Real Talk About | On-site Clinic Evaluation

Glatfelter needed to understand if its growing annual spend for an on-site clinic was worth the investment. Our data-driven assessment led the company to reshape its business model, for anticipated savings of about 20% in operating costs, or more than $1 million annually.

Glatfelter, a global supplier of specialty papers and engineered paper products with more than 4,200 employees worldwide, had acquired a U.S.-based paper mill with a fully operational on-site clinic and pharmacy, now known as the Glatfelter Family Medical Center (GFMC). Operations are managed by a national on-site clinic and pharmacy vendor with Glatfelter setting priorities and providing oversight. But with operating costs exceeding $5 million annually, Glatfelter faced a tough decision: whether to keep or close a highly utilized on-site clinic.

An Insightful Solution
Glatfelter’s management team wanted to conduct an independent assessment of the GFMC to determine if the center was cost effective and meeting the company objectives of providing quality care, supporting a healthy and productive workforce and lowering health care expenses. Our national clinical practice was selected for this work because of our experience with on-site clinic assessments and our long-standing relationship with Glatfelter.

To best understand program operations, we proposed a three-part process:
• Conducting an administrative review of program documents, policies and procedures, and vendor reports
• Evaluating the delivery of health care services to employees and their families, utilization of services, quality of care provided to patients, the appropriateness of services provided and general operations through an on-site visit
• Assessing the cost effectiveness of the GFMC, including the cost of GFMC operations compared with the cost of care delivered in the community

Real-World Results
Our data-driven assessment gave Glatfelter an informed look into the GFMC, both clinically and financially. We discovered:
• Seventy percent of eligible members utilize the GFMC for primary care and pharmacy, though primary and urgent care appointments are frequently difficult to schedule due to a shortage of available appointments.
• The clinic and pharmacy are overstaffed relative to current activity and benchmarks, leading to a significant increase in operating costs.
• Ancillary services interfere with provider availability to provide primary and urgent care services — and maintaining these service offerings was not cost effective.
• The pharmacy contract is out of date.
• The pharmacy can override prior authorizations, step therapy and other plan limits without the pharmacy benefit manager’s (PBM) knowledge, potentially affecting outcomes and increasing costs.
• There were reporting issues, including inaccurate reporting because of inconsistent coding, vendor ROI methodologies based on industry data not Glatfelter data, and erroneous depiction of on-site pharmacy plan performance relative to the marketplace.

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“Clinic operating costs were growing at a rate that caused us some concern. The results of the assessment will allow us to focus on improving efficiencies to cut costs but still provide quality care to our employees.”

– Corporate Benefits Manager

Based on our recommendations, Glatfelter is considering keeping the GFMC open but eliminating some ancillary services to keep efforts focused on primary and urgent care needs, making significant staffing cuts and moving to a concierge pharmacy model rather than maintaining a full service pharmacy on-site. They anticipate the collective changes will save more than $1 million in operating costs per year. They’re also soliciting competitive bids to identify a more efficient and accurate independent management company, which will bring additional savings.

Let’s Talk
For more information on this project, contact our Health Practice team at 1.866.355.6647 or hrconsulting@xerox.com.

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