

**Minutes of Meeting
Health Services Council
Project Review Committee-I**

DATE: 28 June 2005

TIME: 2:00 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee I: Present: Victoria Almeida, Esq., (Vice Chair), Edward F. Almon, Joseph V. Centofanti, MD, John W. Flynn, Robert S.L. Kinder, MD, Robert J. Quigley, DC, (Chair)

Not Present: John Keimig, Robert Ricci, Robert Whiteside, John Young

Excused Absence: Robert L. Bernstein

Other Members: Present: Sen. Catherine E. Graziano, RN, Ph.D., Larry Ross, Reverend David Shire

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller, Esq., Donald C. Williams

Public: (see attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 2:00 PM. The minutes of the 14 June 2005 meeting of the Project Review Committee-I were approved as submitted. Staff noted that conflict of interest forms are available to any member who may have a conflict. The Chairman stated that due to the Open Meetings Act the minutes of the meetings have to be available to the public by the next meeting date or within thirty-five days, which ever is sooner. The Chairman noted that the next meeting might not occur within thirty-five days or the minutes might not be available by the next meeting. He further noted that there is an allowable exception whereby the availability of the minutes may, by a majority vote, be extended. A motion was made, seconded and passed by six in favor and none opposed (6-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Almon, Centofanti, Flynn, Kinder, Quigley.

2. General Order of Business

The first item on the agenda was the application of MinuteClinic, Inc. for initial licensure of Organized Ambulatory Care Facility at 11 Main

Street in Wakefield.

The Chairman noted that the committee was meeting today because the attorneys for the applicant are tied up in court for a couple of weeks of July, and as a courtesy the committee is allowing the applicant to meet before the regular Full Health Services Council meeting. The Chairman noted that the Full Health Services Council meeting starts at 3 o'clock and that, if time permits after the presentation of the applicant, he will allow a limited number of public comments. The Chairman noted that the committee would conduct an open meeting at a future date so that everybody will have an opportunity to comment.

Staff noted that the agenda has been amended to delete the application in Woonsocket. Based on the fact that it is a proposed clinic that is not open to the public, similar to clinics at Brown University and University of Rhode Island, and it does not require licensure under Chapter 23-17 of Rhode Island General Laws. Staff noted that MinuteClinic is a for-profit company, they presently provide service in Minnesota and Maryland. The review commenced on 24 June 2005 and the comment period runs through 24 July 2005. The applicant project a payor mix for each of the 5 facilities as follows: Medicare 1%, Medicaid 2%, Blue Cross 53%, Commercial 18%, Self-Pay 14%, Charity Care 12%. Patricia Rocha is here on behalf of the applicant.

Patricia Rocha, legal counsel to the applicant, thanked the committee for scheduling the meeting. Ms Rocha noted that MinuteClinic has also filed applications for CVS locations in Barrington, Providence, Cranston, and East Greenwich and was in the process of obtaining consents from the landlords for those sites because CVS itself is a tenant. Ms. Rocha introduced Linda Hall Whitman, COO and founder of MinuteClinic; Dr. James Woodburn, Chief Medical Director; Cathy Wisner, Vice President for Operations; and Nelson Sabatini, former Director of the Department of Health in Maryland and an advisor to MinuteClinic.

Mr. Woodburn initiated the PowerPoint presentation and noted the following:

-The mission of MinuteClinic is to provide patients with quick access to high quality, affordable healthcare, at convenient locations.

-we focus on quality, cost, convenience, and thoughtfulness with consideration from the patient's perspective.

-we are not a complete emergency department, there are things that we do not do.

-we are not a replacement or disruption to primary care but we see ourselves as an adjunct when patients can't see their regular doctor.

-we are not a facility for treating complex situation such as wounds, broken bones, strains or asthma.

-we are not a facility that treats common problems repeatedly, such as an ear infection more than once a month, for three months in a row.

-the services that we provide are strep throat, ear infections, pink eye & styes, sinus infections female UTI, urinary track infections, that are uncomplicated.

-our hours of operation are 8 to 8, Monday through Friday, 10 to 4 Saturday and Sunday.

-we are currently operating in Minneapolis in Minnesota and Baltimore area in Maryland.

-we have 22 clinics in operation at this point.

-there is a desk for sign in.

-we post the prices of our services right upfront.

-we serve patients that are 18 months and older.

-to help ensure and foster continuity of care, we automatically send the patient's record to the primary care provider.

-our software, which is developed in-house, uses evidence-based protocols to help aide the diagnosis and treatment.

-we bill electronically and our price is transparent.

-we have extended hours, 8 to 8, Monday through Friday and 10 to 4 Saturday and Sunday

-no appointment is needed.

-we are located in convenient locations that are adjacent to a pharmacy that help make the filling of the prescription easier for the patient.

-typically we have 15 minutes for service, with minimal wait times.

-the nurse practitioners are skilled in being able to make appropriate referrals to primary care, urgent care or emergency department, if that is what's appropriate.

- patient demographics that we have are working parents with kids, career singles, and college students**
- our secondary population are seniors and Medicaid.**
- we do exclude infants that are under the age of 18 months.**
 - an example of healthcare industry in America, there is 926 million healthcare visits per year, for an average of 3.4 visits per person.**
- what we've done is to reengineer the clinical practice settings.**
- we will handle simple conditions such as pink eye and strep throat and allow the current system to handle those complex situations, fractures, pneumonia, chronic care and burns for example.**
- we provide limited services by a registered nurse practitioner, all services are about 15 minutes each, simple payment method, no capital-intensive equipment and only diagnostic supplies.**
- the rest of the healthcare system is able to provide the rest of the healthcare, with broad services, specialist, scheduling and billing complexities that are necessary to handle the more complex situations.**
- the benefits that we see that we bring to a community, from a health plan or from an employer perspective from self-insured, from employee insured, companies and members of health insurance companies, reduced healthcare bills or stabilize or reduce healthcare premiums.**
- we have a lot of support in the employer groups that we work with.**
- employers like to see not just the healthcare cost reductions but also the ability for patients and their employees to get out, to get care and get back to work in a very fast and convenient way.**

-reduction of lost hours, improved productivity is very important from the employer standpoint, and the employees themselves see it as a helpful benefit their employers bringing to them.

-to help better understanding the cost models that we currently are working in a Minnesota market, the Minnesota Council of the Health Plans and Blue Cross & Blue Shield of Minnesota were able to collect this information on the cost of care.

-for examples, a strep throat evaluation including the physician office visit and the testing, urgent care \$125, emergency room visit \$325, MinuteClinic total price would be \$62.

-a 2-4 hour visit length of time in an emergency room compared to 30 minutes, including getting a prescription filled, in MinuteClinic setting.

-in Minnesota we have several different locations for our clinics, we work with Target, CVS and CUB Foods, which is a grocery store chain.

-we participate in these insurance plans in the Minnesota market.

-these are the employers that have supported the expansion of the clinic and in fact reduced the co-pays for their employees to seek care by up to around \$10 for co-pay to encourage the patients to consider the use of MinuteClinic in this community.

-in Maryland we are located in Target Stores and CVS pharmacies.

the employers that we are working with are Target and Black & Decker.

-we are participating in these insurance plans in Maryland.

Staff asked if one of those insurance companies is Blue Cross. Mr. Woodburn replied yes, CareFirst.

Mr. Woodburn continued the presentation:

-we reinforce and very much believe in the Medical Home for those patients that come in to seek care.

-we always ask with every patient who is your doctor, who is your primary care home. If they say well I don't have one, what we do at our location, in our neighborhoods that we operate in, we will give patients a list of those clinics that are accepting new patients so that we encourage them to contact that clinics.

-we sent out the records to the provider office in every care except for those situations where the patient specifically asks that we not send that information.

-we provide health insurance information for those who are uninsured.

-we refer patients who present with conditions that we don't treat.

-the nurse practitioner is skilled and capable in doing an initial assessment, and triage and will refer to the appropriate level of care if it is something that we do not take care of.

-from the patients' stand point, high quality care, very high satisfaction, the convenience and affordability are things that patients repeatedly tell us that these are the things that they most appreciate.

-we reinforce that need for every patient that they have a doctor that they call.

-an example of the surveys that we've done repeatedly, this is one

month where we asked our patients 'why did you chose to come to MinuteClinic?' - convenient locations, less time away from work, and no appointment necessary were really the drivers for which they seek our care.

-we've asked them 'how would you rate the quality of care that you received?' - these results are again repeated month in and month out, we have a 98.4% excellent satisfaction with 1.5% rating us as good and nothing below that.

-when we asked them would you use these services again or do you plan to recommend this services to a family member or friend, 99% replies yes as their response.

-from the product standpoint, we have an automated electronic patient record system, with guidelines built into it, to do an ongoing chart reviews and variation of studies.

-this is our proprietary electronic medical records system that we were able to build from scratch because of our limited number of conditions and our need to have a very flexible and an ability to imbed guidelines into the system. We've created the software system over the last few years. This allows us to have a real-time record of diagnosis and treatment. Our records are accessible from any MinuteClinic location. An ability to generate the diagnostic records and educational material, the invoice and the prescription at the conclusion of the visit is part of the system and value that we bring to ensure consistent high quality care.

-we will fax and mail the patient diagnostic record to the primary care provider.

-we are also electronically enabled so that in Rhode Island for example, we would be very happy and willing and able to share electronically patient information to primary care because I know that Rhode Island is working on the electronic patient medical record system. We would be happy to participate in that. -the guidelines that we use are national standards of practice set by the American Academy of Pediatrics and American Academy of Family Physicians.

-in Minnesota there is also regional guidelines, physician driven organization called ICSI, Institute for Clinical Systems Improvements.

-we are also working on, in conjunction with JACHO for this new model of care.

-the patient's information, medical background and insurance company is registered upfront with the amount of co-pay or financial transaction that we need to deal with is entered here.

-the other part of our electronic medical record system allows us and requires us actually to document the current medications that the patient is currently taking as well as any reported allergies, and this is critical for information and patient safety standpoint if there is any medication that the patient is currently on that may conflict with the medication that maybe prescribed at the end of the visit.

-the standard method of capturing the patient's health information is to do what we call a subjective/ objective assessment and planning.

-the system also requires the nurse to answer every question. Information has to be entered or she cannot proceed to the next screen. The nurse practitioner has to ask a question, receive an answer and document it or she cannot proceed.

- at the conclusion of the evaluation the nurse makes an assessment.**
- a patient education sheet is always generated for every visit, and that's included at the end of the evaluation.**
- a part of the time that the nurse practitioner spends in that 15-minute interval is a chance for the patient to ask question, to review what the treatment protocol is, what the treatment plan is.**
- this is information that's written and provided to the patient at discharge.**
- the prescription is electronically generated.**
- we are able to generate quality assurance or quality control reports, that we review on an on-going basis. ----when we do this, we can see outliers of performance, we can do an evaluation, coaching, feedback for that practitioner to bring up our clinicians into a range of very tight quality control.**
- we opened up our first clinic in May of 2000, we've seen 230,000+ patient visits to-date, with 99% patient satisfaction. 4 complaints per 10,000 visits since inception.**

The Chairman noted that access is a review criterion and asked the applicant what studies were done to determine the location of the 5 clinics. He asked if that applicant looked at the access for the uninsured, underinsured, the minority populations, and noted that the selected communities included Barrington and East Greenwich. He noted that from the access to the people that need services the most, he seriously questioned the location. Ms. Whitman responded that we go to a metropolitan area it is important for us to be accessible,

there where people may work, may live or may play. Our information shows that people will drive about 14 minutes to get to one of our locations, so it's a much broader area of coverage than you might normally think of. She noted that we have done a number of experiments over the last 4 years in Minnesota and in Maryland, looking at which neighborhoods tend to be the early adapters of our services and we work with the government officials to find out where the additional venue should be. The Chairman requested that the applicant provide the studies including proximity to bus routes. The applicant agreed to provide the information.

Mr. Ross asked about common illnesses and performing routine physical examinations as services referenced in the application. Mr. Woodburn responded that the routine physical examination is the physical examination that occurs in the process of evaluating for the medical illnesses. He noted that it's not for example, a school physical or a camp physical.

Dr. Kinder asked about medical consultants, if MinuteClinic maintains a list. Mr. Woodburn responded that we have a physician who will be accessible in all hours of operation, so if that nurse practitioner has a question, she can call and discuss the case with family physician practicing in Rhode Island. He noted that in issues of complexity, we refer that to the primary care physician and they can take a look at it and then through them and with them they can refer onto a specialist. Dr. Kinder asked if the list of consultants are mainly family doctors.

Mr. Woodburn replied, yes. Dr. Kinder asked if there were specialists. Mr. Woodburn noted that we have licensed specialists for those cases where the patient doesn't have a primary care physician but that's the common method and the way that we do it is to refer back to the primary care physician. He noted that physicians will be paid on an annual payment that's not based on revenue, not based on volume but more on the anticipated number of hours.

Ms. Whitman noted that when we refer patients we do not charge the patients; there is no double charges; if we are not able to see them because it's a service we don't offer we do not charge that patient.

Mr. Shire asked about the medical supervision. He noted that to refer someone a doctor who is on-call do not call back in 2 minutes, or even 15 minutes. He also asked what type of oversight is provided by the health department of such entities.

Staff noted that it is licensed as an organized ambulatory care facility, and it will fall under the oversight of the licensure division like any other OACF; the nurse practitioner is a professional and will fall under the oversight of the nursing board.

Mr. Shire asked about the Health Department's ability to oversee this clinic. Staff noted that Health Department staffing capability does not fit within the four corners of the criteria for evaluating of the application for initial licensure.

Mr. Shire asked about fundamental need. Staff noted that this is a review for initial licensure and it is not the applicant's burden to demonstrate need; we are looking at quality, access, financial viability, and track record of the applicant.

Mr. Woodburn noted that the collaborating physicians will be accessible by phone. The Chairman and asked staff's legal counsel if a condition can be put on a recommendation and Mr. Miller responded that it can as long related to and was consistent with the statute and other regulations.

Sen. Graziano asked what happens if a patient doesn't have a primary care physician, and you constantly see them over and over. Sen. Graziano asked what do you do with those people who come to this clinic and can't afford whatever the price is, whatever the payment is but repeatedly come back to the clinic anyway. Mr. Woodburn responded that we do not treat patients that have 3 ear infections in a 6 month period of time and if they come back to us with a 4th ear infection within that period of time we will refer them back to their primary care physician and it is built into our electronic medical record to prevent us from seeing patients over and over again.

Sen. Graziano, asked again what happens if they don't have a primary care physician. Mr. Woodburn responded that we encourage them, we talk to them about the importance of having a primary care physician,

we provide them with the list of clinics that are in their neighborhood that are open to accepting new patients and we will encourage them to contact that practice, that clinic, that doctor, to get established as a primary care agent. Sen. Graziano noted that encouraging them doesn't always get them to take any action and asked if they come back, even if it a different illness, but it falls within the clinics protocols, and they still haven't got a general practioner, what do you do with those records and would do you with the people who continue to come back even if it's a new illness and can't afford the services. Mr. Woodburn responded that we provide information and encourage and reinforce that the patient needs to make a decision, to make a change in what they are doing so that they go to get established by that clinic. He noted that for those patients that are not able to afford the care we will send them a bill. Sen. Graziano asked where do you close the door against those people who haven't paid but continue to come back and haven't picked a general practioner. Ms. Whitman responded that we've never turned away patients. She also noted that when a person has no medical home, we provide the patient with their own diagnostic record. Sen. Graziano asked if when they leave your clinic they take it with them. Ms. Whitman responded yes.

Mr. Flynn noted the committee received a copy of the audited 12/30/2004 financial statements and asked when the current audited financial statements will be available and noted that this question relates to financial viability. Ms. Rocha responded that we have

produced the most recent audited financial statement, the next one is in progress, and when it is completed we would be happy to provide it. Mr. Flynn noted that it is necessary. He noted that the pro-forma does not show any expenses from corporate. Ms. Whitman responded that we will gladly provide you with financial statements.

Dr. Centofanti asked if there are any requirements for the nurse practitioners that you hire and what level of experience would they have. Ms. Whitman responded that all of our nurse practitioners are family nurse practitioners with master's degrees and national certification and they are all experienced. Dr. Centofanti asked if it were opened to new graduate students. Ms. Whitman responded that we typically are not hiring graduates, we hire practitioners who have had experience, we would like for them to have experience as RNs. Dr. Centofanti asked about who makes the diagnosis. Mr. Woodburn responded that the nurse practitioner makes the final diagnosis. Ms. Rocha noted that's consistent with the regulations.

A member asked about prices and whether it is that based on the nurse practitioner rate of reimbursement or on the physician's rate of reimbursement. Ms. Whitman responded that those prices are the prices that everyone pays, that's the total retail price. So when we submit for reimbursement the insurance company would reimburse us that net of whatever the co-pay was. In all cases our pricing is under the Medicare pricings set for that region. Whether or not the reimbursement by physician or nurse practitioner.

Sen. Graziano asked about where the physician backup for that particular nurse practitioner is located. Mr. Woodburn responded that the physician backup would be a private physician that is in a community within the geographic proximity to where the clinics are located. Sen. Graziano asked what kind of collaborative efforts physicians have, if any. Mr. Woodburn responded that they are accessible by phone at all hours of operation, they assist with the training and the monthly staff meetings, they help review with me the clinical practice guidelines, and they are available to do whatever necessary chart reviews, peer reviews, and quality improvement activities that our manager of clinical operations has. Sen. Graziano asked if they do not have a requirement that a physician be onsite working with the nurse practitioner. Mr. Woodburn responded that's correct.

Dr. Kinder asked about records requirements. Mr. Woodburn responded that each state has different requirements, as well as, different privacy requirements that we comply with. Right at the beginning of the patient sign in, that's where the authorization for release of the information is approved, the electronic medical records system is behind a fire wall, with safety measures and encryption, we looked at and been reviewed by, in this case, Minnesota and Maryland oversight, we are fully HIPPA compliant. Ms. Whitman noted that we are fully compliant in the way we transmit the patient's diagnostic records to their primary care provider.

Mr. Ross asked about the experience that you've had on your existing clinics, about what percent of people who present maybe referred else where and do you find is that different initially when you open up the site and over time, people get acclimated to the limited services you provide. Mr. Woodburn responded that typically what we found in new market, maybe 12% patients are situations that we would refer back to primary care. As the markets are established and the patients begin to understand what the model is, that percent that's triaged out drops to around 8%. Ms. Whitman noted that we have an 800 number that patients can call to confirm that their symptoms can be treated, and we also have a website that lists our treatments.

A member asked what is the anticipated volume for one of these clinics. Ms. Whitman responded it's approximately 30 patients a day.

The Chairman asked if the applicant has been through Facilities Regulation on the layout of the clinic. Ms. Rocha responded that the architect has been approved by the Department of Health.

Mr. Almon noted that he was concerned about costs. He noted that about four years ago we approved a CON for South County Hospital and they built a very modern, up-to-date, state of the art emergency room, for the population that lives there. He noted that less than three later and we are going to move into Main Street in Wakefield Rhode Island, and we are going to serve a somewhat similar population. He

asked where is the dollar volume to support the business that you are hoping to do going to come from. He asked if it is increased business, which is going to add to the cost of healthcare, or is this business that we are going to take from South County Hospital.

Mr. Sabatini responded and noted that he served as Director of Health in Maryland, and he shared your concerns about healthcare costs and one of the things that is driving healthcare costs is that people are getting care in inappropriate settings. He noted that they need to get the quality care that they need in a least costly setting possible. He noted that the problem is that emergency room is delivering care to too many people that don't need or shouldn't be getting their care in that setting.

Staff noted that we did receive a letter from Narragansett Bay Pediatrics with objection to this application. Staff noted that as letters come in, either in favor or against or any other comments, we will make every attempt to get these letters and correspondences to the member of the Health Services Council and all records that are kept in the Office of Health Systems Development are public records.

There being no further business the meeting was adjourned at 3:00 PM.

Respectfully submitted,

Michael K. Dexter