answering for themselves (vs. their children), more have visited a retail clinic than an urgent care clinic. Urgent care clinics have been around for much longer than retail clinics, and today there are at least three times as many urgent care clinics as retail clinics. So this frequency of use statistic is surprising. But it also speaks to the influence of steerage. Health insurance companies and employer-sponsored health plans are actively promoting retail clinics with lower-co-pays. As we will discuss later in this report, cost is a significant factor in a patient's choice.

Our conclusion is that retail clinics today are viewed as an equally viable option for gaining access to convenient episodic medical care. The key statistic: 28 percent of respondents have visited a retail clinic for themselves two or more times in the last 18 months, compared to only 18 percent visiting an urgent care clinic two or more times in the last 18 months. Yet primary care physicians (PCPs) remain the preferred venue for care, with 59 percent of respondents saying they have visited their PCP two or more times in the last 18 months. When reporting frequency for their children in the last 18 months, results for two or more visits were similar: 33 percent for retail clinics, 25 percent for urgent care clinics and 68 percent for primary care physicians.

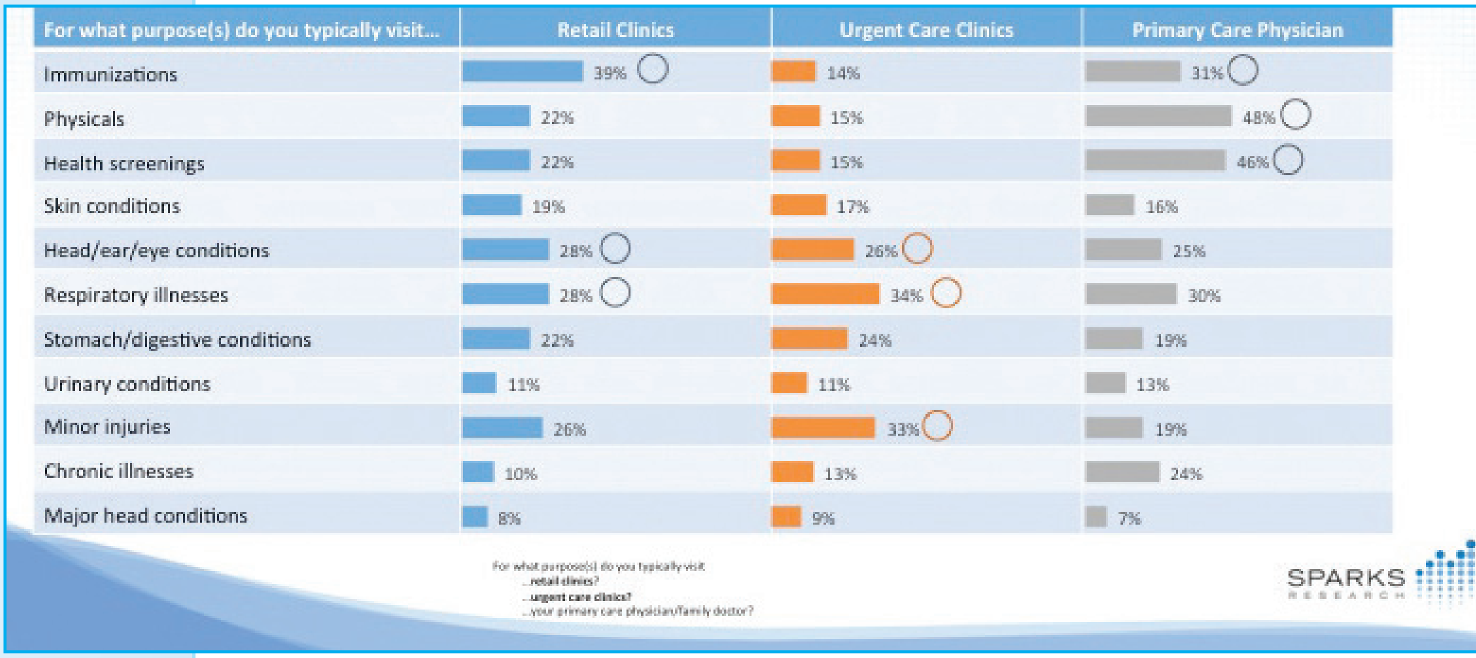
Overall Satisfaction Ratings



Satisfaction

Satisfaction levels were nearly identical between urgent care and retail clinics. But PCPs showed statistically significant higher satisfaction ratings than either type of walk-in clinic.

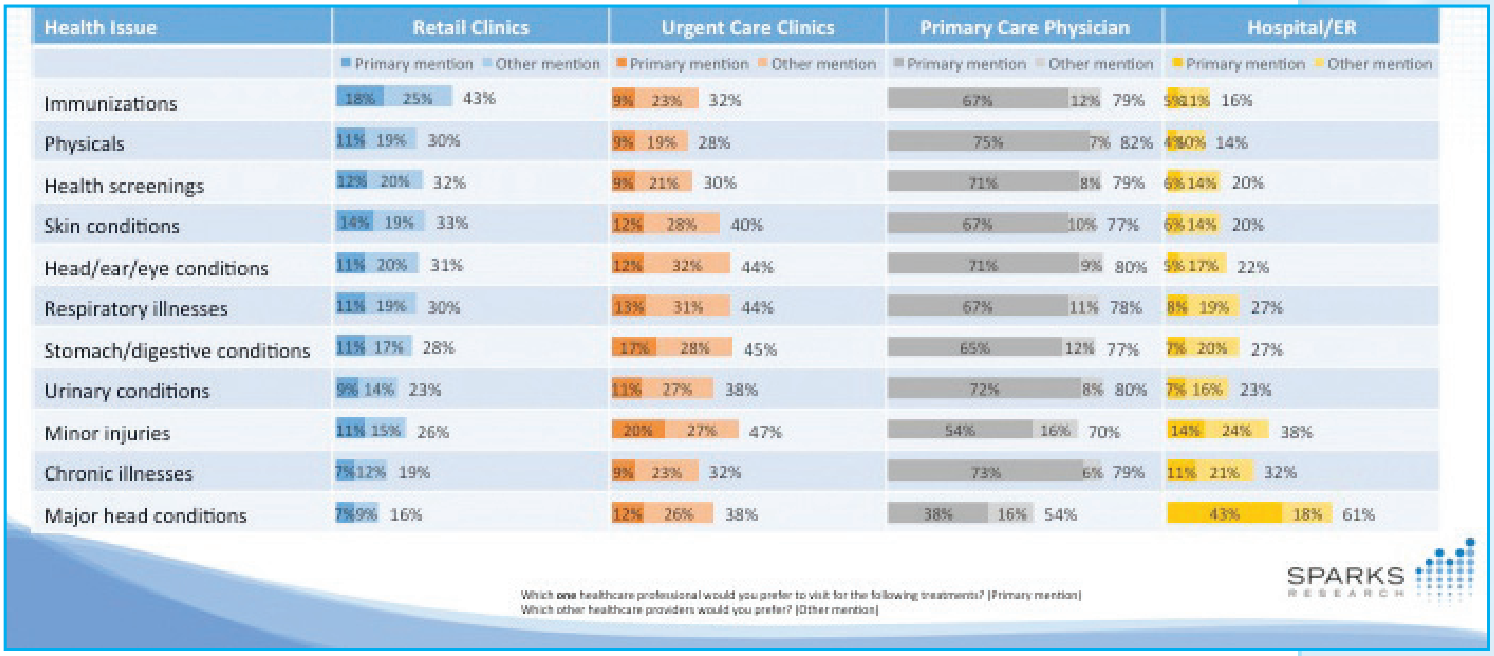
Reasons for Patronage



Reasons for Patronage

There were additional surprises when subjects were asked to specify the purpose for visiting each type of clinic. It is important to note that this question focuses on where people actually go for certain treatments as opposed to where they would prefer to go (see next question). Clearly retail clinics have made it simple to get immunizations, since more respondents mentioned retail clinics than even their primary care physician. But retail clinics also seem to have captured a significant share of physicals and screenings. And when looking at skin conditions, head/ear/eye conditions and even minor injuries, retail clinics are seeing a significant share of these types of visits. The data show that people are connecting with the convenience of retail clinics, especially when you ask them specifically about certain types of ailments or services.

Preferred Provider



Health Issue	Retail Clinics: Primary mention	Retail Clinics: Other mention	Retail Clinics: Total	Urgent Care Clinics: Primary mention	Urgent Care Clinics: Other mention	Urgent Care Clinics: Total	Primary Care Physician: Primary mention	Primary Care Physician: Other mention	Primary Care Physician: Total	Hospital/ER: Primary mention	Hospital/ER: Other mention	Hospital/ER: Total
Immunizations	18%	25%	43%	9%	23%	32%	67%	12%	79%	5%	11%	16%
Physicals	11%	19%	30%	9%	19%	28%	75%	7%	82%	4%	10%	14%
Health screenings	12%	20%	32%	9%	21%	30%	71%	8%	79%	6%	14%	20%
Skin conditions	14%	19%	33%	12%	28%	40%	67%	10%	77%	6%	14%	20%
Head/ear/eye conditions	11%	20%	31%	12%	32%	44%	71%	9%	80%	5%	17%	22%
Respiratory illnesses	11%	19%	30%	13%	31%	44%	67%	11%	78%	8%	19%	27%
Stomach/digestive conditions	11%	17%	28%	17%	28%	45%	65%	12%	77%	7%	20%	27%
Urinary conditions	9%	14%	23%	11%	27%	38%	72%	8%	80%	7%	16%	23%
Minor injuries	11%	15%	26%	20%	27%	47%	54%	16%	70%	14%	24%	38%
Chronic illnesses	7%	12%	19%	9%	23%	32%	73%	6%	79%	11%	21%	32%
Major head conditions	7%	9%	16%	12%	26%	38%	38%	16%	54%	43%	18%	61%

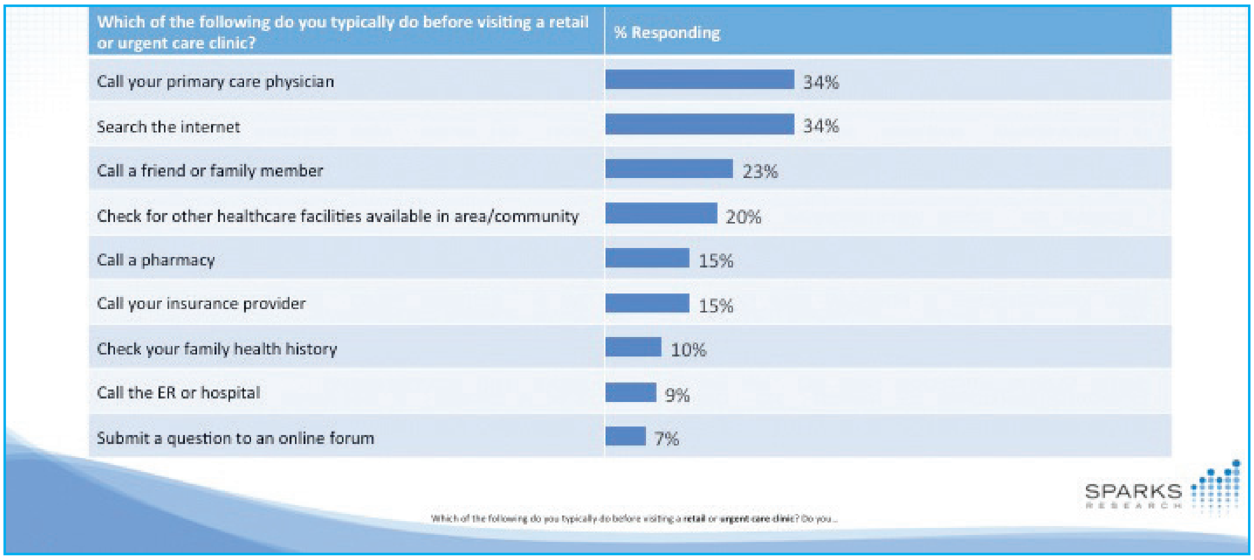
Which **one** healthcare professional would you prefer to visit for the following treatments? [Primary mention]
Which other healthcare providers would you prefer? [Other mention]

SPARKS RESEARCH

Preferred Provider

In this question we asked not about where people actually go for certain kinds of ailments or treatments, but what their preference is. For example, in the previous question, 39 percent of those visiting retail clinics said they typically visit a retail clinic for immunizations and 31 percent of those visiting their primary care physician said they typically visit a primary care physician for immunizations. But when asked where they would prefer to go for immunizations, 18 percent listed retail clinics as their primary mention; 67 percent listed their primary care physician as their primary mention. So under this "preference" scenario, primary care physicians scored higher than either urgent care or retail clinics in all categories. Retail clinics were more preferred than urgent care for primary mentions with immunizations and skin conditions. Urgent care clinics scored higher than retail clinics for primary mentions with all other types of conditions, all of which tended to be more complex in nature. This is where a pattern begins to emerge around the logic of choice in theory, which seems to be influenced by the qualifications of the medical provider, compared with the logic of choice at the moment of decision when logistics and convenience factors weigh in.

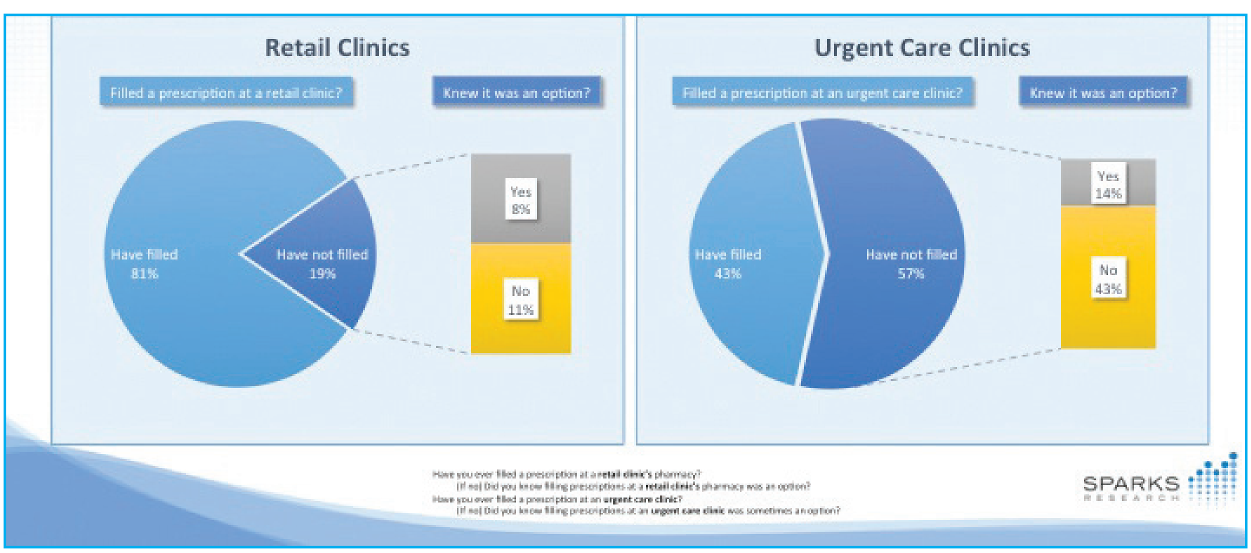
Before Visiting a Walk-In Clinic



Before Visiting a Walk-In Clinic

We have heard anecdotally that more and more people don't even check to see if they can get into their primary care physician before going to a retail or urgent care clinic. Although 34 percent of those who have visited a retail/urgent care clinic said calling their doctor or searching the Internet is what they typically do (the most frequently mentioned responses) this question does make clear that many people don't call their doctor first. This should be a wake-up call to any primary care physician.

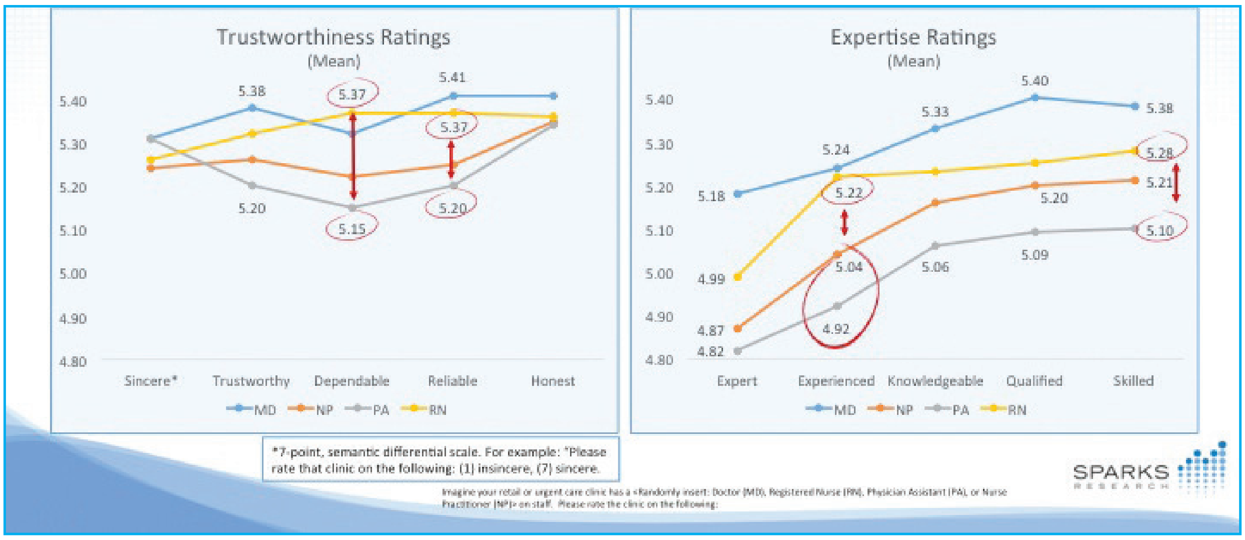
Preferred Provider



Filling a Prescription

It is no surprise that retail clinics, typically located where there is a pharmacy under the same roof, have much higher rates of filling a prescription at that location. But it does indicate that urgent care clinics' drug dispensaries may be missing an opportunity. Patients don't connect an urgent care clinic with filling a prescription.

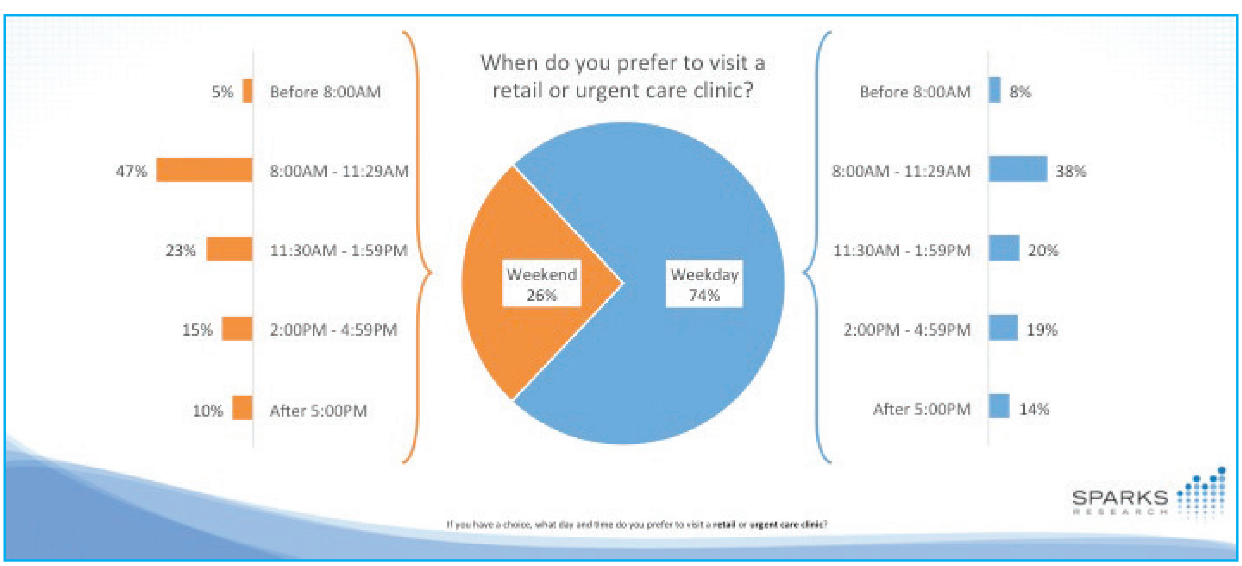
Healthcare Professional Perceptions in a Clinic
(7- point, semantic-differential scale)



Perceptions of Healthcare Professionals

Since there are more and more clinics using NPs and PAs, this question explores people's perceptions of these professions in the walk-in setting. It is not surprising that doctors continue to elicit positive perceptions by walk-in clinic patients when it comes to trustworthiness and expertise. What was most surprising was that clinics employing registered nurses scored higher than either NPs or PAs for trustworthiness and expertise. We believe there continues to be some confusion around the training and credentials associated with these different types of practitioners.

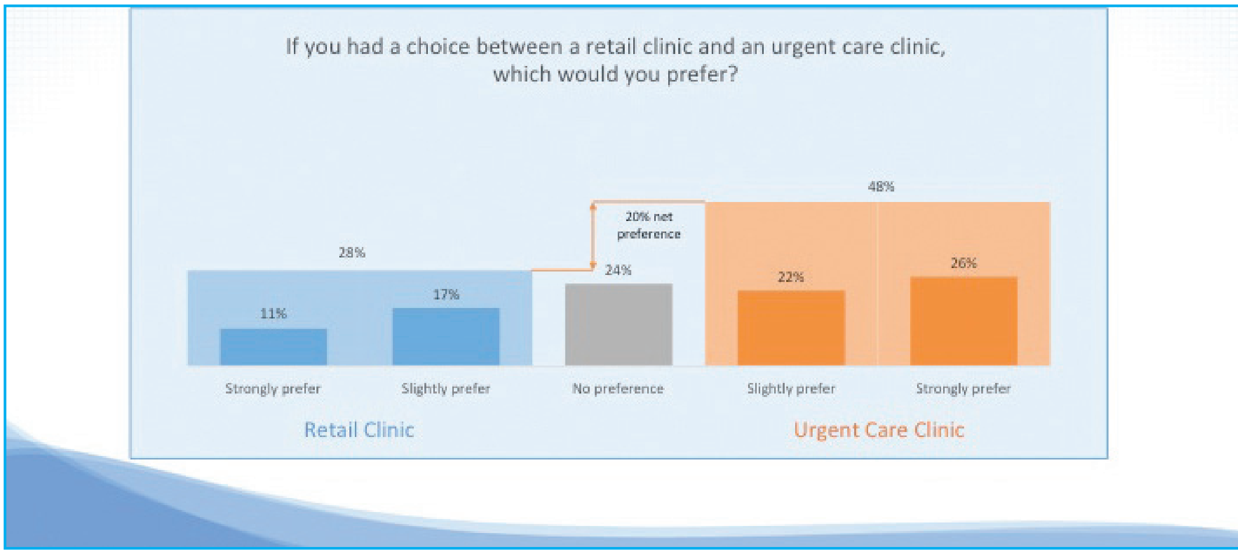
Time



Time of Visits

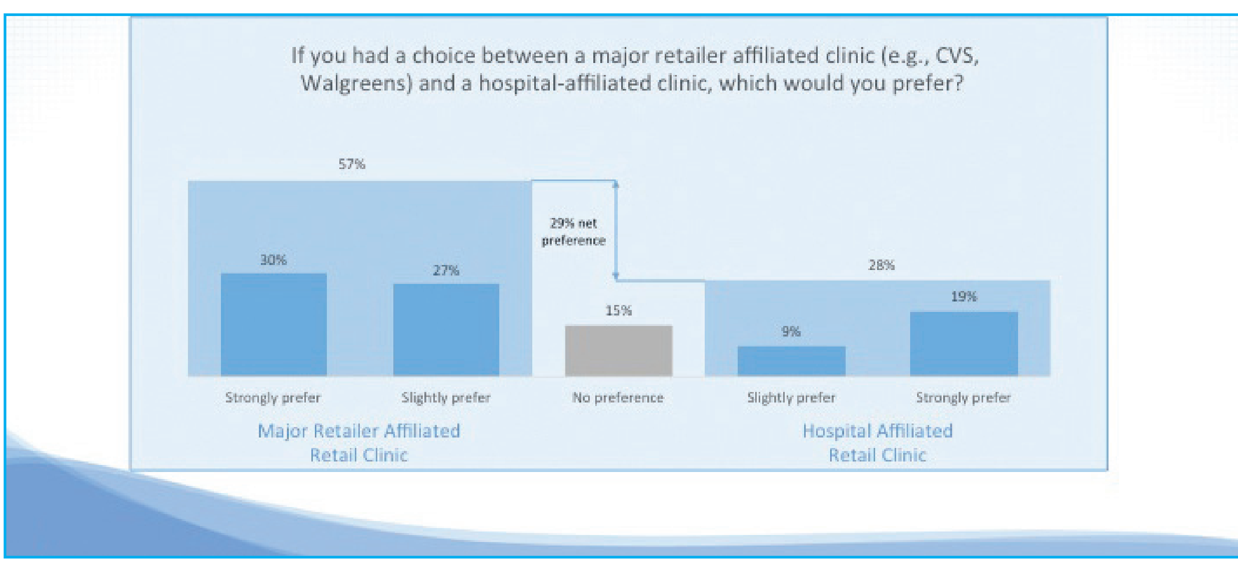
Respondents showed a clear preference for mornings when it comes to the time of day they prefer to visit a clinic, especially on the weekend. Before 8 a.m. and after 5 p.m. were surprisingly low, given these would be outside of the typical workday.

Clinic Preference



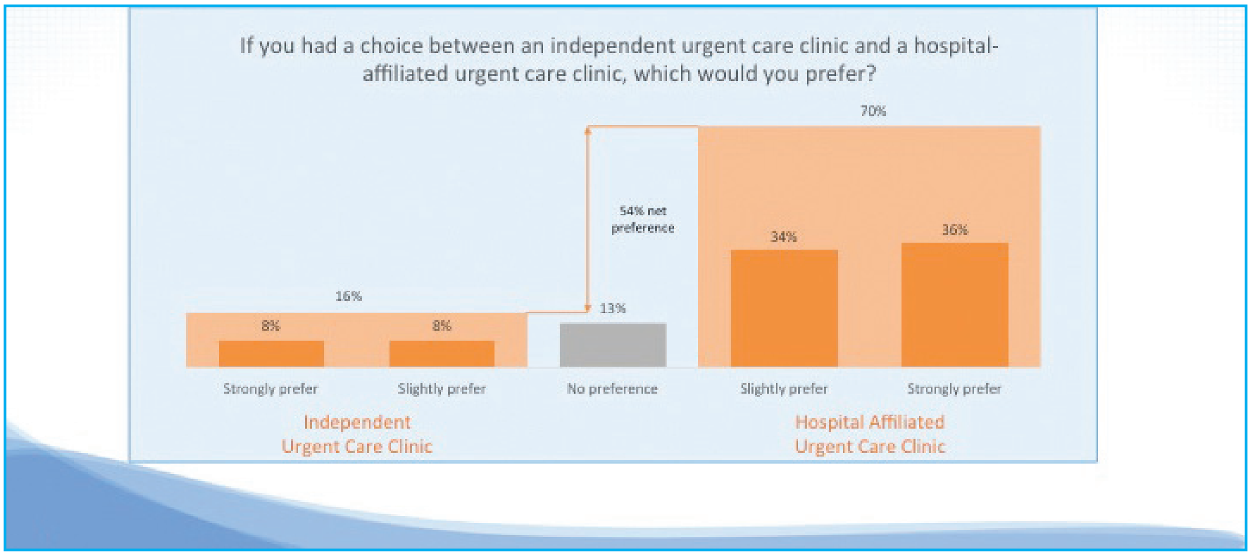
Similar to the questions around reasons for patronage and preference, this series of preference charts show some inconsistency between the question of preference and the previously explored question about frequency of visits. In the question above about a preference for retail clinics vs. urgent care, 48 percent either strongly or slightly prefer an urgent care clinic, whereas 28 percent strongly or slightly prefer a retail clinic. Yet the frequency of visits to each of these types of clinics do not line up with preferences. Again, we believe there is a theoretical preference based on qualifications, but when it comes to making a decision, logistics and convenience issues such as location, hours, parking and wait times begin to have a significant influence. Those who have private insurance are 2.3x more likely to choose urgent care over retail clinics.

Retail Clinic Preference



We then explored the topic of clinic affiliation with major retailers versus hospital systems. For retail clinics, the respondents clearly showed a preference for a clinic affiliated with a major retailer compared with a hospital system-affiliated clinic.

Urgent Care Clinic Preference



For urgent care clinics, however, a hospital affiliation was the clear choice over an independently operated clinic.

Clinic Preference

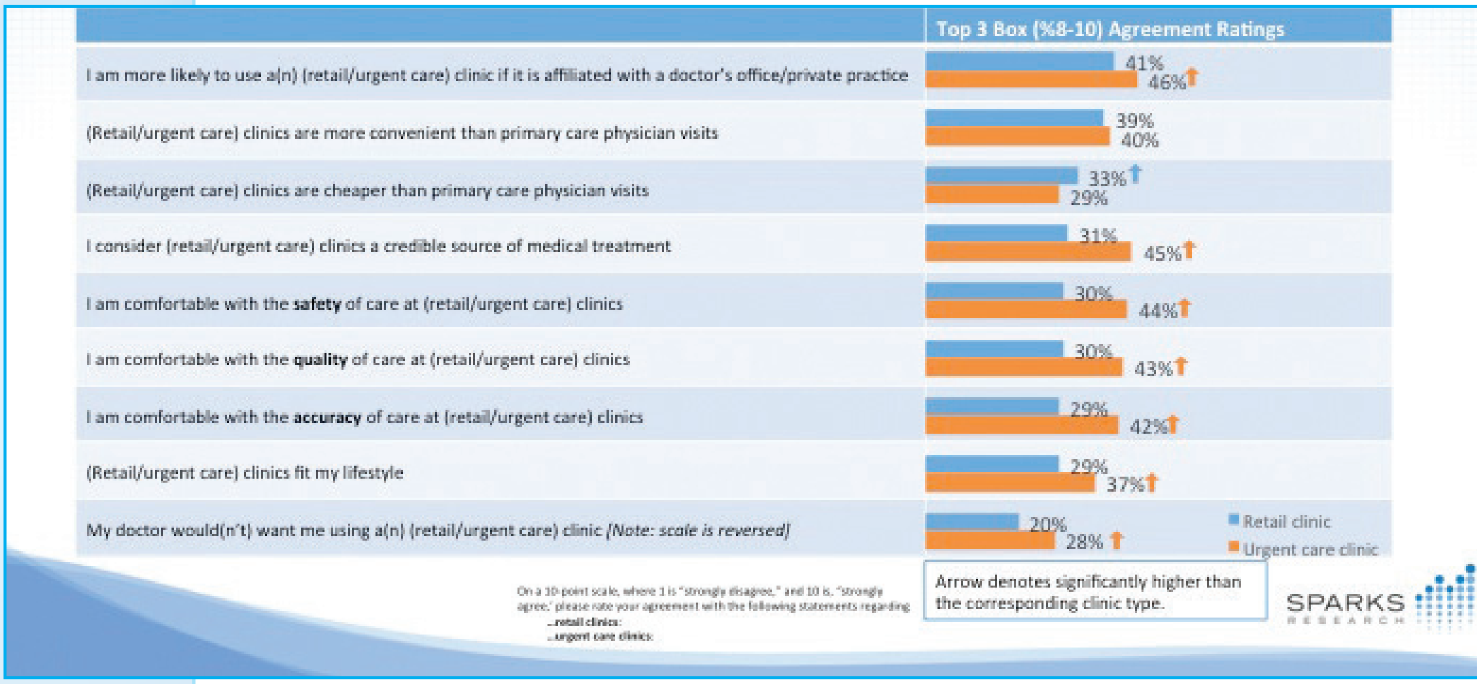
Why do you prefer retail clinics?	
CONVENIENCE	**51%**
Less wait time/Quicker in and out	33%
Closer/More convenient	16%
Easier	7%
Have extended hours	1%
STAFF	**13%**
Trust them more/Better care	10%
Spend more time with you	4%
PAYMENT (cheaper; less expensive)	**9%**
Great/Good	11%
No preference	4%
Don't know/Refused	16%

Why do you prefer urgent care clinics?	
STAFF	**54%**
Provide more care/Better equipped/More skilled/More confident	48%
Have doctors onsite	3%
Nicer/Friendlier	3%
CONVENIENCE	**27%**
Less wait time/Quicker in and out	18%
Closer/More convenient	5%
Easier	4%
FACILITY (More privacy; associated with family doctor/hospital)	**2%**
Great/Good	4%
No preference	3%
Don't know/Refused	12%

If you had a choice between a **retail clinic** and an **urgent care clinic**, which would you prefer?
Why do you prefer [RESPONSE]s?
[IF Retail Clinic] If you had a choice between a major retailer affiliated clinic (e.g., CVS, Walgreens) and a hospital-affiliated clinic, which would you prefer?
[IF Urgent Care] If you had a choice between an independent urgent care clinic and a hospital-affiliated urgent care clinic, which would you prefer?

We also asked for specific reasons as to why they would prefer an urgent care clinic or a retail clinic. For urgent care clinics, the reason most often mentioned was the competency of medical staff. For retail clinics, the most often mentioned reasons were wait times and convenience.

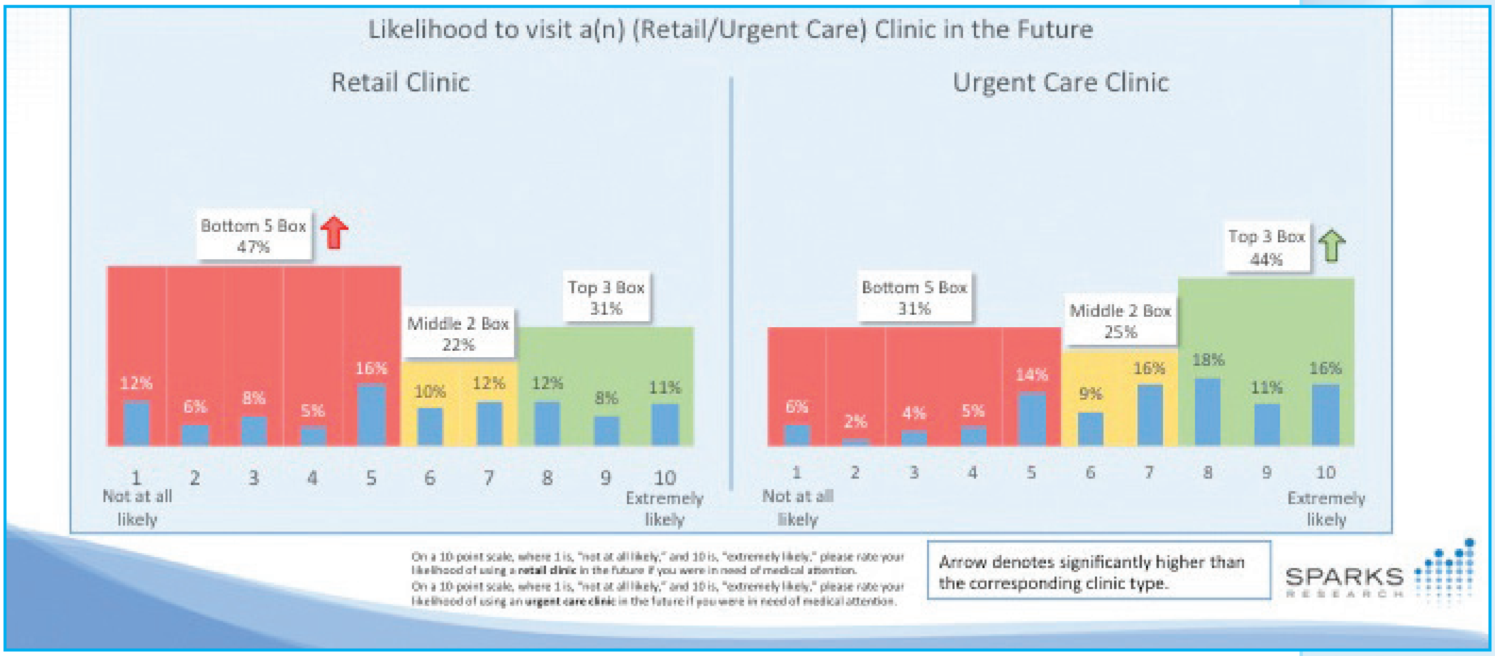
Agreement



Agreement

These results show more detail as to why a patient chooses a retail clinic or urgent care clinic for episodic care. The percentage reflects those who indicated strong agreement [8–10 (Strongly agree) on a 10-point scale] with each statement. Of note is the question on what a patient's primary care doctor would think about them using an urgent care or retail clinic. This result is reported on a reverse scale, where the top-3 box indicates strong disagreement. Clearly patients believe their doctors prefer that they do not go to either an urgent care clinic or retail clinic for care.

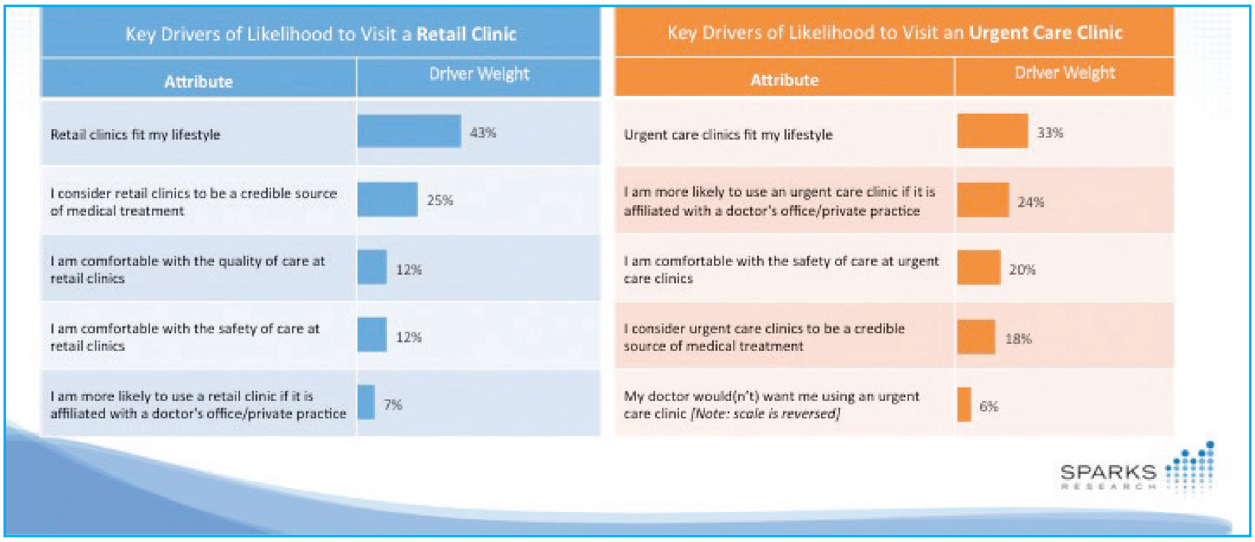
Likelihood of Future Patronage



Likelihood of Future Patronage

Here we have another indicator that convenience influences a busy person at the moment of decision. This question asks respondents about their likelihood of visiting a retail clinic or urgent care clinic in the future. On the surface, it appears that all is not right with the retail clinic model. Nearly 50 percent of respondents selected the bottom-five boxes [1 (Not at all likely) – 5 on a 10-point scale] at the least-likely end of the scale compared with 31 percent of respondents selecting the bottom-five boxes for urgent care. Those who selected the top-three boxes [8–10 (Extremely likely) on a 10-point scale] for urgent care at the most likely end of the scale totaled 44 percent of respondents, whereas those who selected the top-three boxes for retail clinics totaled 31 percent. When you combine this question with overall preference and future patronage, an urgent care looks better because they are perceived as having more skillful practitioners. We believe this points to an opportunity for urgent care clinics to do a better job of promoting convenience in addition to skill.

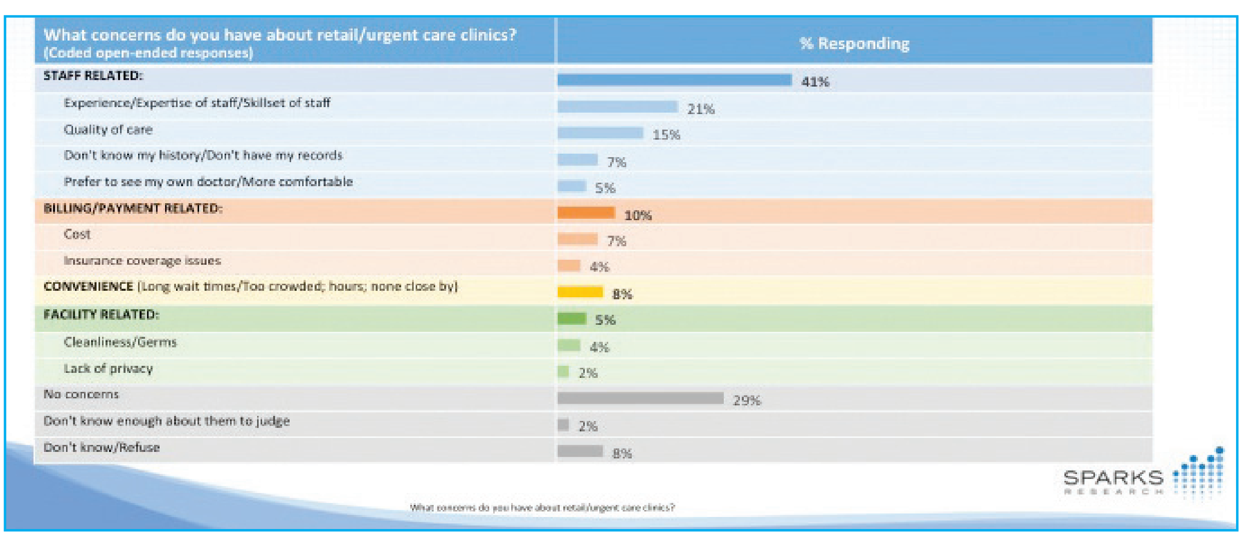
Key Drivers for Future Patronage



Key Drivers for Future Patronage

These charts use the previous agreement statements in a linear regression model to indicate attributes that carry a strong relative impact on respondents' likelihood to visit a walk-in clinic in the future. (Note: these models indicate a moderate level of explaining the total variance—roughly 43-54% of variance is explained by this model.) Similar to the previous chart, these charts show that retail clinics are catering to people's lifestyles. When someone gets sick in the typical dual-income American household, things get chaotic in a hurry. The clinic that offers the simplest solution logistically will likely win that patient's business.

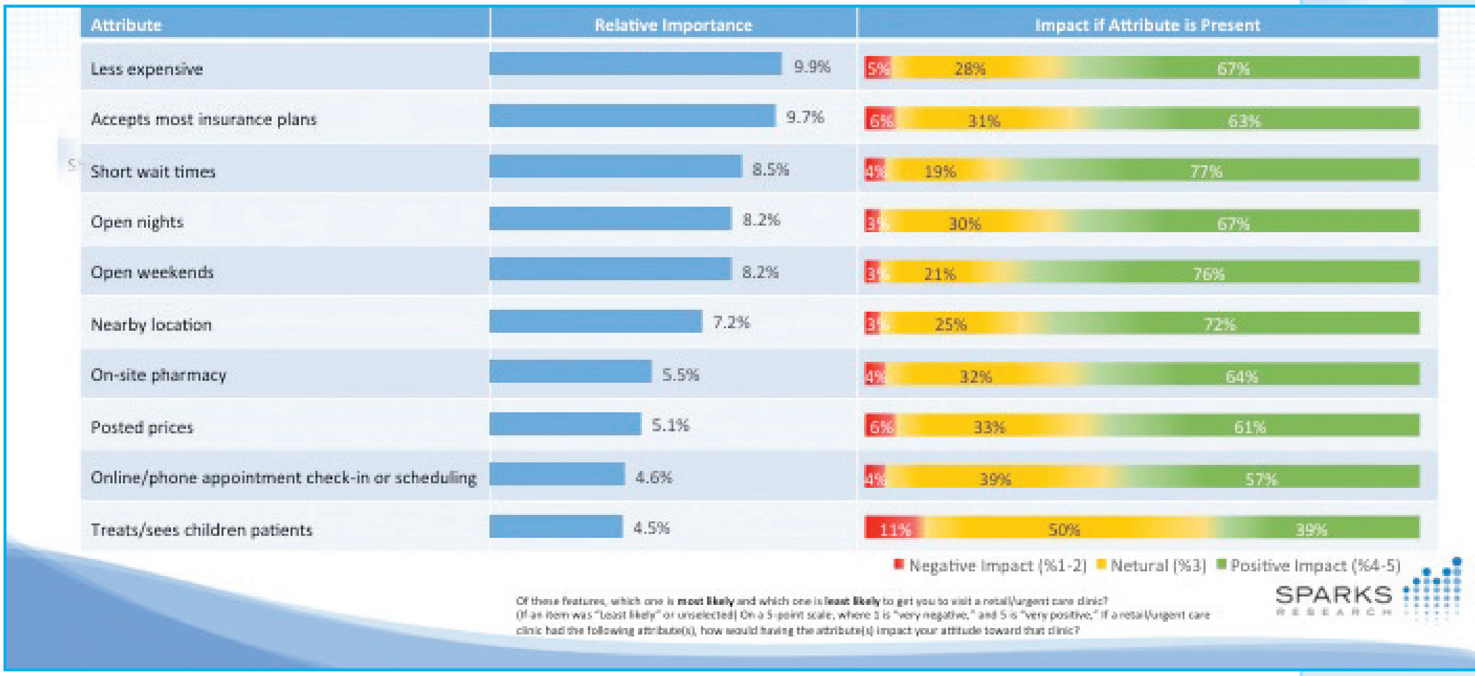
Concerns Regarding Walk-In Clinics



Concerns

This chart shows the results of an open-ended question that asked what concerns respondents had around both retail and urgent care clinics. The most frequent open-ended response had to do with the qualifications of the staff (i.e., experience of the staff/quality of care). But nearly 30 percent had no concerns.

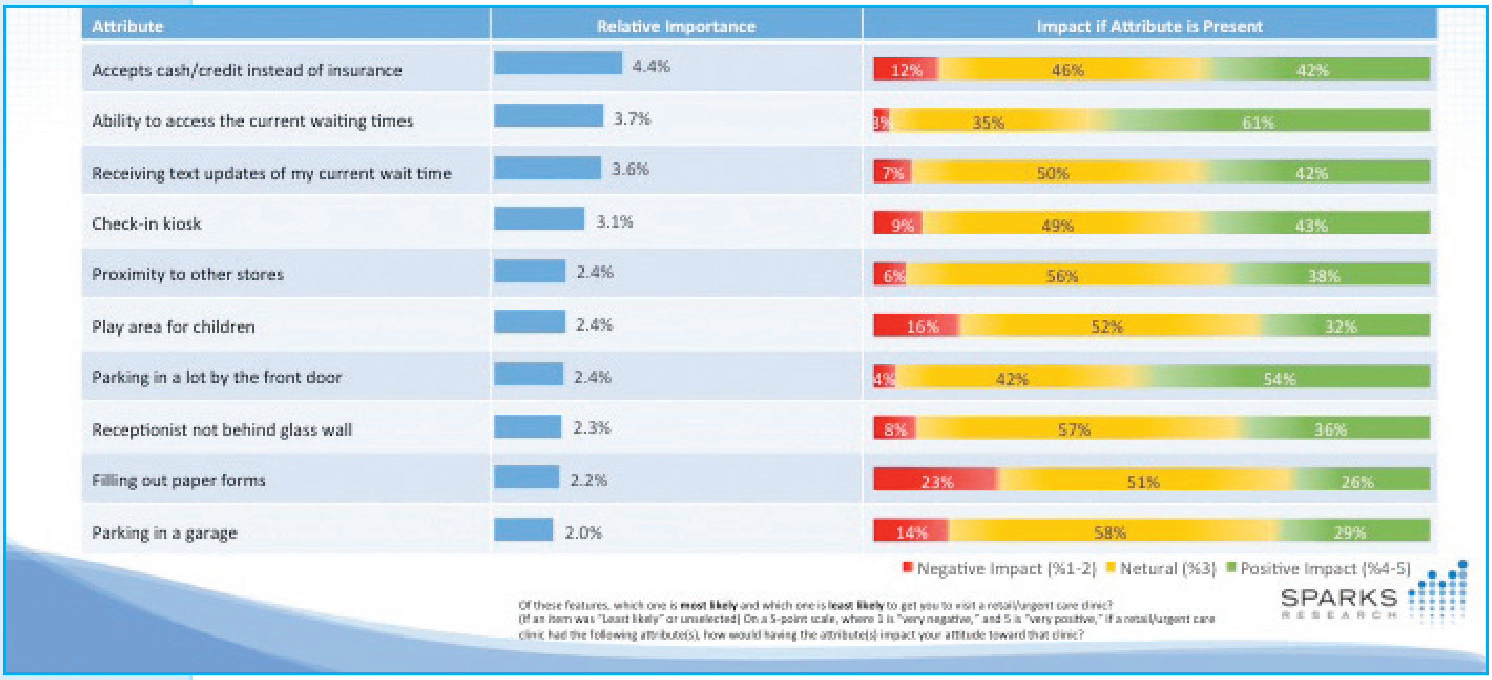
Relative Importance of Clinic Attributes
(Slide 1 of 2)



Clinic Attributes

In these questions we were trying to capture which details influence people at the moment of decision. This first chart shows that the main elements of access and convenience show up as the most important clinic attributes: wait times (and ability to access wait times online), open weekends and nights, nearby locations and an on-site pharmacy. We also noted the relative importance of price (less expensive and posted prices), which we see reflecting the increase in high-deductible plans. The data suggest that price is now as important as acceptance of insurance. We found interesting that online/phone appointment check-in or scheduling is fairly high on the scale given how recently these queuing and check-in technologies have been introduced. It is important to note that the bottom of the scale (i.e., lower-importance attributes) is as important as the top of the scale, as we will see on the next chart.

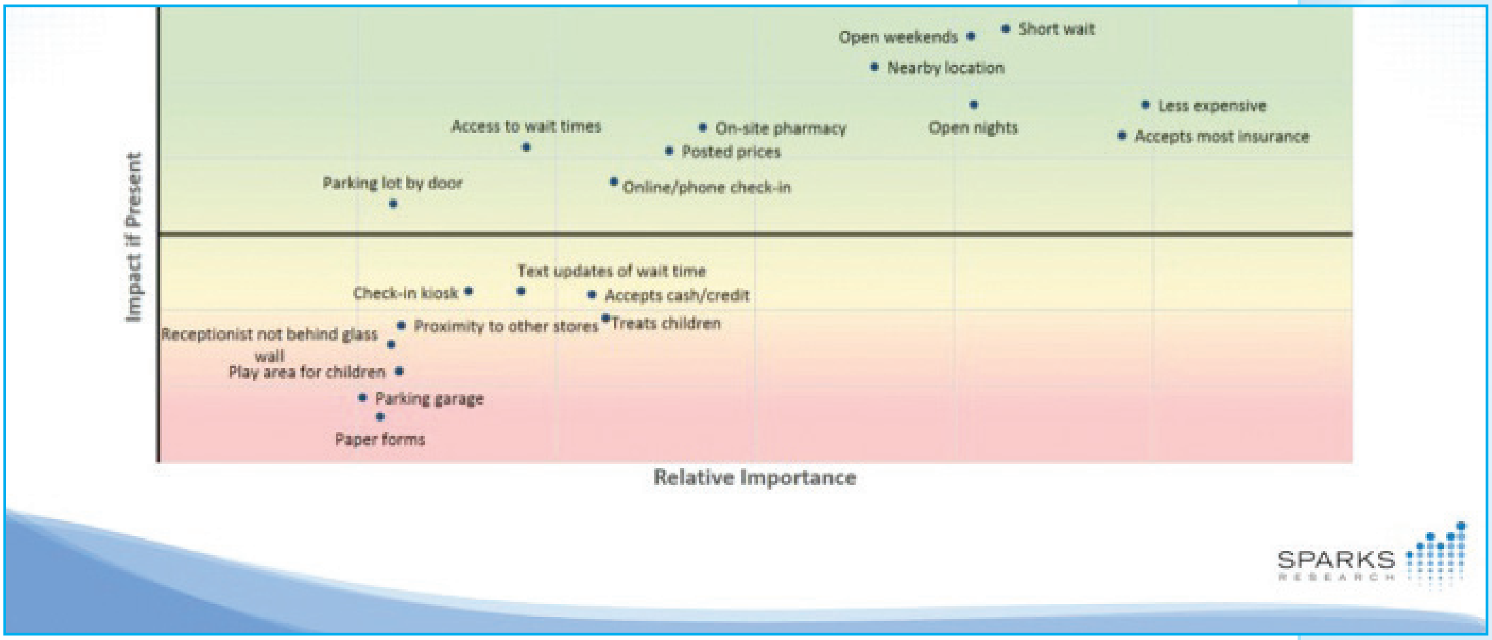
Relative Importance of Clinic Attributes
(Slide 2 of 2)



Clinic Attributes

Here we see some attributes that carry significant weight on the negative side. The highest negative rating was attributed to filling out paper forms. We also saw attributes that for most respondents would have a positive impact on likelihood of future patronage, whereas some would have a negative impact. "Play area for children" is such an attribute, with 16 percent of respondents viewing these areas as negative. Parking garages also carried a higher negative rating. In the more urban or densely populated areas where parking garages are the only option for some newer retail complexes, it would appear that this attribute could have a negative impact at the moment of decision. We found interesting the relatively high negative impact of "check-in kiosks" and "receptionist behind glass walls." We would interpret this as the beginning of a trend against both of these practices.

Impact/Relative Importance



Impact/Relative Importance

This chart summarizes the relative importance and impact of a number of very specific attributes. Attributes in the top right quadrant are both high impact and high importance to a consumer choosing walk-in care. Note the importance of both the subject of payment ("Less expensive" and "Accepts most insurance") at the far right side, as well as hours ("Open weekends" and "Open nights"), proximity ("Nearby location") and wait times ("Short wait"). We view these six attributes as the key drivers at the moment of decision. Note also attributes in the bottom left corner, such as "Play area for children," "parking garage" and "paper forms." These can be viewed as having a negative impact at the moment of decision.

About DXM

DX Marketing brings advanced consumer insight to urgent care operators and healthcare systems. Our analytics and marketing programs drive patient traffic and revenue. DXM has profiled hundreds of clinics and millions of patients, and is the leader in analytical healthcare marketing. With a 19 year history of excellence, clients trust DXM to provide full service, integrated multi-channel marketing solutions and strategic consultation utilizing in-house consumer modeling and analytics, online and offline acquisition tactics and insightful industry expertise. To learn more visit: www.dxmarketing.com

About Merchant Medicine

Merchant Medicine is a research and consulting firm focused on the field of on-demand medicine. Founded in 2007, the company consults primarily with health systems and large medical groups who face significant disruptive forces in this space. The company coined the term "ConvUrgentCare®, which captures the submarkets of primary care medicine, including convenient care (retail clinics), urgent care, work site clinics and telehealth. The company also publishes a popular monthly market report called The ConvUrgentCare Report and holds an annual conference every January called the ConvUrgentCare Strategy Symposium. Merchant Medicine is headquartered in Shoreview, MN.

About Sparks

For over 43 years Sparks Research has translated marketing research findings into marketplace solutions for its clients, which include Fortune 100 global companies and leading national and regional companies in such industries as financial services, retail, automotive, professional services, utilities, healthcare, consumer packaged goods, telecommunications, manufacturing, higher education and general services industries. Our full service marketing research capabilities include Quantitative Capabilities (Telephone Surveys, Mail Surveys, Online surveys, Intercept Surveys, Competitive Intelligence, Customer Panels, Mystery Shopping, etc), Qualitative Capabilities (IDI's, Focus Groups, Observational Research and Projective Techniques) and Reporting and High Level Analytics and Modeling.

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