

## A Prescription for Workers' Health

Employers Open In-House Clinics to Trim Costs and Boost Preventive Care

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In a ritual of fall, employees throughout the region head for the office nurse to line up for their annual flu shot. They do the same at [Freddie Mac](#), with some big differences. The shots are free, and they are only a small part of the company's efforts to keep its employees well and health costs down.

In 2004, Freddie opened a full-scale clinic at its McLean campus, run by a part-time doctor and a full-time nurse practitioner. It offers services that include free physicals, allergy shots, pregnancy tests and general consultations.

Beyond that, the company's 4,300 employees at headquarters can walk a few steps from their desks to get a prescription, work out in the company gym or discuss their diet with a nutritionist. If they select six healthy meals from the cafeteria, the seventh is free.

Freddie's clinic and emphasis on long-term wellness put it at the forefront of a fast-growing trend in corporate America in which companies are bringing health care in-house in an attempt to manage soaring costs and to increase productivity by cutting down on time away from desks for doctor visits.

A quarter of Fortune 1000 companies are expected to have on-site clinics by the end of next year, up from the 15 percent or so that have them now, according to David Beech, a health-care consultant at Watson Wyatt Worldwide Inc., a benefits consulting firm. The trend has caught on so quickly that there is little comparative data: Watson Wyatt didn't even ask the question until this year.

Higher health premiums have helped nourish the trend: Employer health premiums rose 7.7 percent in 2006, according to the 2006 Employer Health Benefits Survey by the Kaiser Family Foundation. That is slightly lower than previous years but still feels burdensome to companies and employees alike.

The Freddie clinic, which is operated by Whole Health Management Inc. of Cleveland under contract, costs \$565,000 a year to run. An average visit to a personal physician, outside the clinic, costs \$117. The company pays a flat annual fee for the clinic, which averages 17 visits a day, and estimates that it saved \$686,000 in direct costs last year. With added productivity, Freddie Mac puts the savings at \$900,000.

Freddie Mac, the nation's second-largest financier of home loans, had a profit of \$2.1 billion for 2005 and reported \$1.2 billion profit in its second quarter of this year. It is self-insured and spends about \$30 million a year on health-care costs.

Whole Health is one of just a few companies that manage clinics and fitness centers. Jim Hummer, chief executive, argues that health care is usually an after-the-fact treatment, which often can be prevented. "We can help you achieve a healthier workforce that consumes less health-care services and is more productive," he tells potential clients.

Although the clinic system appears promising, not every employee will be motivated -- or able -- to use it. Those who did not work out at a gym before might still not join. Some employees might feel that their immediate supervisors disapprove of them leaving the office to tend to a cold or use the treadmill. Although some might appreciate the convenience, others might feel they're being trapped in their offices.

Hummer looks for companies that will promote the plan. "Our experience is if people understand the issues and choices, they will probably make good choices," he said.

Whole Health works mostly with larger companies, where scale can justify the cost. When Discovery Communications Inc. of Silver Spring first considered a clinic, Hummer thought the 1,500-person headquarters might not be big enough.

"We went in saying, 'Jeez, you don't have very many people here, and it's a young group,' " Hummer said. Whole Health looked at the numbers -- doctor visits and costs -- and thought at best, Discovery could break even. But Discovery decided to proceed, and after the first year, Whole Health reported savings of \$1,000 per person.

"Some direct costs, but also a lot of lost work time was eliminated," Hummer said. With a doctor just steps away, a cold might not turn into bronchitis. High blood pressure might not lead to a stroke.

"We've really been emphasizing that we want people to take a more active role in their health and wellness," said Julie Peterson, vice president of compensation and benefits at Freddie Mac. "The easier we make it, it's like you're running out of excuses to not make that change."

[Capital One Financial Corp.](#) opened a clinic at its Richmond office about a year ago and at its McLean campus in February. "It was kind of a no-brainer once we did it," said Matt Schuyler, executive vice president of human resources at Capital One. He said the company has already broken even on its initial costs.

The Freddie Mac clinic looks like any small doctor's office. The receptionist sits behind a sliding glass window near the sign-in sheet. Medical literature and magazines are stacked in the waiting room, along with a rubbery model of what five pounds of fat looks like. (Company spokeswoman Shawn Flaherty said she likes to look at it periodically, particularly if she has been lax about getting to the company gym.)

There are several exam rooms, a separate area for quick fixes like Advil, and a room where blood is drawn or allergy shots are given. Columbus Giles, the doctor, works at the clinic two to three days a week. Heather Bonshock, a nurse practitioner, is there full time. Patient-employees have come to know her so well -- and ask about her so much -- that the receptionist laminated and posted an announcement that the baby Bonshock is expecting this winter will be a boy.

Andrea Thrasher, a lawyer with Freddie, was waiting for her allergy shot while reading documents. "Prior to this, I drove to the allergist never knowing if there would be a big crowd," she said. "It was really disruptive during the day. When this opened, it was like a godsend."

Without the clinic, Mike Orlov, information engineering manager at Freddie, may have gone another year or two without a physical. Just the thought of scheduling an appointment four months in advance, blocking off half a day to leave his office to plunge into afternoon traffic and then wait at the doctor's office was too daunting. But, he acknowledged, now that he's 40, he needs to have those regular check-ups.

On a recent day, he left his desk, walked through the lobby buzzing with impromptu meetings, people on cellphones and security guards checking identification. He trotted down a hallway and opened the door of what used to be a meeting room.

There, he was greeted by a receptionist. He signed in and sat with other patients waiting for allergy shots and follow-up appointments. He was quickly seen by Giles -- whom employees greet in the cafeteria and ask about that weird headache they have been having.

It took 20 minutes, and there was no co-pay.

"You have to waste half a day with the regular doctor," Orlov said as he stood next to the paper-covered exam table. "Here, it's convenient."

Employees are encouraged to maintain a relationship with their primary-care physicians. Giles does not think the clinic should become the full-time care for someone with heart disease or cancer, for example. But he is there for physicals, screenings, tests -- the blood work is sent by courier to a lab -- and visits if employees have questions about treatment elsewhere.

"We can block out time when they have more questions to discuss what the findings were," Giles said.

The hope to defray late-stage exorbitant costs was on the mind of Harrah's executives when they opened their first clinic in March.

[Harrah's Entertainment Inc.](#) of Las Vegas has clinics for employees and their families in four of their casinos, including one in New Orleans that opened after Hurricane Katrina. "We were getting ready to open the casino and realized there were hospitals that weren't going to reopen," said Juliet Vestal, Harrah's director of health-care management. "A lot of people hadn't had any type of medical care since the hurricane." The clinic also treats the employees' dependents.

Harrah's recognized treating people before they got sick would help with longer-term costs, she said. Of 528 people given a general health screening at its new Lake Tahoe casino clinic, 80 percent had some finding such as diabetes, high blood pressure, thyroid problems and liver problems. Many thought they were healthy and had not visited a doctor for preventive care, Vestal said.

"They are not treating their body like a car" where it gets constant care and checkups, she said. "That's what we're trying to do."

Since Harrah's opened a gym for its Atlantic City workers three months ago, more than 1,800 employees have registered to use it. "People don't necessarily want to be unhealthy, but they don't necessarily know how to be healthy," Vestal said. "Their average salary is \$28,000. These are not the people who can afford a personal trainer." But now, a gym is just steps away with a full-time fitness staff.

"I think everyone recognizes it's the right thing to do, as well as curbing medical costs," Vestal said.