Mercer

worksite health centers

2021 survey report

nawhc
NATIONAL ASSOCIATION OF WORKSITE HEALTH CENTERS

welcome to brighter

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01 introduction

Over the past two decades, employer-sponsored worksite clinics offering primary care have grown in both prevalence and the scope of services offered. Today, many could be called true health centers, offering a full range of preventive, acute, and chronic care services. An effective means of providing access to high-quality care, they have proven to be both popular with employees and a boost to productivity. In March of 2020, as the COVID 19 pandemic shut down the US economy and millions of Americans found themselves working from home, or not at all, it was unclear what the future of employer-sponsored health centers would be. However, as the findings from this study demonstrate, the value proposition for an employer-sponsored health center is stronger than it ever has been.

As Americans were advised to stay at home to minimize the risk to providers and patients of contracting the virus, flaws in the traditional fee-for service model — the main financial model of community-based providers — were readily apparent. Virtual care — video, phone, or online visits between patients and healthcare providers — became a crucial resource.

Community-based providers were at first hampered in their efforts to provide telehealth services due to a lack of infrastructure, including the ability to bill for virtual visits. Conversely, most employer sponsored health centers were already delivering care via virtual and digital modalities under a value-based primary care model. In this model, providers are salaried employees and virtual encounters are typically free to the patient.

At the same time, clinic provider staff and the vendor managers they serve became valued resources to senior leadership. Clinic providers became cornerstones of COVID-19 task forces, monitoring and translating news, statistics, and medical information. In many cases, health center resources helped develop protocols, work-flows, and return-to-work playbooks. Many health centers even provided COVID testing and vaccine administration.

As we look at 2021 survey results, we see reaffirmation of the tenets of employer sponsored health centers. Far from turning away from this popular benefit, employers are instead embracing it as the foundation of their health, safety, and well-being strategy.

about the survey

With the help of the National Association of Worksite Health Centers, Mercer worked with the following clinic management companies to distribute the survey to employers for whom they provide services and recruited additional clinic sponsors as well. The clinic management companies are:

CareATC

Cerner

Evernorth

Everside Health

Marathon Health

Medcor

The survey was fielded from March–April 2021, and 142 employers with clinics provided information. These organizations ranged in size from 30 to over 300,000 employees.

For more information, please contact **David Keyt at david.keyt@mercer.com.**

02 key findings

Employer-sponsored clinics continue to be a key health and benefits strategy, especially among large employers:

Nearly a third of all organizations with at least 5,000 employees offer a primary care clinic to their employees. This rises to 38% for employers with 20,000 or more employees.

One fourth of employers with 5,000 or more employees provide occupational services through an employer-sponsored clinic; in most cases, the clinic provides both occupational and primary care services.

The pandemic has not caused clinic sponsors to retrench to any significant degree. **Only 1% of respondents say they will decrease the number of clinic locations as a result of the pandemic**.

Clinic utilization rates – the percentage of eligible individuals accessing clinic services at least once during the year – averaged 52% for employees and 32% for dependents in 2020, essentially unchanged from 53% and 31% in 2019.

Nearly all respondents indicated that providing their employees with access to quality care was a key consideration in the decision to open and maintain a clinic. In particular, clinics added virtual care options:

The majority of respondents

65%

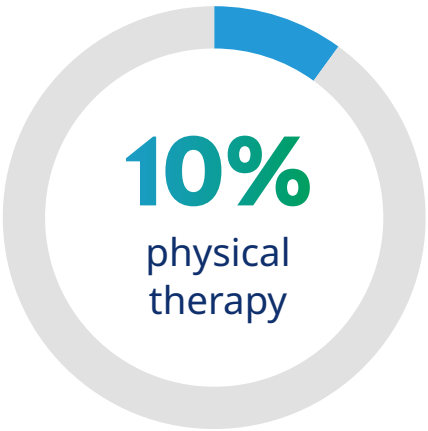
reacted to COVID-19 by expanding access to virtual care.

The use of clinic-based telehealth expanded significantly, rising to

78%

in 2021 from just 21% in 2018.

Clinics providing telehealth have moved quickly to offer a range of virtual advanced primary care services including:



Focus on comprehensive, quality care continues to influence services provided by the clinic:

Over two-thirds (71%) of survey respondents allow members to select the clinic as their primary care provider. On average, 40% of utilizing clinic users select the clinic as their PCP.

Most survey respondents leverage their clinics to screen for behavioral health conditions (80%) and more than half follow-up with members who have BH needs (54%).

Clinic care teams proactively call members to close gaps in care in 67% of respondents' clinics.

Health analytics help guide patient care in over half of the respondents' clinics.

About a fourth (28%) of the respondents' clinics have real-time integration with the local community ecosystem, so that (for example) the clinic is notified of member ER visits or inpatient admissions.

To steer members to high-value care in the community, **17% of respondents ask their clinic providers to refer based on custom provider lists or health plan specialty networks** (up from 7% in our 2018 survey).

Most respondents that have measured ROI report that the clinic provides a return on the investment:

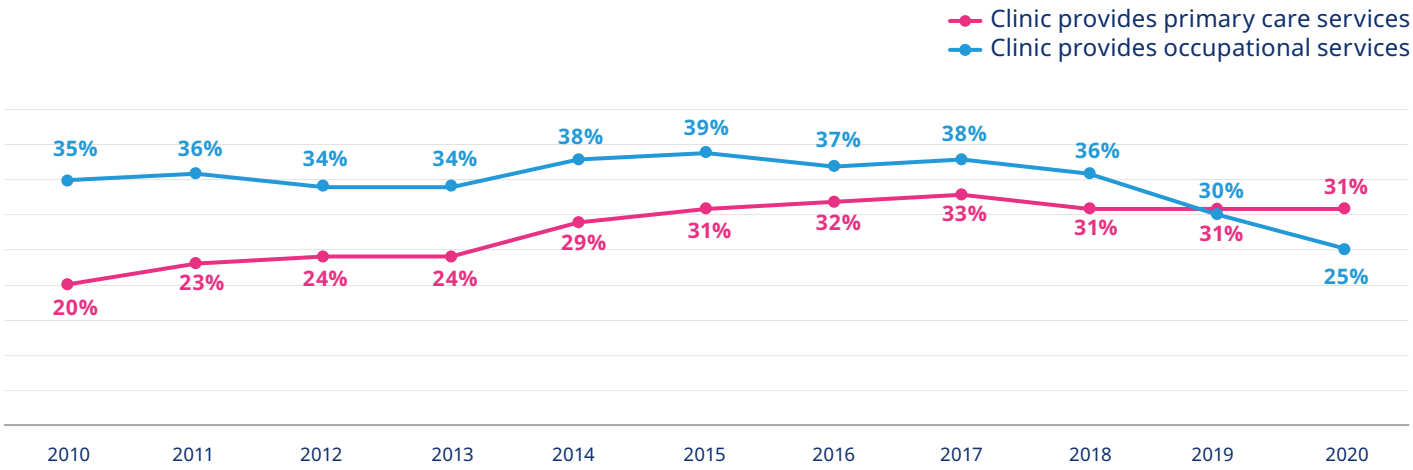
Among those that have measured ROI, 43% of respondents reported an ROI of 1.5:1 or greater and 31% reported an ROI of 2:1 or greater.

03 worksite clinic prevalence

Mercer's National Survey of Employer-Sponsored Health Plans has tracked the use of onsite or near-site clinics to provide employees with primary care services for more than a decade. Clinics are most commonly offered by large employers, and since 2010, the prevalence of primary care clinics has risen from 20% to 31% of US employers with 5,000 or more employees.

In some cases, existing occupational clinics have been expanded to provide non-occupational services as well; however, during this same 11-year period, the portion of employers of this size providing occupational health services through an onsite or near-site clinic has declined from 35% to 25%. The overall decline in manufacturing in the US and reduced injury rates may be factors, and some employers may be taking advantage of options to outsource occupational healthcare to local health providers.

Offer worksite or near-site clinic, 2010-2020
Among employers with 5,000 or more employees



Source: Mercer National Survey of Employer-Sponsored Health Plans

Employers increasingly see worksite clinics as a way to provide convenient, quality, and cost-effective primary care, not just to employees but to their family members as well. Just 40% of sponsors with 5,000 or more employees limit the use of the clinic to employees only; the majority permit family members to use the clinic (59% allow spouses and domestic partners, and 49% allow children).

Prevalence varies by industry

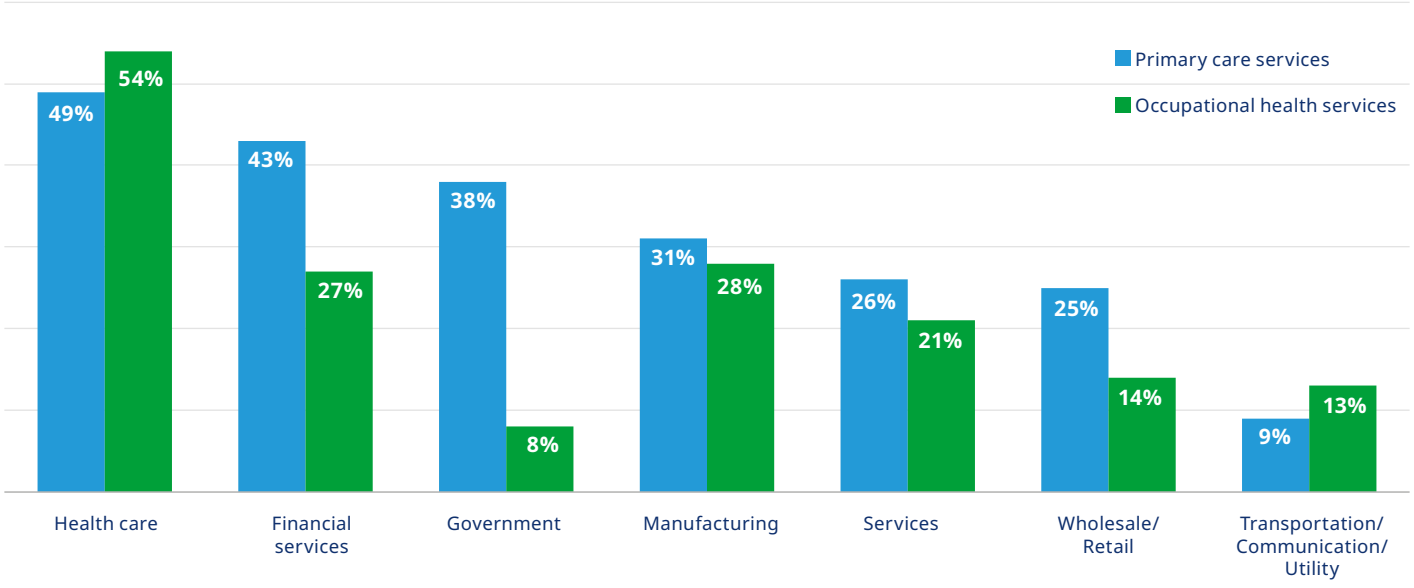
Healthcare systems are the most likely to offer worksite clinics, both for occupational health services (54% of those with 5,000 or more employees) and for non-occupational primary care services (49%). For hospitals and other healthcare facilities that have ongoing surveillance and screening requirements, worksite clinics are typically easier to set up and operate, as they exist within a healthcare environment and can often utilize existing resources. They may serve outside organizations as well as the facility's own employees, helping to subsidize the cost of the clinic.

Among manufacturers with 5,000 or more employees, 31% offer a clinic for primary care services. Manufacturers tend to have large workforces in a single location and have historically offered occupational health services to assist employees with workplace injuries and exposures. Many have expanded these clinics to provide primary care services, leveraging existing infrastructure to engage members and advance their population health objectives.

The rest of this report is based on responses to a follow-up survey of 142 employers that offer a worksite clinic for primary care, occupational health services, or both. Just over two-thirds of the respondents (70%) have fewer than 5,000 employees and 30% have 5,000 or more.

Only a small portion of the 142 clinic sponsors surveyed offers just occupational health services (4%). While a combination of occupational and primary care services is relatively common (38%), the majority offer primary care services only (58%). The majority of respondents with 5,000 or more employees (76%) operate more than one worksite clinic; among this group, the median number of clinics is six. But even among respondents with fewer than 5,000 employers, 53% operate more than one clinic.

Offer worksite or near-site medical clinic, by industry
Employers with 5,000 or more employees

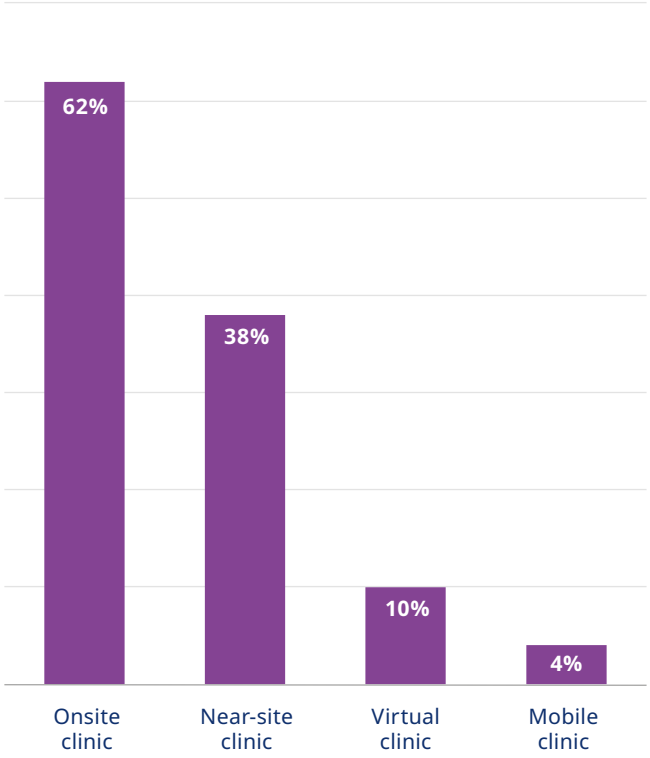


Source: 2020 Mercer National Survey of Employer-Sponsored Health Plans

Type of clinic offered

The majority of sponsors (62%) currently operate at least one onsite clinic, but more than a third (38%) offer a near-site clinic.

Type of clinic offered: Onsite, near-site, virtual or mobile



Virtual clinics, offered by 10% of sponsors, are most often staffed, typically by a registered nurse or medical assistant/LPN. However, about a fifth are not staffed and consist only of a monitor and/or diagnostic equipment.

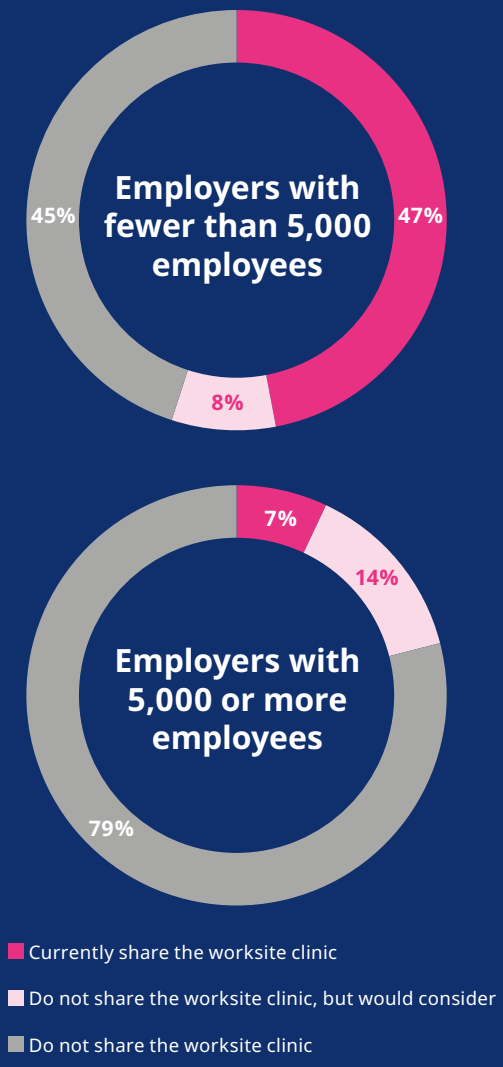
In addition, 4% of survey respondents offer a mobile clinic. Mobile clinics, consisting of a basic doctor's office or exam room located inside a large van, bus, or RV, deliver care to populations that do not have access to an onsite or near-site employer-sponsored clinic. Mobile clinics can provide basic preventive and chronic condition care.

Shared clinics

Just over one-third (35%) of survey respondents contract with at least one shared, multi-employer clinic at their largest clinic location. Smaller employers are the most likely to use a shared clinic: Among clinic sponsors with fewer than 5,000 employees, 47% offer a shared clinic, compared to just 7% of those with 5,000 or more employees, although 14% of these larger employers say they would consider sharing with a nearby employer.

An employer that offers an onsite clinic at its largest location might choose to contract with a shared clinic to provide a similar benefit to employees working in a smaller location. These arrangements are becoming more common as the vendor marketplace expands with solutions designed for smaller populations.

Smaller employers are more likely to share their worksite clinic with another employer

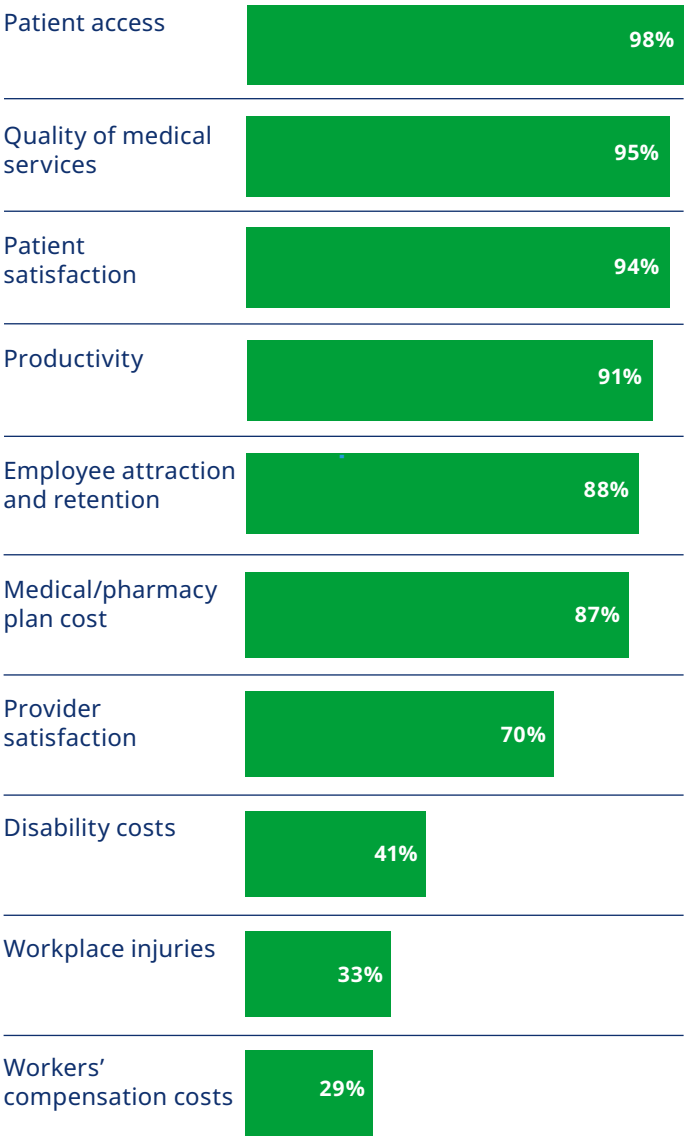


04 objectives, cost and strategy

Most important objectives for the worksite clinic

Employers' top objectives for their clinics are to provide employees with easy access to quality health care. Virtually all respondents (98%) rated "patient access" either a 4 or 5 in importance on a scale of 1 to 5, and nearly as many indicated that "quality of medical services" and "patient satisfaction" were important objectives. Interestingly, there was notable growth since our 2018 survey in the percentage of employers giving a high rating to "productivity" (91%, up from 75%) and "employee attraction and retention" (88%, up from 59%).

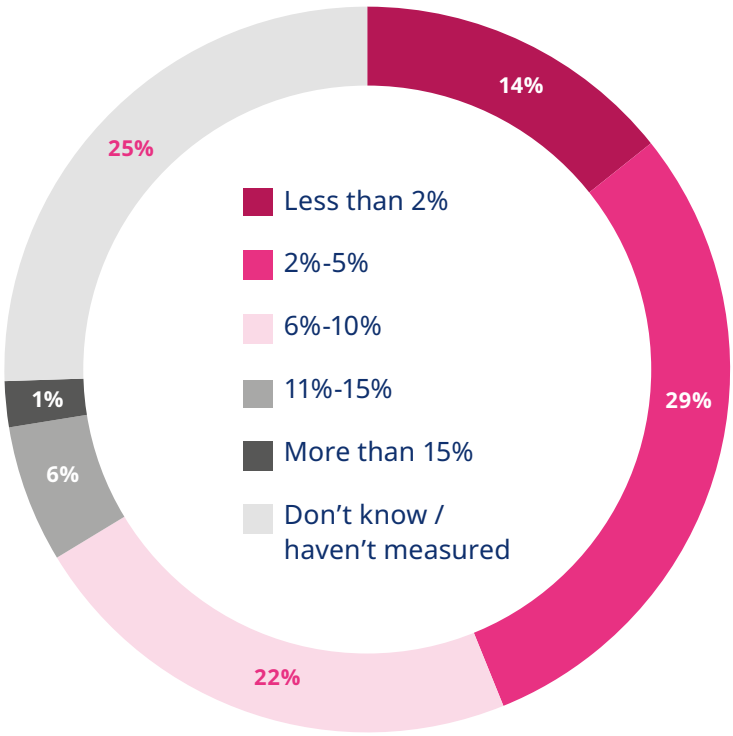
Percentage of respondents rating objective "Important" or "Very important" on a five-point scale



Cost as a percent of total health plan spending

Respondents were asked to provide the annual operating cost of their clinics as a percentage of their organizations' total annual healthcare spending. Given the range of services provided by respondents' clinics, it's not surprising that cost varies widely. Most commonly, respondents report that it accounts for between 2% and 10% of spending. Only 14% say the clinic accounts for less than 2% of total spending on healthcare. Another 25% of respondents did not know the cost of clinic operations relative to total spending.

Percentage of annual total health spending (on all active employee health plans and worksite clinics) attributable to the worksite clinic(s)



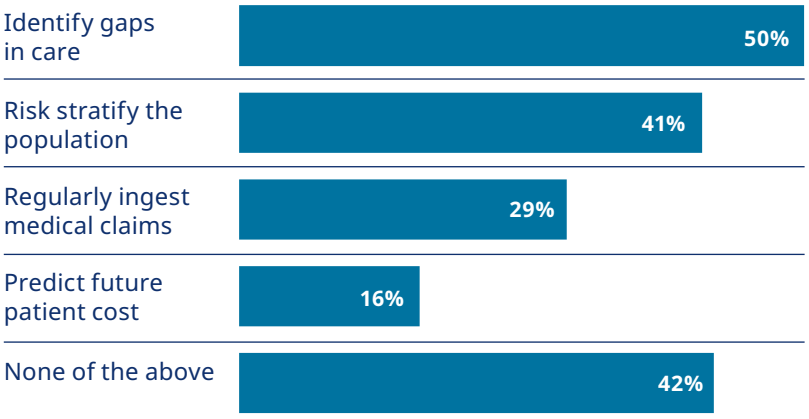
For the rest of the report, results are based on the employer's single largest clinic, unless otherwise indicated. The majority of these clinics have been in place for five years or more (54%); a small number – 6% – were implemented in the past year.

Using information technology to expand clinic services

Employers increasingly see worksite clinics as a way to provide not just more convenient care, but better quality care. Importantly, two-thirds of respondents say that clinic care teams proactively call eligible patients to close gaps in care. This is made possible by the growing use of information technology.

Nearly all clinics (98%) now use information technology to enhance the services offered, and of those, half use technology to identify gaps in care and 41% stratify the population based on their health risks. Over a fourth (29%) regularly ingest medical claims, which allows them to identify and engage members who need support the most; this includes segmenting the population to proactively engage members with personalized care plans. In addition, 16% predict future patient costs.

Population health analytics performed by the clinic's technology platform



Clinics serving as resource during COVID-19 pandemic

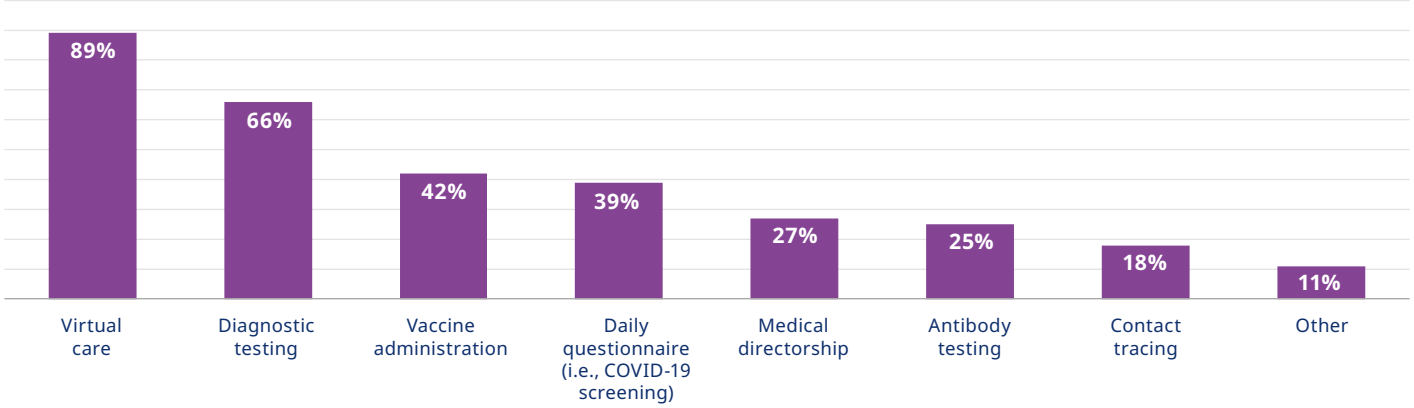
Worksite clinics have played an important role during the pandemic, both for essential businesses that remained open and for organizations that switched to remote working during enforced or voluntary shutdowns. Nine out of 10 respondents report that at least one of their clinics provided virtual care during the COVID-19 pandemic – a critical source of support for employees and dependents who could not see in-person providers due to the risk of infection. Many clinics offered diagnostic testing (66%) and some (25%) offered antibody testing; 39% administered daily COVID screening questionnaires and 18% conducted contact tracing. Importantly, just over two-fifths administered COVID-19 vaccines.

In some cases, clinic provider staff and vendor managers became valued resources to senior leadership, joining COVID-19 task forces and monitoring and translating news, statistics, and medical information. They helped develop protocols, work-flows, and return-to-work playbooks. More than a fourth of respondents (27%) say their clinic provided medical directorship.

The COVID-19 pandemic has changed the way some clinic sponsors approach their health clinics. About two-thirds will increase virtual access in at least one of their clinic locations (65%) and almost a fifth say they now require virtual visit/triage prior to in-person services. About a quarter (27%) say they now include a clinic team in their pandemic response planning. However, few are making changes to the number of clinics offered or the size of their clinics.

Role of the clinic in the employer's COVID-19 response

Among employers offering multiple clinics, may apply to any clinic location



Integration with health plan

The majority of clinics (63%) are part of the employer health plan. About a quarter (27%) submit zero-dollar claims to the health plan to ensure clinic services are part of total health data on population; a few (6%) of respondents' clinics are credentialed and submit claims to the health plans. Nearly a fifth (17%) collect fees through the clinic and submit them to the health plan for accumulation towards deductible and out-of-pocket maximums. Another 13% are part of the health plan but do not submit claims.

Integration with community resources

The majority of respondents (65%, down from 80%) use health plan in-network lists when determining how referrals are made to community resources; while 12% said they use a custom provider list based on cost and quality analysis. Only a fifth of respondents say their clinic management organization establishes direct contracting arrangements with local healthcare providers; the rest may be missing an opportunity to steer employees to high-quality, cost-effective care.

More than a fourth of respondents (28%) report that their clinic has real-time integration with the local community ecosystem – for example, the clinic is notified when patients have unexpected ER visits or inpatient admissions. Their oversight helps ensure members receive the right treatment plans and avoid unnecessary care. Typically, this integration occurs via electronic medical record or health information exchanges; a few use a custom application program interface (API) or other method.

Sources used for making referrals to community resources

65%

Health plan in-network provider lists

12%

Custom provider list based on cost and quality analysis

5%

Health plan specialty networks

5%

Other

13%

Do not make referrals to community resources

Clinic payment method

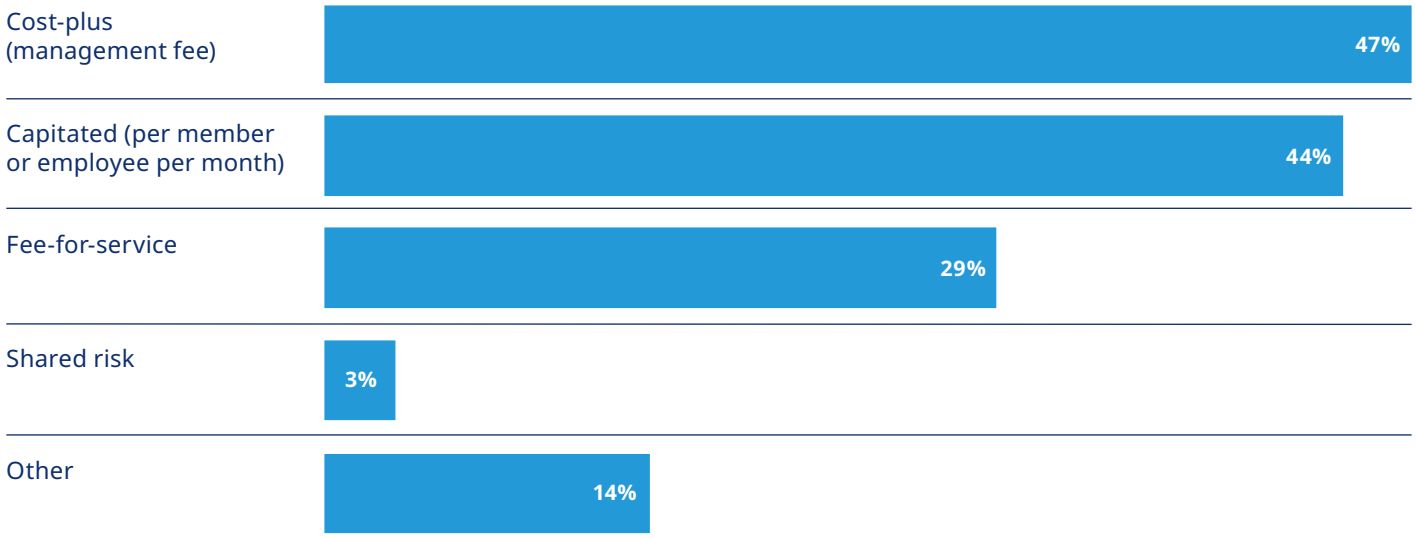
Just 9% of respondents manage their clinic with in-house resources (that is, they employ or contract for staff directly). Historically, occupational clinics were managed in-house, but as employers expand the range of services offered in their worksite clinic, it has become commonplace to outsource administration, most often to a third-party management company (63%). Key advantages of outsourced management include resources for staff management, risk avoidance to the company, clinical oversight, and access to electronic medical records, analytics and reporting.

Some respondents have outsourced to a healthcare system/hospital (7%) or provider or medical group (15%). These health system players can leverage existing resources and are increasingly working to develop employer-market solutions, although they may have misaligned incentives to promote utilization of other – potentially high-value – health system resources.

The most common type of reimbursement in third-party outsourced models is a cost-plus (management fee) arrangement, which is used by 47% of respondents that do not manage the clinic in-house. However, that is down from 58% 2018, while the use of capitation — a set charge per member per year — rose sharply to 44%, up from 14% reported in 2018. In the capitated model, the vendor takes more risk, although it is less transparent than a cost-plus model. Importantly, capitation accommodates the use of cost-effective virtual care services.

Only about one-quarter of respondents (29%) use fee-for-service reimbursement, in which the clinic submits claims to the health insurance plan for reimbursement, and 3% use a shared-risk model.

Clinic reimbursement arrangement



Among respondents that share their clinic with other employers, **61% pay for services through capitation; 20% pay a management fee split by percentage utilization and 12% pay via fee-for service.**

Return on investment

More than half of respondents (56%) say they have not attempted to measure the return on investment (ROI). To do so properly requires an objective methodology and comprehensive data aggregation for calculating savings from various sources, such as medical, pharmacy, absence and workers' compensation, as well as accurate accounting of the clinic's implementation and operating costs. An analysis that compares the experience of the population served by the clinic with the experience of a statistically adjusted control group will help guard against non-program-related effects that might appear to be savings.

Among respondents that have invested the time and resources to measure ROI, most have found that their clinics are providing positive returns or at least breaking even. **Over two-fifths of those measuring report a return of 1.5 or higher — meaning that for every $1 invested in the clinics, they have saved at least $1.5.**

Evaluations and assessments

About one-fifth of respondents have asked an independent organization to review at least some aspect of clinic operations within the past three years. One of the benefits of an employer-sponsored clinic is the transparency it provides. Failure to conduct independent assessments is a missed opportunity to optimize performance, reduce risk and maintain alignment with broader company strategies. **We recommend conducting an assessment every two years.**

Majority of respondents (56%) haven't attempted to measure ROI.

Among respondents measuring ROI...

43%

Report ROI of 1.5:1 or higher

31%

Report ROI of 2:1 or higher

12%

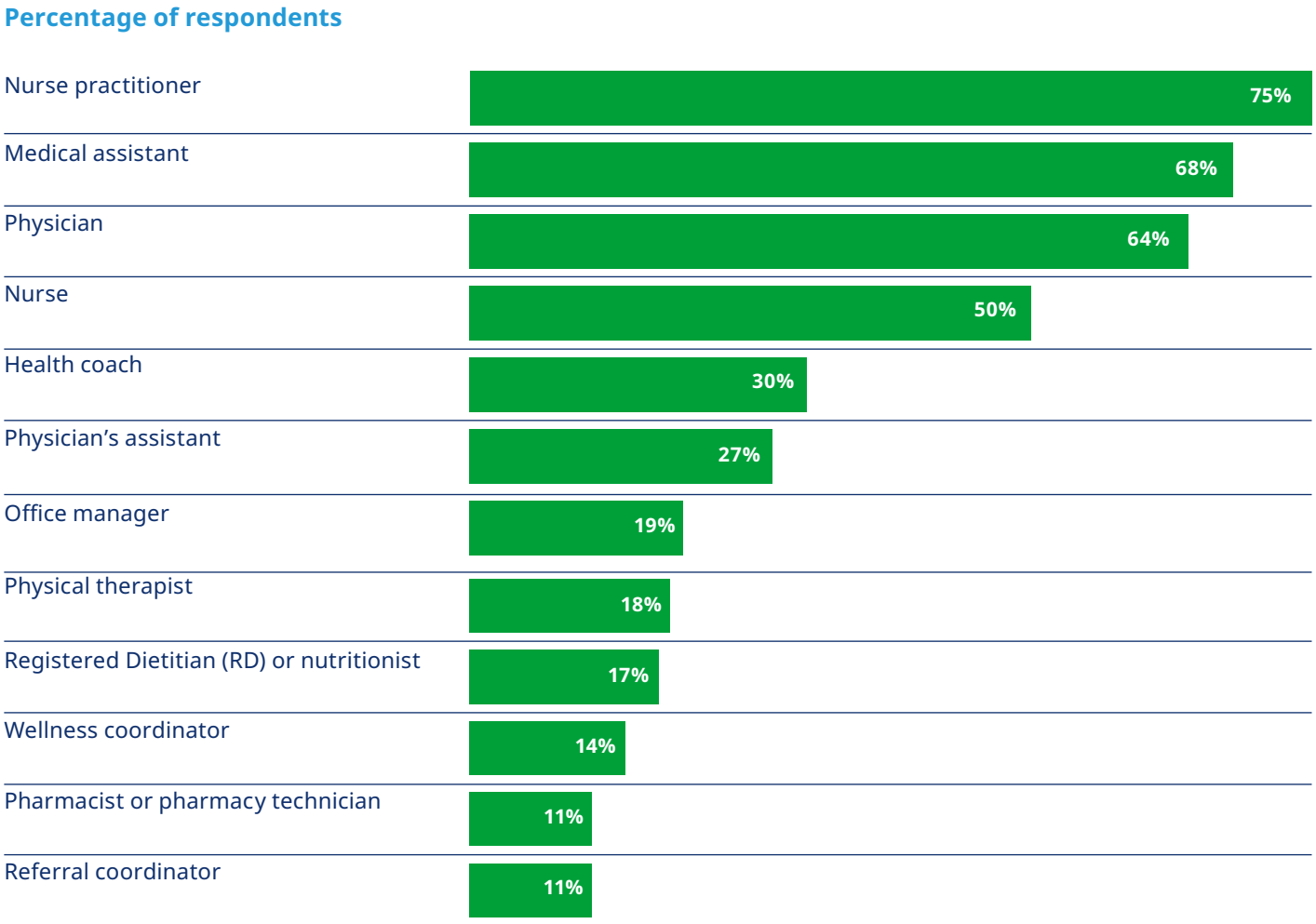
Report ROI of 3:1 or higher

05 clinic staffing and services provided

Clinic staffing

Respondents were most likely to report that their clinics are staffed by nurse practitioners (75%), followed by medical assistants (68%) and physicians (64%). Half of respondents have a nurse on staff, and over one-fourth (27%) have a physician assistant. Specialty practitioners are relatively rare: Physical therapists are on staff in just 18% of the clinics and pharmacists or pharmacy technicians in 11%.

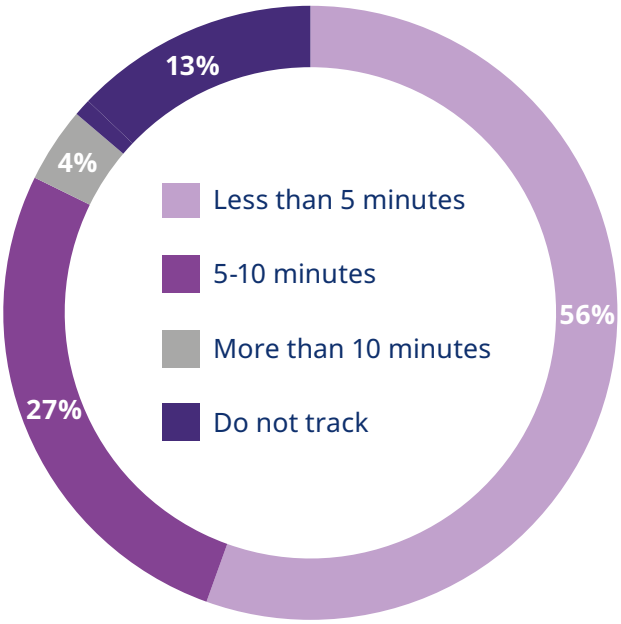
Employers seeking to leverage their worksite clinics for their employee wellness programs have added health coaches (30% of respondents) or wellness coordinators (14%). Nearly one-fifth (17%) have a registered dietitian or nutritionist, and a few have an exercise physiologist (2%) or athletic trainer (4%). Some clinics even include therapists specializing in complementary medicine, such as chiropractors (7%), massage therapists (6%) or acupuncturists (4%). Others have added staff to address mental and emotional well-being, such as licensed clinical social workers (9%), psychologists (6%) and psychiatrists (4%).



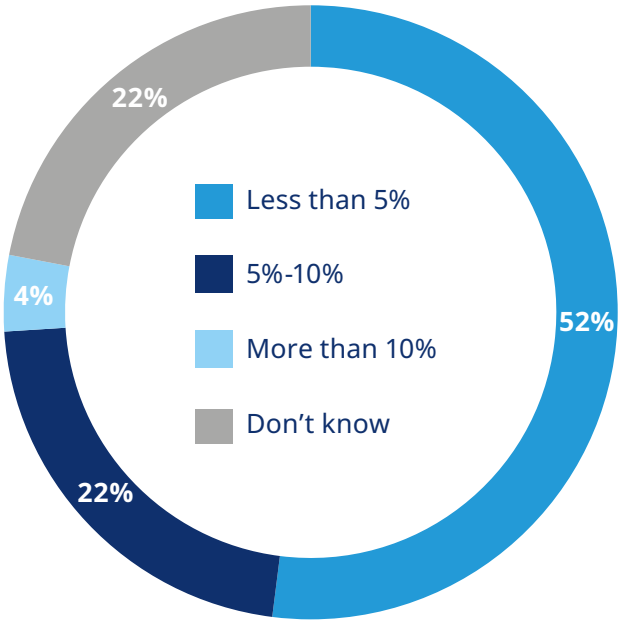
Wait times

Survey results suggest that most respondents have adequate staff to meet demand and properly manage appointment scheduling, unlike many community-based clinics. In 56% of respondents' clinics, wait times average less than 5 minutes, and only 4% report an average wait time of more than 10 minutes. Further, almost all respondents indicate that, on average, appointments can be scheduled within two days; more than half report that the average wait time for an appointment is less than a day.

Average clinic wait times



"No-show" rate for clinic



No-show rates

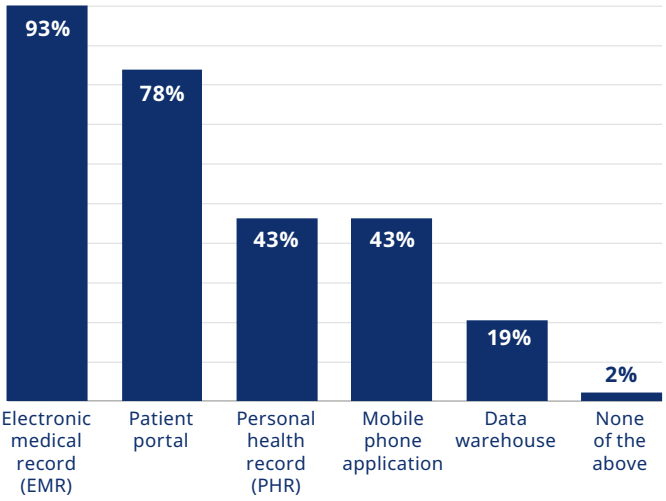
A little over half of respondents (52%) report that their no-show rate is below 5%. One-fifth (22%) have a no-show rate of 5%–10%. Only 4% reported a no-show rate of more than 10%. **No-show rates varied based on industry and employer size, with smaller employers tending to have lower no-show rates.**

EMRs, patient portals and other digital services

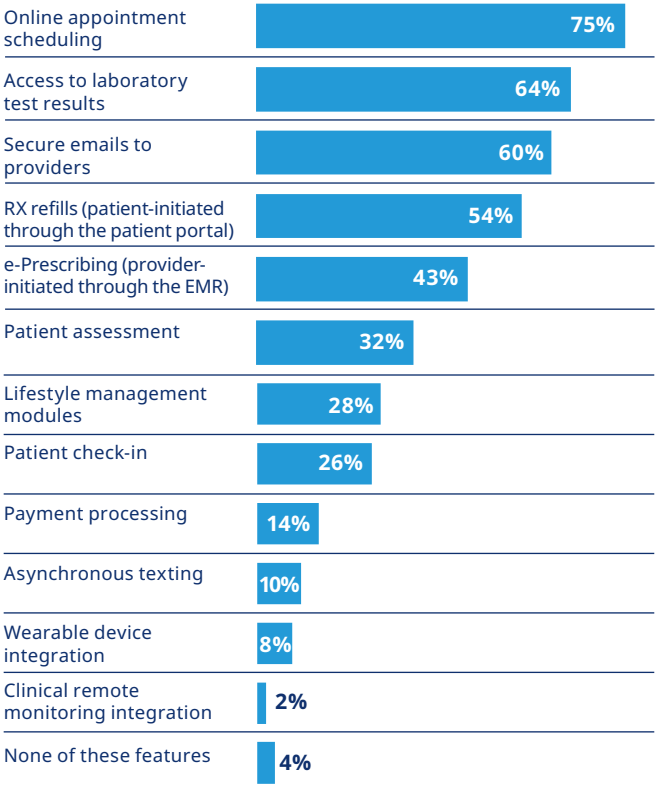
Worksite clinics increasingly incorporate information technology solutions to streamline their operations – in fact, they may do so to a greater extent than most medical practices. Nearly all respondents (93%) use electronic medical records and 78% provide a patient portal — up from 60% in 2018 and 43% of respondents in our 2015 survey. Many respondents (43%) provide patients with personal health records. Mobile phone apps are offered to patients by 43%—up from a third in 2018. About one-fifth of respondents use a data warehouse.

Employers with these types of technology solutions are able to offer employees such conveniences as online appointment scheduling (75%), online access to laboratory test results (64%), and secure emailing with providers (60%). Some (43%) offer e-prescribing (initiated by the provider through the electronic health record) and 54% allow prescription refills (patient-initiated through the patient portal). These tech-enabled services extend the patient/provider relationship, while patient check-in (26%) and payment processing (14%) speed the paperwork and get the employee back to work sooner.

Information technology used by the worksite clinic



Technology-based features available at the clinic



Telehealth services

Telehealth services — the ability to consult with a health provider remotely via some form of telecommunication technology — have become the norm, and the COVID-19 pandemic has induced many members to try it for the first time.

When telehealth services are provided by clinic-based staff, as they are now in 78% of respondents' clinics – a huge increase since 2018 – there is an opportunity for a closer connection between patient and provider.

Unlike independent telemedicine providers, clinic staff typically have access to the full patient history and medical information, allowing for more holistic treatment, tracking of prescriptions and follow-up.

The pandemic has heightened the need for behavioral health services, and teletherapy can address access issues. Behavioral health care is provided virtually by 30% of respondent's clinics. Other specialty services offered via telehealth include disease management (54%), lifestyle management (44%), and physical therapy (10%).

Most often, telehealth services are provided by clinic providers during business hours, but some clinics contract with providers outside the clinic to work in coordination with the clinic care team (7%), and some clinics (7%) contract with a telehealth vendor (eg., MDLive or Teladoc).

Primary care and health management services provided

The most common types of primary care services provided are labs, screenings and preventive care exams, each provided by at least 80% of respondents, and followed by vaccinations, which are offered by 74%. Chronic disease management, which has strong potential for reducing expensive hospital stays and improving productivity, is offered at 71% of respondents' clinics. Over half of the clinics will provide urgent care (57%).

Primary care services offered

Lab	84%
Screenings	82%
Preventative care exams	80%
Immunizations	74%
Chronic disease management	71%
Health coach	58%
Urgent care (other then workplace injury)	57%
Diabetes educator	46%
Mini-dispensary pharmacy	39%
Behavioral health	33%
Dietitian	27%
Mental health or employee assistance program counseling	24%
Physical therapy	18%
Comprehensive pharmacy	16%
X-ray	14%
Concierge pharmacy	11%
Acupuncture	4%
Pharmacist coach	3%
Vision	2%
Dental services	1%
Other	4%

Many survey respondents see their clinics as playing an important role in their organizations' health management or wellness strategies. A worksite clinic is a convenient way for employees to undergo biometric screenings (offered at 86% of clinics) and participate in face-to-face lifestyle coaching (66%) or chronic condition coaching (64%). It also offers easy access to health improvement programs, such as tobacco-use cessation and weight or nutrition management programs.

As studies increasingly demonstrate the effect of mental health on physical health and productivity, more employers are using their worksite clinics to offer employees support for stress management (45%).

Health management services offered

Biometric screening	86%
Weight management	67%
Face-to-face lifestyle coaching	66%
Face-to-face chronic condition coaching	64%
Tobacco-use cessation	55%
Stress management	45%
Nutrition management	41%
Referral management	39%
Care coordinator	37%
Case management	26%
Health advocacy (e.g. navigational or clinical)	23%
Second opinion	8%
Resiliency	6%
Disability management	4%
Centers of Excellence	3%
Financial counseling	1%
Infusion services	1%
None of these services	4%

Behavioral health protocols

Clinic sponsors were asked if their clinic has protocols in place to address behavioral health conditions, including substance use disorders. More than half (54%) report that they screen, refer and follow up with patients who need BH services. Another 20% conduct screenings and refer patients who need BH services, but do not follow up. Just 6% conduct behavioral health screenings, but do not refer patients.

Clinic protocols for addressing behavioral health conditions, including substance use disorders

54%
Screens, refers and follows up with patients who need BH services

6%
Conducts behavioral health screening, but does not refer patients

20%
Conducts screening and refers patients who need BH services, but does not follow up

20%
None of these

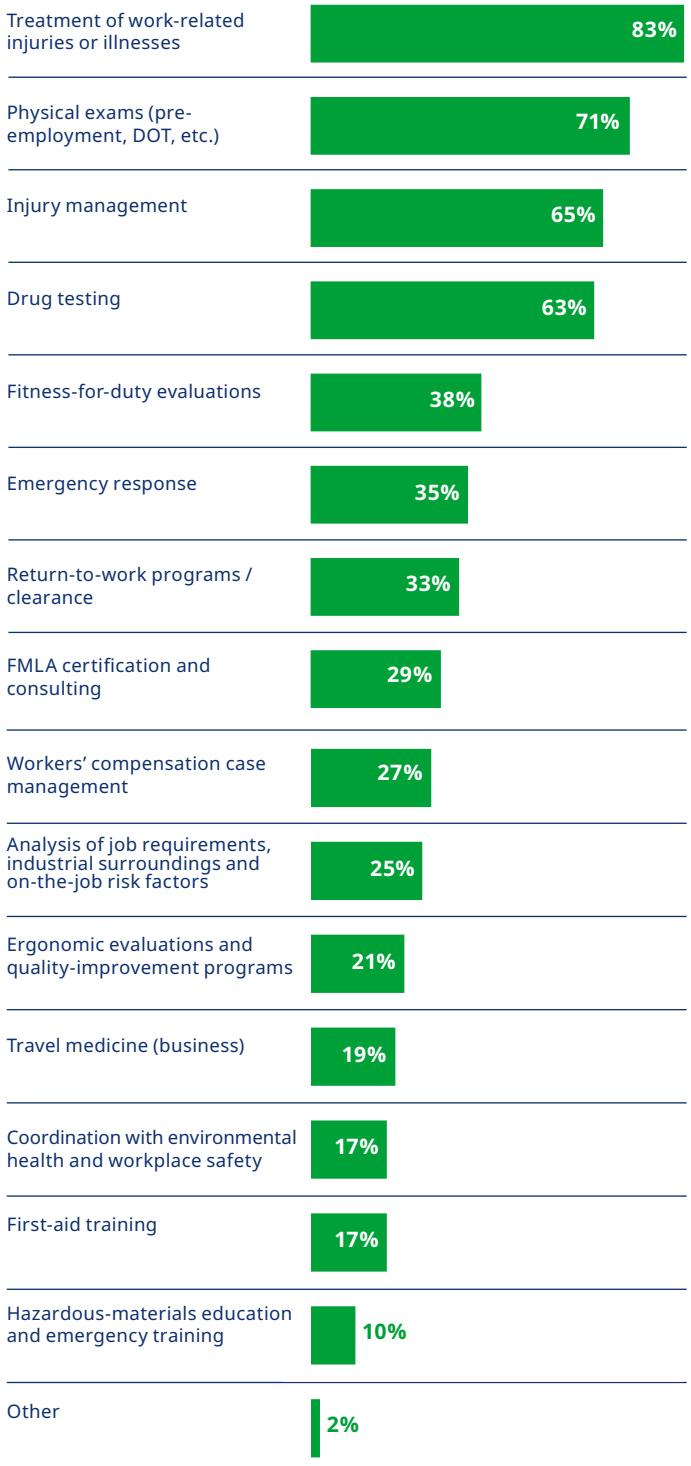
Occupational health services

Onsite or near-site occupational care is most common among employers in healthcare and manufacturing. By providing work conditioning and setting health and safety standards, the best of these clinics have helped achieve significant reductions in OSHA-recordable incidents.

In addition to the treatment of work-related injuries or illnesses and injury management, the most common services offered by occupational clinics are physical exams and drug testing. They may also use their specialized expertise to provide analyses of job requirements, industrial surroundings and on-the-job-risk factors, and to coordinate with environmental health and workplace safety programs. One-third of the occupational clinics surveyed are involved in return-to-work programs, and just over one-quarter handle workers' compensation case management.

A majority of respondents allow employees from other locations to use the clinic for occupational health services, but only 11% allow employees from other companies to use the clinic for those services.

Based on respondents that have an occupational health clinic



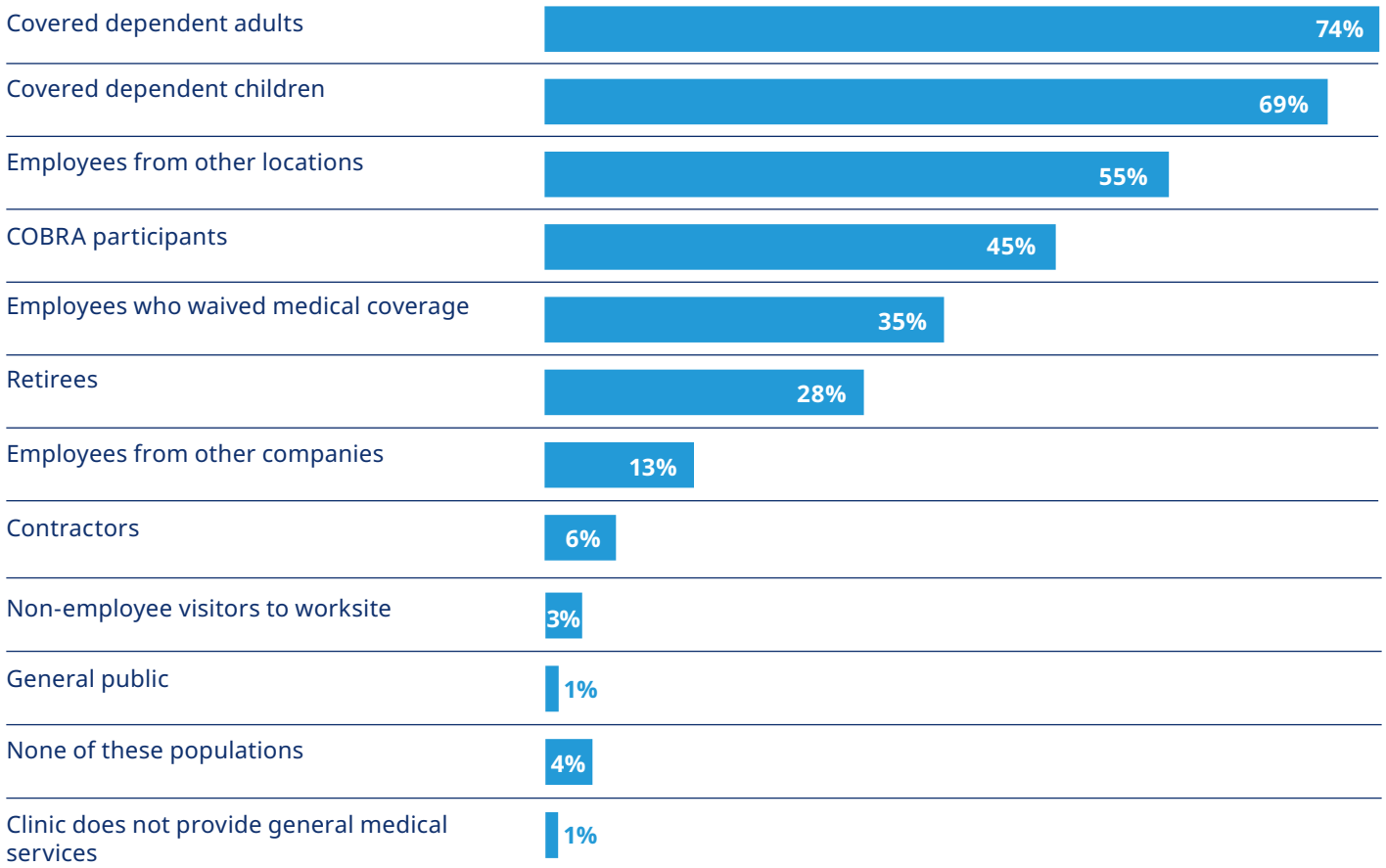
06 access, incentives and utilization

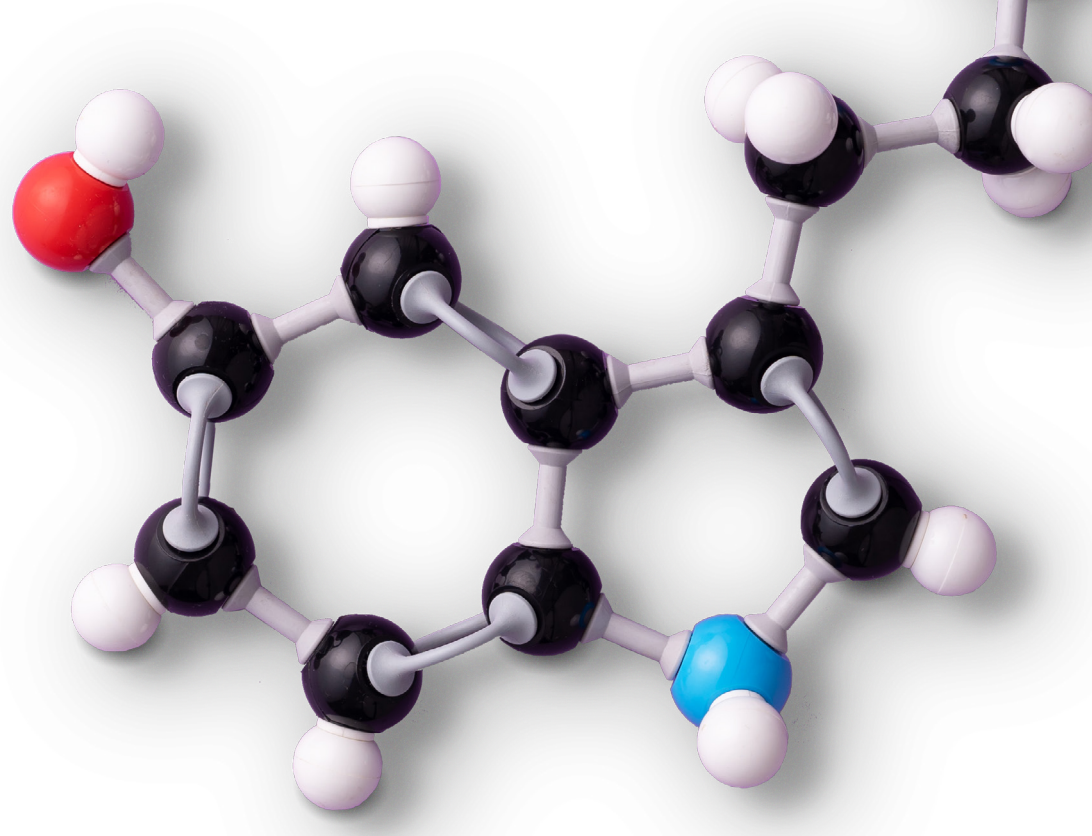
To optimize the savings potential of a worksite clinic, more clinic sponsors are allowing covered dependents and employees from other locations to access the clinics to take advantage of the often lower cost of quality care. Of course, it's not always feasible to allow dependents to use a clinic due to various barriers, such as a hazardous work environment, security issues or limited parking. In addition, the clinic must have capacity and offer the right types of services for the broader population (for example, pediatric care).

Survey respondents are most likely to give spouses and domestic partners covered through their organizations' health plans access to the clinics (74%, up from 63% in 2018, and 55% in 2015). Covered dependent children are given access in 69% of respondents' clinics (compared to 54% in 2018 and 46% in 2015). In 2021, only 35% of respondents allow clinic access to employees who waive medical coverage.

On average, 52% of respondents' employees with access to a clinic visited the clinic in 2020. Where dependents are eligible to use the clinic, the average utilization rate was 32%.

Eligible population for primary care services at the clinic (in addition to employees working at the site)

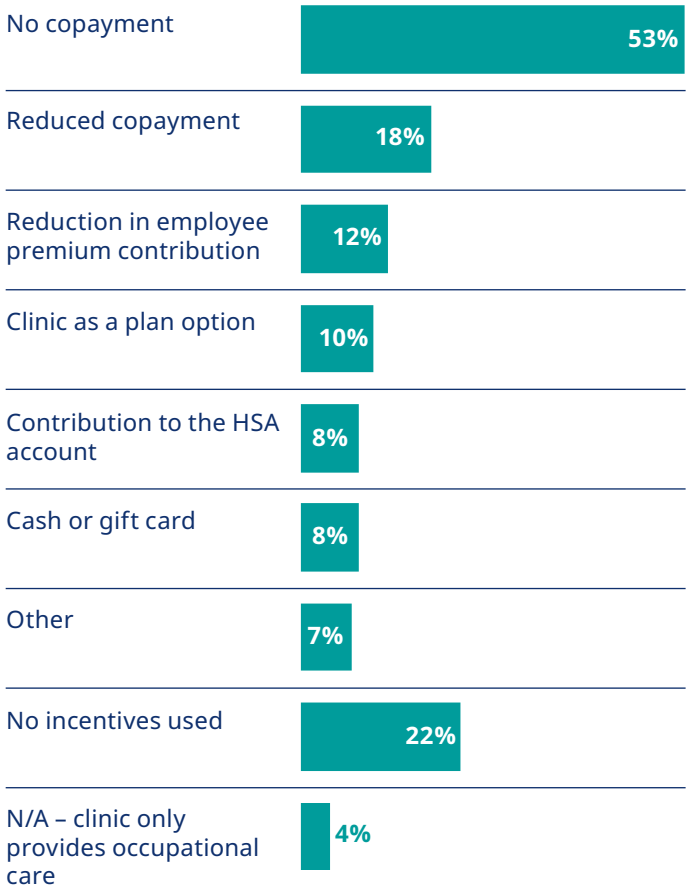




Encouraging clinic use

Over half of clinic sponsors do not require any copayment (53%, up from 41%) for employees to visit the clinic for primary care services, and 18% charge less than the health plan for an office visit. Some (12%) will encourage employees to use the clinic by reducing the health plan premium contribution (typically tied to completion of clinic-based wellness and prevention services), and a few (8%) offer cash or a gift card. These incentives are often tied to broader wellness incentives, allowing required biometric screenings or health coaching visits to be fulfilled through the clinic. In fact, using the clinic to host a biometric screening campaign or provide flu shots is one way to get employees through the door for the first time to start to build relationships with clinic staff.

Incentives used to encourage employees to visit the clinic for primary care services



Considerations for HSA-eligible plan sponsors and enrollees

IRS rules governing health savings accounts (HSAs) can pose challenges for worksite clinic sponsors that also offer an HSA-eligible health plan. Although the rules are less than crystal clear, current IRS guidance states that having access to a worksite health clinic that provides significant medical benefits for free or at a reduced cost may prevent an employee from making or receiving HSA contributions.

At the time of this writing, Congress is considering legislation that would allow individuals to receive primary care or telehealth services without risking HSA eligibility. Until that welcome change is official, the number of medical benefits that a worksite health clinic may offer at no cost without affecting HSA eligibility is limited. These benefits typically include preventive care, such as vaccinations, screenings and physicals, and "insignificant" medical care, such as providing aspirin or other non-prescription pain relievers and treating injuries occurring at the worksite. If the clinic provides "significant benefits" for free or at a reduced cost (that is, below fair market value), an employee may lose eligibility for an HSA.

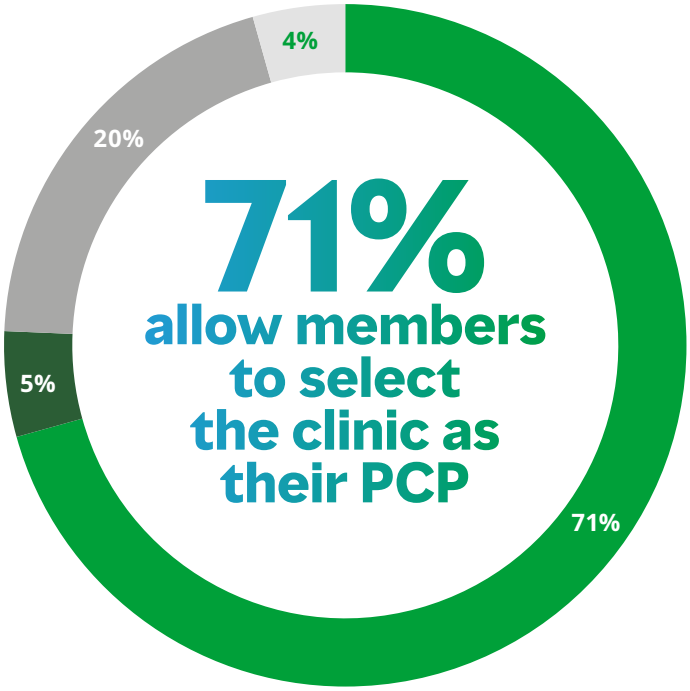
IRS rules governing Health Savings Accounts require that employers offering an HSA-eligible health plan must charge HSA enrollees for services received at the clinic, regardless of whether that is preferred, if they are to remain eligible to make HSA contributions. Survey respondents whose clinics provide more than just preventive/wellness services and also offer an HSA-eligible plan were asked about their charging practices. Although some (13%) say they don't charge fees to members who have HSAs, a majority say they use a single flat fee (66%, with an average fee of $36), while a few use an allowed-amount fee schedule that is consistent with community charges (8%). The remainder (21%) use some other type of fee structure. Employers have discretion in fee determination, and these variations in approach may reflect strategic direction or differences in operational environment.

About a quarter (28%) of these survey respondents believe that the requirement to charge members with HSAs for clinic services before their deductible is met has reduced clinic utilization. Since both HSAs and worksite clinics are seen as positive ways to control healthcare spending, there has historically been considerable support in Congress for legislation that would make it easier to offer both HSAs and worksite clinics.

Selecting the clinic as the PCP

As the range of services offered in worksite clinics becomes more comprehensive, more employers are allowing members to select the clinic as their primary care provider (PCP), or are considering it. Two-thirds (71%) of respondents now allow this, up from 67% in 2018 and from 49% of respondents to our 2015 survey. On average, 40% of utilizing clinic members select the clinic as their PCP; perhaps because they are required by their health plan to have a PCP or perhaps simply because it is best practice to have a PCP on record.

Most employers will allow members to select the clinic provider as their primary care provider

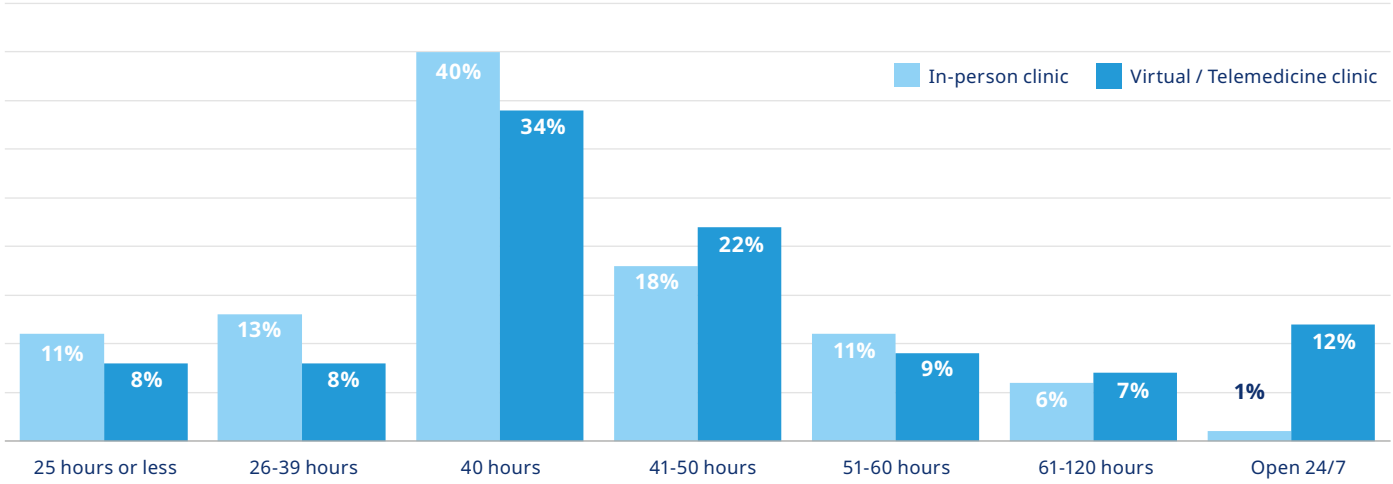


- Members are allowed to select clinic provider as their primary care provider
- Considering allowing members to select the clinic as their primary care provider
- Members are not allowed to select clinic as their primary care provider
- Clinic only provides occupational service

Hours of operation

About three-quarters of clinics are open at least 40 hours per week; more than a third are open more than 40 hours. Excluding the few clinics that are open 24/7, the median number of hours that clinics are open is 40 and the average is 42. Virtually all respondents' clinics (94%) are open during work hours. To make access even easier for employees, most are open before or after work hours (84%) and during breaks (82%).

Number of hours of operation per week



conclusion

As the country was gripped by an unprecedented health crisis, worksite clinics proved their value, ramping up virtual care offerings, providing testing and vaccinations, and serving as an important resource to employers struggling to assimilate complex and evolving health information. Going forward, worksite health services remain the most direct way for employers to influence healthcare delivery and provide convenient, quality services to employees and their families.

We continue to see the scope of clinical services expand, especially as virtual healthcare makes it more feasible to offer ancillary services along with acute care. Employers have found that worksite clinics can be a strategic asset in a healthcare strategy that seeks to make healthcare more affordable (by providing low-cost or free primary care) and more cost-effective (by steering patients to value-based providers in the community). Onsite clinics can be a visible sign that the company cares about its workers' health and well-being. As the market adapts to the growing demand, smaller self-funded employers are also able to take advantage of worksite clinics, in particular, shared clinics. When designed and managed correctly, a worksite clinic can deliver high value to both employer and employee.

About Mercer's Worksite Clinic Consulting Group

In recognition of the need for leadership and innovation in this growing area, Mercer has established a national worksite clinic consulting group composed of thought leaders, innovators and subject-matter experts with extensive experience in all phases of a worksite clinic's lifecycle. The worksite clinic consulting group is part of Mercer's Total Health Management (THM) team, which is composed of diverse practitioners and thought leaders in the areas of medical, absence and disability, consumerism, behavioral health and behavioral science. The THM team develops strategies and designs programs that support employee health as an asset for a productive work environment. For more information contact David Keyt at david.keyt@mercer.com.

About National Association of Worksite Health Centers

The National Association of Worksite Health Centers is the nation's only non-profit trade organization focused on assisting public and private employers, unions and other sponsors of worksite health programs in getting the greatest return from their onsite, near-site/shared and virtual health centers, onsite pharmacies, worksite fitness and wellness centers. It offers employers and their vendor partners resources, networking opportunities, education, benchmarking and advocacy to support the development and expansion of worksite health and wellness centers. For more information visit www.nawhc.org