

# Road to recovery

The demise of Medical Marts is an object lesson to retailers: Hosting a successful in-store clinic operation means more than simply leasing out space.

By Michael Rubenstein

**T**he recent collapse of Medical Marts, a retail medical clinic chain that operated more than a dozen facilities inside Meijer, Kmart, and ShopKo units, is a vivid example of one of the challenges faced by clinic operators at retail locations.

The Las Vegas-based company said it had to cease operations when its investors pulled their funding. But this isn't merely a case of investors getting cold feet. Like they would in any new venture, the investors set a threshold of capital investment largely based on the convenient care clinic operator's business plan. Because the in-store medical clinic business is still fairly new, these investors had relatively short thresholds.

Medical Marts used doctors to support its retail health business model, diverging from the more typical model of employing nurse practitioners at such locations, and that might also have been a factor in its fate.

"It's possible that the salaries for these doctors, in comparison with salaries for nurse practitioners, were cost-prohibitive," says Lynn Maiden, family nurse practitioner and chief clinical officer for Pragmate, a Birmingham, Ala.-based technology and professional services consulting firm that specializes in consumer direct health care.

"If nurse practitioners are paid consistent with what the market demands, which ranges from \$68,000 to \$72,000, depending on the state, nurse practitioners can be a viable option," she adds. "You don't want to pay the nurse practitioner outside of the norm. Also, a smart clinic operator will give the nurse practitioner a profit-sharing or ownership interest in the clinic they operate."

In essence, Maiden questions why any operator would go the physician route. A nurse practitioner and a physician's assistant have the same ability to prescribe medication as a doctor, and an in-

depth knowledge of what it means to treat patients with acute conditions. "Why would a clinic operator risk the viability of this emerging new sector, forcing themselves to increase the cost of a visit or their bottom line by employing higher-salaried clinicians than what is actually required?"

The Medical Marts failure isn't an isolated case, nor is practitioner compensation levels the only reason some in-store clinic operators fail. Wellness Express, Wellspot, Check-Ups, Early Solutions Clinic, Care Clinic, Express Clinics, and My Healthy Access have all closed their doors either temporarily or permanently, due to lack of funding.

## Driving traffic to in-store clinics

Clinic operators have to see anywhere between 15 and 18 patients per clinic per day on average just to break even. If they're not meeting these objectives consistently (across all regions/locations) inside of three years in business, their investors start getting nervous. Occasionally, this results in the backers pulling funding directly out from under the convenient care clinic operator, sometimes with little or no warning.

Unfortunately, when this happens, it's the retailer who leased the space to the clinic operator that gets left holding the bag. To prevent that, retailers should play an active role in helping their in-store clinics reach the 18-patients-per-day threshold.

For one thing, they can involve in-store clinics in loyalty/marketing programs. Medical Marts was working with ShopKo, Kmart, and Meijer to bring its convenient care clinics



Michael Rubenstein launched Pathway Alliance to represent solution providers to various health care vertical markets.

## Grocery list

Nurse practitioners have provided health care for more than 43 years. As of 2007, there were about **120,000** practicing in the United States, according to the American Association of Nurse Practitioners. For more information visit [www.aanp.org](http://www.aanp.org).

to fruition, but none of these retailers had a customer loyalty program that they were willing to share with the clinic operator. In fact, many of the now-defunct clinic operators listed above never had a retail partner willing to participate in any in-store or external targeted marketing objectives.

Retailers should also take advantage of the clinician as another health-and-wellness resource. Downtime in the clinic can be employed to position the nurse practitioner as a trusted adviser for wellness and

prevention advice. Nurse practitioners, like pharmacists, can help educate consumers on healthy living. In doing this, they'll help drive traffic to the clinics.

The professional running the in-store clinic should be charismatic and talkative, and serve as the clinic operator's in-store mouthpiece. Such representatives will be more likely to proactively help shoppers with their health-and-wellness needs, which, as noted above, will drive traffic to the clinic.

The reality is that without a specific, targeted marketing plan that includes a set of in-store and external marketing objectives, it doesn't matter how much foot traffic a given retailer may or may not have within its store. Unless the clinic operator has a specific marketing plan to get the word out and address the wellness and prevention initiatives that consumers are concerned with, the convenient care business model won't be successful.

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