

Walmart's Medical Clinics

A Reaction from Healthcare Professionals

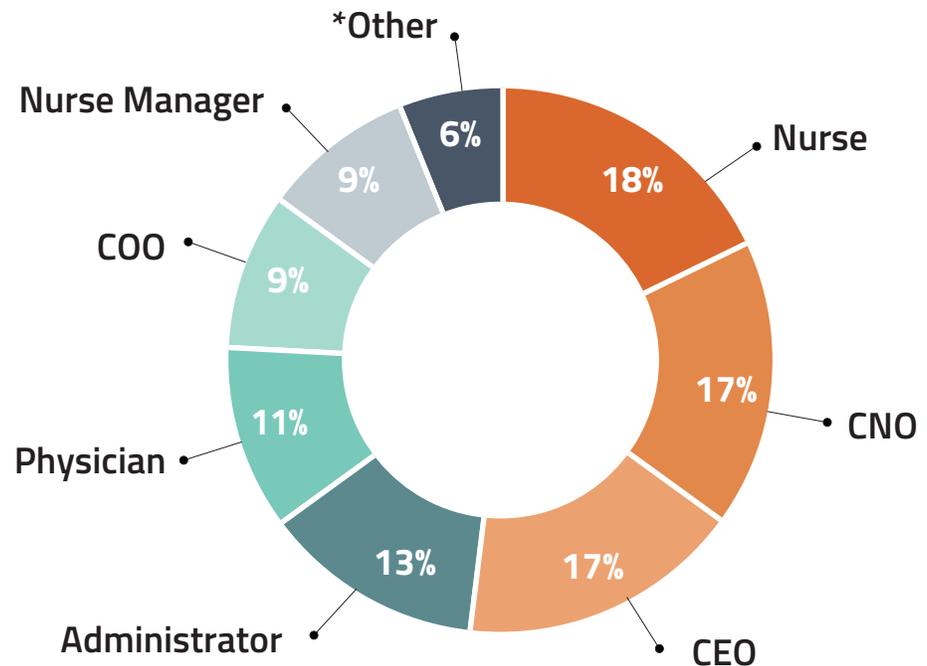
Public Version



Reaction
— Data —

Demographics

Those who engaged with us through our Research Cloud include 132 individuals from provider organizations around the country.



* Chief Medical Officer, HIM Director, VP of Quality

Introduction

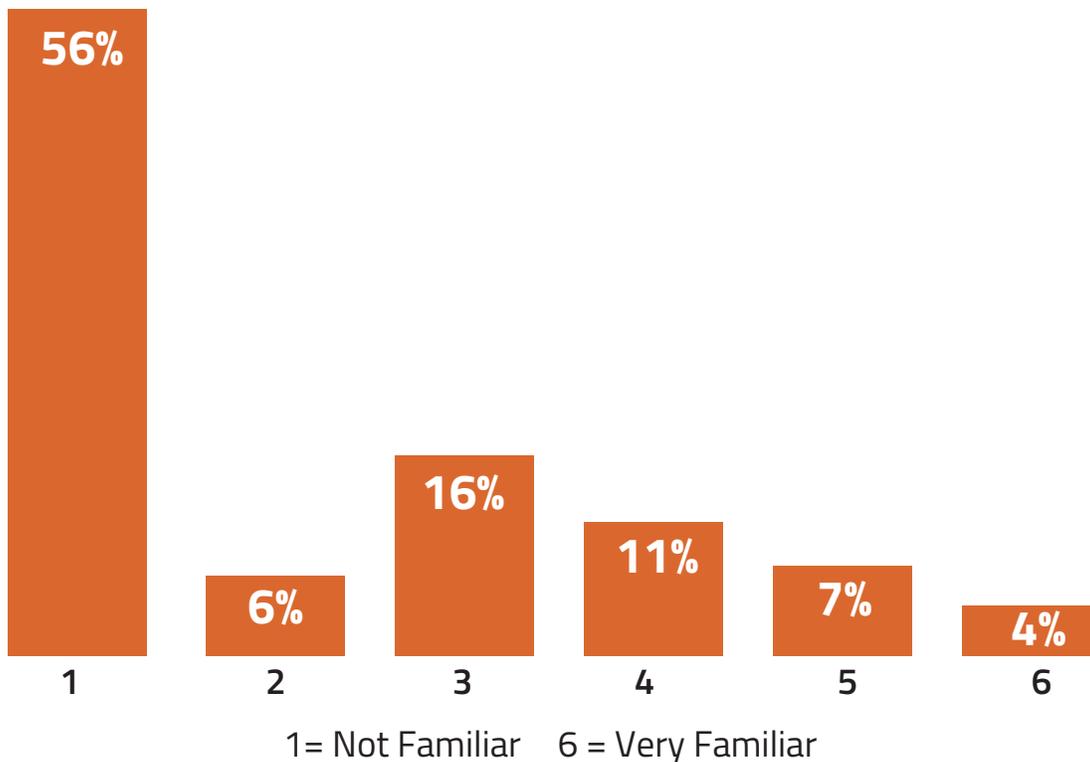
Walmart recently announced that it will open stand-alone facilities to offer primary care, dental, optometry, counseling, lab tests, X-rays, hearing, wellness education, and behavioral health. Prices will be transparent. Patients can pay cash, and insurance will be accepted.

We reached out to individuals from provider organizations asking them to share their opinions on what Walmart is doing, as well as their thoughts on how effective Walmart could be as a healthcare provider and how they believe this will have an impact on their organization.

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Familiarity with Walmart's Plans to Open Stand-Alone Medical Clinics

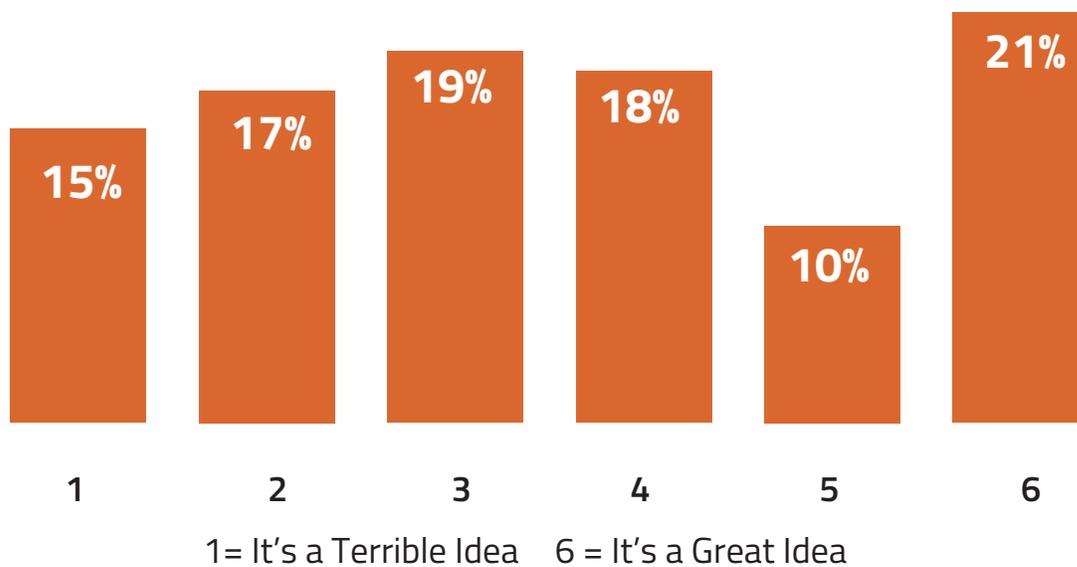
It's not very surprising that majority of healthcare providers have little understanding regarding what Walmart is doing. Among participants we found that senior executives (primarily CEOs and COOs) were, by far, the most aware with over 40% of CEOs keeping a close eye on Walmart's plans.



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Opinion of Walmart's Plans

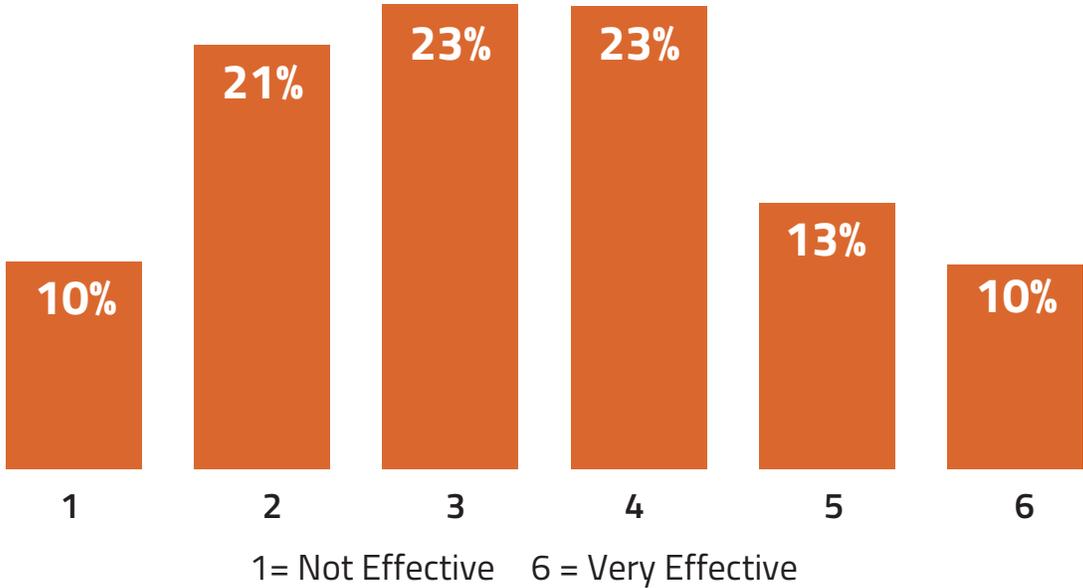
Almost all of the answer options have similar results. When digging deeper into the data we saw that the only participant group with a standard response pattern were physicians which had a standard bell curve skewed slightly towards the positive.



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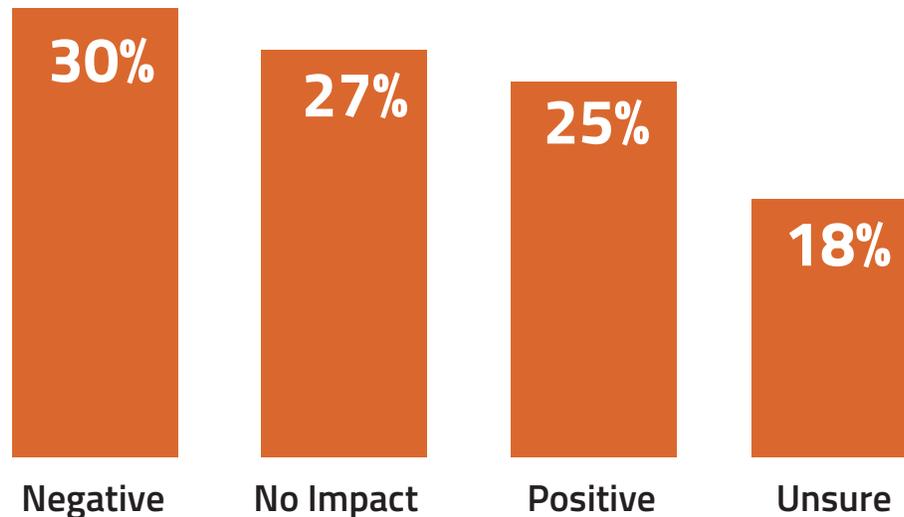
Effectiveness of Walmart's Plans

Now this is more like it - a normal looking result. Looking deeper into the data, the only group that believes Walmart is going to be effective with its plan to open multi-specialty clinics are physicians who, interestingly enough, practice medicine primarily in ambulatory environments.



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How Will This Impact Other Provider Organizations?



We received dozens of deep insights and comments from participants but for brevity's sake we will only include a handful below.

Participant Commentary

"There will be no impact. The industry is moving to a coordinated electronic medical record that can follow the patient and been viewed by multiple providers. Walmart is expanding off the existing Urgent Care concept because of a lack of accessibility to healthcare during the off-hours. The coordinated electronic medical record and the increase presence of primary care during the off-hours will negate the need for Urgent Care sites and the Walmart clinics." - **COO**

"This will force providers to move more quickly toward price transparency for simple procedures, and may commoditize those services." - **CEO**

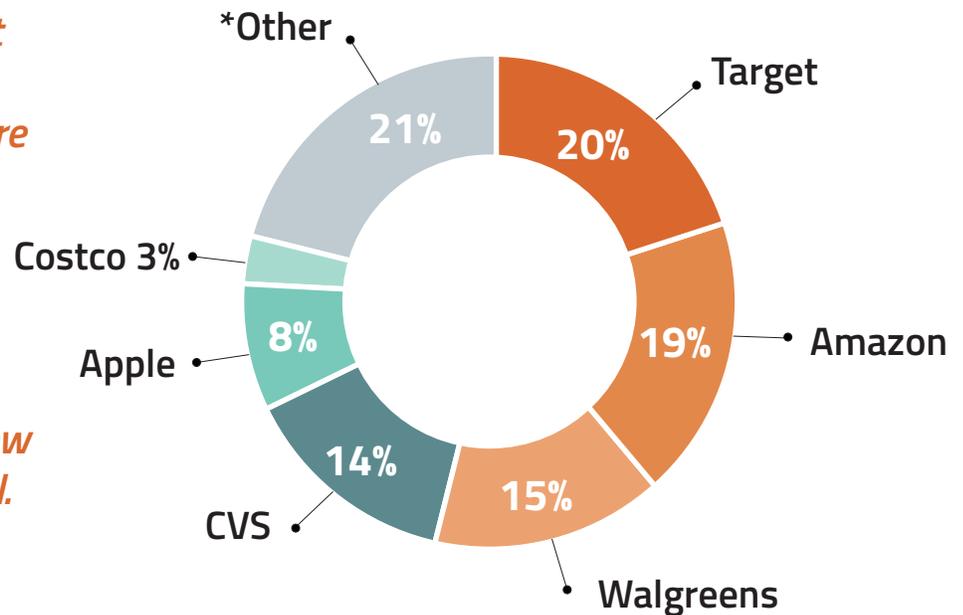
"We are a hospital and we have 3 primary care clinics in 3 different counties that we serve. It would negatively impact our service as we already compete with a FQHC and another primary care physician in our community for patients. If we lost our patients from the clinics than it would negatively impact our inpatient care areas, as well as our ancillary services we provide. If we had to close then lives would be lost getting to the next nearest emergency room." - **Chief Nursing Officer**

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"I don't think it will impact as much as a healthcare provider, but it may benefit our employees and allow them to seek more affordable healthcare. I can't speak to how this will impact other healthcare providers, but perhaps it will promote competition which may drive down prices" - **Chief Administrative Officer**

What other Non-Traditional Entities Might Try and Follow Suit?

Participants gave us a lot of feedback regarding what other non-healthcare companies will follow Walmart's example and open their own clinics. We categorized their responses in the graphic and included a few of their verbatims as well.



* Rite Aid 2%, Hy-Vee 2, Google 2%, Exxon, Microsoft, Optum, Uber, Humana, Kroger, Safeway, Wegmans

Participant Commentary

"Private equity firms, large pharmacy chains, and on site employee clinics. Which once again takes away from a hospitals ability to provide non routine services." - *CEO*

"Amazon or big insurance companies. I think Walmart will have a greater impact on providers in the big city. How will Walmart conduct Lab work or Radiology? We have both services and patients get it all done at one location. Who would want to travel to the City to Walmart and see the provider only to be told to go get lab and xray work at another facility, spending all your time running around?" - *Administrator*

"Any large chain, these types of ventures hurt rural communities." - *Chief Nursing Officer*

"CVS has already tried this and have failed in many areas, thereby discontinuing their minute-clinics. Other Big Box pharmacy may also try this." - *Chief Nursing Officer*

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"If Walmart can show a profit with opening standalone medical clinics, then other large corporations such as Costco, pharmaceutical companies, and possible even technology companies would consider getting into the medical clinic business." - *Registered Nurse*

Conclusion

From the results it's pretty obvious there is a substantial amount of energy, and opinions, surrounding Walmart's plans to become a legitimate healthcare provider, and with good reason - over 150,000,000 people visit a Walmart location every week. That's a staggering figure. Furthermore, given that billions of dollars of revenue are lost each year because of patients not showing up to appointments (owing in part to the inconvenience of having to travel a long distance to a hospital or to a clinic for outpatient services), Walmart probably didn't choose this strategy for their business based on a hunch.

What's most fascinating, to us at least, will be the impact Walmart's plans may have on patient/consumer behavior and expectations. Will patients who visit a Walmart clinic start getting used to seeing the exact prices for medical services and then start demanding this same kind of price transparency when they visit a traditional clinic or hospital? What happens if Walmart's prices for medical services end up being materially less than those found at traditional healthcare provider organizations? If this happens, it could represent the most disruptive thing to hit healthcare in decades. Time will tell...

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