

Press Release:
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New Report Cites New York as Example:
States Should Expand Retail Clinics to Avoid Potential Crisis in Care

New York, NY: The Patient Protection and Affordable Care Act, “Obamacare,” will extend health insurance coverage to approximately 32 million previously uninsured Americans by 2014. In the midst of an already serious primary care physician shortage, states need to consider alternate means of care. A new report from the Manhattan Institute, “Easy Access, Quality Care: The Role for Retail Health Clinics in New York,” by Center for Medical Progress director Paul Howard describes how New York is just one example of how the increase in retail health clinics nationwide can help alleviate inevitable strains on emergency rooms and primary care physicians’ offices as a result of increased coverage under “Obamacare.”

By treating minor ailments such as sore throats and ear aches as well as providing immunizations, retail health clinics can help reduce patients’ use of ERs for inappropriate ailments. Retail health clinics are also affordable and convenient. Most often located in drug stores, retail health clinics provide quick and easy health care at much less than ERs, urgent care centers, and doctor’s offices.

Under Obamacare, Millions of Americans Will Enter a Fragile Health Care System

Retail Clinics Are One Solution to Help Prevent a Health Care Crisis

- Located in pharmacies and grocery stores, retail clinics are convenient
- Research shows total care costs at a retail-clinic are, on average, 75% less than physicians’ offices and 119% less emergency rooms
- Though some argue retail clinics provide low quality care, 96% of patients were satisfied or very satisfied with the care they received at a retail health clinic
- Retail health clinics are effective because they are specialized. By only providing services for a relatively few minor conditions, they are very good at prescribing the right medications and treatments for ailments

The New York Example:

New York – And Many Other States – Are Unprepared for Residents Entering the Health Care System

- 1.2 million NY residents will enter an overburdened state health care system
- In Massachusetts, expanded coverage led to longer wait times for physicians’ appointments and a 10% increase in emergency room use. Other states could experience similar problems
- According to one study, minor ailments such as sore throats and earaches made up 40,000 visits to ERs in Upstate New York in 2010. Non-emergency visits cost states millions of dollars every year
- There are fewer than 20 retail health clinics in NY State. Expansion of retail-clinic utilization in NY could reduce health-care costs by \$350 million between 2011 and 2020

Regulatory Barriers for the Expansion of Retail Clinics in States like NY and CA

- Opening retail health clinics nationwide can be expensive and difficult depending on the state’s regulatory structure. States like California and New Jersey have similar regulatory structures to New York
- New York requires:
 - Certificate of need (CON)
 - A costly certificate intended to prove that the health-care provider service will fill a need. Approval can also take time and often deters new clinics from opening in retail stores in NY.

- Corporate practice of medicine (CPOM)
 - NY State currently prohibits retail clinic operators from employing even nurse-practitioners and other mid-level practitioners upon whom the cost-savings of the model depends.
- Collaborative-practice agreements (CPAs)
 - Under this requirement, nurse-practitioners need physicians to conduct quarterly chart reviews. The cap on the number of nurse-practitioners who can be monitored by a single physician drives up operating costs at retail health clinics, who have a contract with physicians to provide additional supervision.

Paul Howard's Solutions to Overcome Strict Regulatory Structures

- Repeal the costly regulatory structure for retail health clinics. Though this is not likely, it is the best solution.
- Create a licensure process to streamline regulation of one or more existing retail-health clinic models
- Allow nurse-practitioners to practice outside of the collaborative-government practice
 - NY State has 15,000 licensed nurse-practitioners, more than any other state except California.
 - Allowing retail clinic operators to directly employ NP's in retail health clinics would make the state more attractive for retail clinic operators.
 - More nurse practitioners may also be attracted to the state if they are granted complete practice autonomy; today nurse midwives in New York can practice without collaborative practice agreement.

“Research has shown that retail clinics are a high-quality, low-cost, convenient form of health-care access. But retail clinics also face a number of challenges that have raised their operating costs and have sometimes barred their operation outright. This is currently the case in New York, where restrictions on the corporate practice of medicine, extensive certificate-of-need regulations, and some rules hedging in nurse-practitioners limit the number and type of retail clinics that can operate.” – Paul Howard, “Easy Access, Quality Care”

Paul Howard, Ph.D. is a Manhattan Institute senior fellow and director of the Manhattan Institute's [Center for Medical Progress](#). He is the managing editor of [Medical Progress Today](#), a web magazine devoted to chronicling the connection between private sector investment and biomedical innovation, market-friendly public policies, and improved health. He has written on a wide variety of medical policy issues, including medical malpractice, FDA reform, and Medicare policy initiatives. He is often quoted on health care issues and his columns have appeared in national publications, including the *New York Post*, *Dallas Morning News*, *Investor's Business Daily* and *WashingtonPost.com*.

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