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Workers Get Health Care at the Office

As Costs Rise, Some Employers Focus on Preventive Services; Relying on the On-Site Clinic

By M.P. MCQUEEN

Even as employers push a greater share of rising medical costs on to workers, a growing number of companies also are providing services like free check-ups, screening exams and prescription drugs that potentially can save employees hundreds of dollars a year.

Companies say the programs also will save them money in the long run. Although a few employers have long offered on-site clinics, the trend is gathering steam as more companies expect to reduce their overall health-care spending by focusing more attention on preventing illness, including complications from such conditions as hypertension and diabetes. Companies also expect employees will be more productive if they don't have to leave the workplace to seek medical treatment.

Some employers, such as [Intel Corp.](#), [Walt Disney Co.](#) and [Toyota Motor Corp.](#), are opening fully equipped on-site medical centers staffed by physicians and nurses that offer primary-care-type services. At these centers, employees often don't have to pay any fee for annual physicals or blood-pressure and cholesterol screenings. Getting treated for, say, a cold or stomachache might cost you \$5 or \$10, well below the typical co-payment for a doctor's office visit.

To make sure people take their medications, other companies, such as [Marriott International Inc.](#), provide insured employees with free generic prescription drugs for controlling chronic conditions like diabetes or asthma. [SmartHealth Inc.](#), a health-care-products company, does on-site melanoma screenings at its headquarters. "Phoenix, Arizona, has a bit too much UVA and UVB" radiation, says Curtis P. Hamann, the company's president and chief executive.

Some companies' on-site services are sophisticated enough that some workers are using them as primary-care centers. Olivia Skiffington, a marketing specialist at [Pitney Bowes Inc.](#)'s offices in Stamford, Conn., says she uses the company's workplace clinic for most of her ailments. The 27-year-old figures she has saved \$200 to \$300 in co-payments since she was hired in 2006.

Most recently, Ms. Skiffington visited her company's clinic for a sore throat that had lasted five days. "They tested me for strep throat and gave me the proper medication to get rid of it. It is all free, I don't have to make a doctor's

appointment, I don't have co-pays, and I don't have to miss any work," she says.

Such comprehensive care is still found at only a small number of companies. More generally, employers are forcing a growing share of medical costs on workers to help pay for company health plans. Workers this year are paying on average \$1,806 toward the premium for their employer-sponsored insurance, up 9.8% from last year, according to consulting firm Hewitt Associates. The figure represents 22% of the total premium. And out-of-pocket expenses, such as co-payments, are up 10.1% to an average \$1,707 this year. Both types of employee contributions have doubled since 2002, Hewitt says.

Some companies say the workplace clinics cut overall medical expenses, and thus help contain employee premiums. "We've passed our health-care savings on to team members with lower premiums, co-pays, deductibles, co-insurance and out of pocket maximums," says a spokeswoman for Toyota, which has a primary-care clinic at its San Antonio facility.

Pitney Bowes says that for every \$1 it spends on its clinics, it saves \$1 in health-care costs and gains an additional \$1 in increased productivity. "We believe this will keep you healthier and contain costs. It is a long-term investment in employees," says Andrew Gold, Pitney Bowes's executive director, benefits planning.

Doctors groups are concerned about the proliferation of alternative treatment centers, including clinics being set up in supermarkets and drug stores. The groups caution that such clinics should augment primary-care physicians, not replace them.

"I don't blame employers for looking at what might be most cost-effective for them to help their employees and keep health costs down. But they must take the extra step" to inform the physician who cares for the patient on a continuing basis, says Ted Epperly, president of the American Academy of Family Physicians.

The academy says its suggested guidelines for retail clinics also should apply to workplace centers. These include a request that the scope of services the clinic is meant to provide be posted along with a description of the qualifications and training of the staff.

Companies say the clinics generally aren't designed to replace family doctors. However, most on-site centers leave it to patients to notify their primary-care physicians about test results and treatments they might have had at the workplace.

About 29% of big employers had or were planning to install on-site health clinics in 2008, according to a survey by consulting firm Watson Wyatt and the non-profit National Business Group on Health. The clinics are generally operated by outside providers, including Take Care Health Systems, a [Walgreen Co.](#) subsidiary that runs 366 on-site clinics for various employers, including 40 facilities offering a wide range of primary-care services. [CVS Caremark Corp.](#)

and CareHere LLC also manage clinics for major employers, including some smaller facilities mainly meant to handle routine coughs and sniffles.

"The hugest impact for a company is that by getting people into wellness programs, and making the case for convenience and preventive care, you are increasing productivity and saving time" because people don't need to leave the work site, says Sue Adams, Intel's global health and well-being manager.

Intel last month opened two large medical centers, one at each of its two facilities in Chandler, Ariz. The centers, each of which has a full-time doctor and registered nurses, provide, among other things, primary and urgent care, lab services and physical therapy. Intel also has less-comprehensive clinics in 11 other locations.

Here's a guide to some of the latest medical perks companies are offering:

Prescriptions.

You can already save money with most employer-paid medical coverage by using the mail-order option under your plans. Companies that provide free drugs for controlling some chronic diseases include Pitney Bowes, Toyota and Marriott International. Pitney Bowes, one of the early adopters of such a program, says its cost of treating diabetic workers was reduced 14% in the six years ended 2007 and costs are down 17% for asthmatics. "By waiving employees' co-pays on some prescription drugs, we have seen more chronically ill employees remain on their prescribed regimens," a company spokeswoman says.

Premiums and deductibles.

More companies are encouraging workers to participate in wellness or disease-management programs by lowering their health-plan premiums or deductibles or offering other incentives. SmartHealth, for example, waives the premium for employees who sign up for high-deductible plans, agree to take an annual on-site physical, abstain from tobacco and get annual dental cleanings, which are covered by the company.

Mental-health services.

Many workers can receive free short-term counseling from their company's employee-assistance program before seeking treatment on their own. These programs often provide between three and eight in-person sessions at no cost to the employee, says Melinda Down, chief clinical officer at Deer Oaks EAP Services LLC, a San Antonio firm that provides counseling services to companies. She says calls for appointments have jumped 20% in recent weeks as financial markets have slumped.

Lab tests.

Many companies offer free annual screening tests for cholesterol and blood pressure. But some companies now have on-site labs that perform more sophisticated tests, including Pap smears for cervical cancer, tests for urinary-tract infections and prostate screening, often free.

Some employers offer immunizations, including for travel. And many companies provide free or low-cost annual vision and hearing tests on-site, at least for certain occupational groups.

Employee discounts.

Many employers make discounts available for eyewear and dental services from specific vendors even if they don't provide dental and vision coverage. Companies that don't have on-site fitness centers or programs may still offer discounted weight-control and smoking-cessation programs, and gym memberships. Check with your company benefits department.

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