A number of factors help determine whether or not an onsite clinic is a good option for your government. Onsite clinics are government-established medical offices that are in proximity to the workforce and offer less expensive and more accessible care than the typical commercial health provider. Governments that consider this option look at cost savings, of course, but they also have to consider whether an onsite clinic is a good option in the first place. Characteristics to examine include the size and age of the workforce, where those employees are located, how employees will be using the clinic, and the organization's overall commitment to wellness. But even examining these criteria won’t guarantee success, so jurisdictions also need to integrate the practices that other jurisdictions have found the most effective.

**COST SAVINGS**

Under the right circumstances, clinics can generate substantial savings. According to one study, the average employer saves $1.60 to $4 for every dollar invested in an onsite clinic. One local government’s onsite clinic — in Anoka County, Minnesota (which has approximately 1,750 employees) — saw an average of 259 patient visits per month in 2014 with its “well@work” program. The county spends approximately $280,000 per year to operate the clinic, for an average cost per visit of $89.88 for the visit, lab, prescription, and supplies. The county calculates that a similar offsite clinic would cost the county an average of $200 per visit. This equates to a savings of about $110 per visit, or $340,000 per year. For a clinic with a larger scope of services, annual operating costs might range from $900,000 to $1,200,000.

These calculations are limited to the costs paid directly for medical services, but the benefit isn’t strictly financial. They can also make substantial contributions to productivity. Anoka County lost approximately 1.5 to 2 hours each time an employee went to an off-site medical provider, compared to an average of 20 to 30 minutes per appointment at the clinic. This translates into an immediate real-dollar impact for jurisdictions that have to pay for substitutes to cover employees’ duties when they are out. In 2014, Anoka County estimated approximately $70,000 in savings realized from employees being out of work for shorter amounts of times when they visited the onsite clinic rather than going to a doctor’s office offsite.

**WHAT DRIVES SAVINGS**

Knowing *why* a clinic can save money is as important as knowing
knowing how much money it can save. Increased patient participation and compliance with treatment is a major factor. Travel is no longer a barrier to seeing a doctor or getting follow-up care. Nor are employees stymied by not being able to get an appointment, as these clinics generally accommodate walk-in patients. They can stay open on weekends and before or after work hours, minimizing emergency room visits. And since they’re nearby, employees with chronic conditions are more likely to comply with their treatment plans, resulting in fewer specialist referrals and visits, emergency room visits, and inpatient hospitalizations. In Anoka County, directing patients to more efficient service providers and facilities reduced the cost per unit of service.

Jurisdictions realize further benefits because the clinic staff understands patients’ benefit plans. Onsite clinics also give employees more personal attention than conventional clinics because the clinics hire for bedside manner and maintain staff members whom employees come to think of as “their doctor.” The clinics are also better at getting employees to engage in wellness and disease management programs because they can be designed to include all the necessary services under one proximate roof. Another important point is that the jurisdiction has a great deal of control over how the clinic works and can therefore stick to high-value treatments (i.e., those that have been proven effective, avoiding tests and treatments that haven’t been shown to improve the condition).

IS AN ONSITE CLINIC A VIABLE OPTION?

Onsite clinics are not a viable option for all governments. Several characteristics have the strongest influence: the size and age of the workforce; whether or not most employees work at or near a central office; whether the capacities of the clinic match employee needs (especially relating to chronic conditions); and the organization’s comfort level in taking an interventionist approach to employee health care.

**Workforce Size and Age.** The size of the workforce is important, and demographic matter, too. Research has shown that onsite clinics only make sense if you have a minimum of 800 to 1,000 employees. Employee age is another major factor. For example, Anoka County’s workforce is relatively mature, with an average age of 46 years. Theoretically, the county’s overall health-care cost should be higher because older employees are more prone to chronic diseases, which need more costly treatments. Hence, a clinic would potentially be more valuable to an employer like Anoka than an employer with a workforce of similar size but with younger employees.

**Workforce Proximity.** Clinics are typically located onsite or very near a government’s central office. If employees do not work near the central office, they will be less likely to use the clinic. Where employees live relative to the clinic location is also important — when the clinic is closer to worksites and homes, employees are more likely to use it. For example, the onsite clinic in Lexington County, South Carolina, is located in an office annex in downtown Lexington, minutes away from other county government buildings. (See Exhibit 1.) An onsite clinic may not work as well for governments with geographically dispersed operations and/or workforce.

**Employee Risk Factors and Chronic Conditions.** Governments
need to determine how most employees will use the clinic. Will they go in to treat colds, or for serious illnesses? Questions like this help determine the scope of services that should be offered — or, indeed, if the services the clinic could provide would be valuable enough to justify the cost. (See Exhibit 2.)

Access to detailed historical claims data is essential for determining the greatest needs of the workforce and whether the clinic can service those needs. For example, the City of Plantation, Florida, was facing a 33 percent increase in the cost of health insurance claims over three years, so it decided to explore the possibility of opening an onsite clinic. The workforce was found to be most at risk from a rate of obesity, along with higher blood pressure and cholesterol levels, than the national average. Hence, the city’s onsite clinic focuses on these issues, including wellness activities to prevent the acute conditions that these risk factors can lead to. The clinicians at the onsite clinic are trained to provide health coaching and other support to help employees lead healthier lives. In fact, the clinic’s focus on these risk factors allowed the clinicians to spot an employee who was imminently close to having a heart attack and to treat him before the condition escalated.

Governments can also perform biometric scanning and administer health risk assessment questionnaires to determine what kinds of services are needed. In addition to helping the clinic focus on the right services, this kind of analysis can provide a more precise estimate of how much demand a clinic might experience.

Exhibit 2: Services Offered by Onsite Clinics

<table>
<thead>
<tr>
<th>Common types of services that onsite clinic provide include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Acute illness treatment.</td>
</tr>
<tr>
<td>■ Wellness and preventive services.</td>
</tr>
<tr>
<td>■ Chronic disease management.</td>
</tr>
<tr>
<td>■ Occupational medicine.</td>
</tr>
<tr>
<td>■ Pharmaceutical services.</td>
</tr>
<tr>
<td>■ Physical therapy.</td>
</tr>
<tr>
<td>■ Chiropractic services.</td>
</tr>
</tbody>
</table>

The Organization’s Commitment to Wellness. If your government has had difficulty getting support for an employee wellness program, it may not be able to succeed with a clinic. Conversely, if employee wellness has proven successful, an onsite clinic may be a natural next step.

Is the health and general well-being of the workforce a priority for the organization’s management? This question must be answered before the jurisdiction invests in an onsite clinic. An onsite clinic is an active approach to workforce health and productivity, so management must be willing to pursue an active strategy to manage workforce health and productivity. This is why the most successful onsite clinics are closely aligned with the workforce wellness philosophy that has become popular in recent years.

Find a Provider that Matches the Jurisdiction’s Needs. Few, if any, governments operate their own clinics; instead, they contract with specialized outside providers. The goals and culture of the jurisdiction should be aligned with those of the provider. When cultures are too different, it creates tension between organization and provider as to the purpose of the clinic. For example, if a government’s goals for the clinic include improving employee wellness, but the provider doesn’t focus on wellness services, trouble will not be far behind.

Provide an Exceptional Patient Experience. As in any other service business, satisfied customers (patients) will make return visits and refer their friends and family, while dissatisfied users will do the opposite. Positive (or negative) word-of-mouth can have a big impact on how many people use the clinic, so employers need to take steps to make sure patients have good experiences.

Perhaps the most important factor determining patients’ opinions of the clinic is their experience with staff. There are many options for staffing a clinic, from a full-time physician to a nurse practitioner or a physician’s assistant. However, the degrees held by clinic staff are usually less important than their friendliness and obvious commitment to patients. Does the clinician have time to follow up with patients and provide recommendations after examining them? Is the staff pleasant to deal with? Staffing the clinic with people who are empathetic and dedicated can go a long way.
Other important considerations include logistical factors like short wait times, operating hours that accommodate all employees (including those that don’t have flexible work schedules), appropriate scope of services, and proximate location of the clinic. Each of these factors contribute to a good patient experience and thus encourage patients to use the clinic. Governments can address these logistical concerns by analyzing claims data. Surveying employees about how they want to use the clinic can also help. For example, at Anoka County, the entire workforce consists of 1,108 women and 650 men. Since the workforce has a large female majority, the clinic can provide more services aimed at treating women (e.g., routine women’s health examinations, gynecological care, contraception, and diagnosis and treatment of other women’s health concerns).

**Encourage Employees to Use the Clinic.** The first step in encouraging employees to use the clinic is making them aware that the clinic is available. Lexington County, for instance, first communicated its plans to employees by inviting them to information sessions and providing online presentations. More than 900 of the county’s 1,600 employees attended the sessions. After the clinic opens, jurisdictions should continue to communicate with employees about the clinic and encourage them to use it. To this end, employers can provide tangible incentives, including lower copays or deductibles or more favorable leave-time policies.

**Make Sure All Providers Know the Law.** Most governments are probably aware of the need to protect the confidentiality of patient records, but they may not know the laws regulating the design and construction of medical clinics (e.g., electrical appliance laws for medical equipment; heating and ventilating requirements for medical facilities; or rules requiring the separation of the lab and clinic areas).

**Track Performance Indicators.** Tracking key performance indicators will help the organization adjust clinic services to fit patients’ needs. The following information is useful:

- The reason people visit the clinic, the type of services used, and if the appointment is for a wellness activity or an acute (or chronic) issue.
- Whether or not the patient is a first-time visitor.
- The number of appointments per day.
- Popular days/hours of use.
- Who provides what service.
- The duration of each appointment.
- How many patients are referred to the clinic by existing patients.

Important information can also be gleaned from administering customer satisfaction surveys.

**CONCLUSIONS**

An onsite clinic can be an effective way to manage costs at the municipal level. It may not be the right strategy for every local government, but under the right conditions, the onsite clinic model has been proven to provide a significant return on investment and improved employee satisfaction. By focusing on the most important factors of success, employers can make an informed decision as to whether an onsite clinic is a good idea for them.

**Notes**


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