

Retail clinic use skyrocketed during the pandemic—is that growth sustainable?

Article

The trend: Retail health clinic utilization saw the largest increase among all [alternative sites of care](#) between 2020-2021, according to new Fair Health data.

- Fair Health studied US alternative places of service—**retail clinics, urgent care centers, telehealth, and ambulatory surgery centers (ASCs)**—as well as **emergency rooms (ERs)**.
- Fair Health analyzed medical claims from its repository of over **40 billion claim records**.

Digging into the data: Fair Health reviewed alternative sites of care utilization trends from 2016 through 2021, primarily concentrating on changes from 2020-2021. Here are our most important takeaways related to retail health usage and trends:

- Use of retail health clinics (**+51%**) increased significantly more than any other non-traditional care venue from 2020-2021, including urgent care centers (**+14%**). Use of telehealth (**-76%**), ASCs (**-7%**), and ERs (**-15%**) all decreased over this time period.
- The share of claim lines for retail clinics **grew 128% from 2016-2021**.
- Consumers **ages 31-40** used retail clinics the most in 2021.
- Getting **treatment for a communicable disease, getting a vaccine, and getting an exam** were the most common procedures performed in retail clinics in 2021.

Why consumers are turning to retail clinics: Patients now prioritize convenience above all when seeking care. For many consumers, retail clinics are more accessible than traditional primary care practices.

- **92% of consumers said convenience is the most important factor** when choosing their primary care provider, per **CVS'** 2022 Health Care Insights study.
- The **average wait time** for a family medicine appointment in the US was **20.6 days** in 2022, per Merritt Hawkins data.
- Retail clinics typically offer same- or next-day appointments and are usually open on evenings and weekends.

Yes, but: Retail health utilization growth substantially outpaced other alternative care sites during the pandemic in large part because consumers grew comfortable with getting tested for COVID-19 and receiving vaccinations at clinics like CVS and **Walgreens**.

We expect the growth rate of retail health utilization to slow down, as **free COVID tests and vaccines** will soon be a thing of the past.

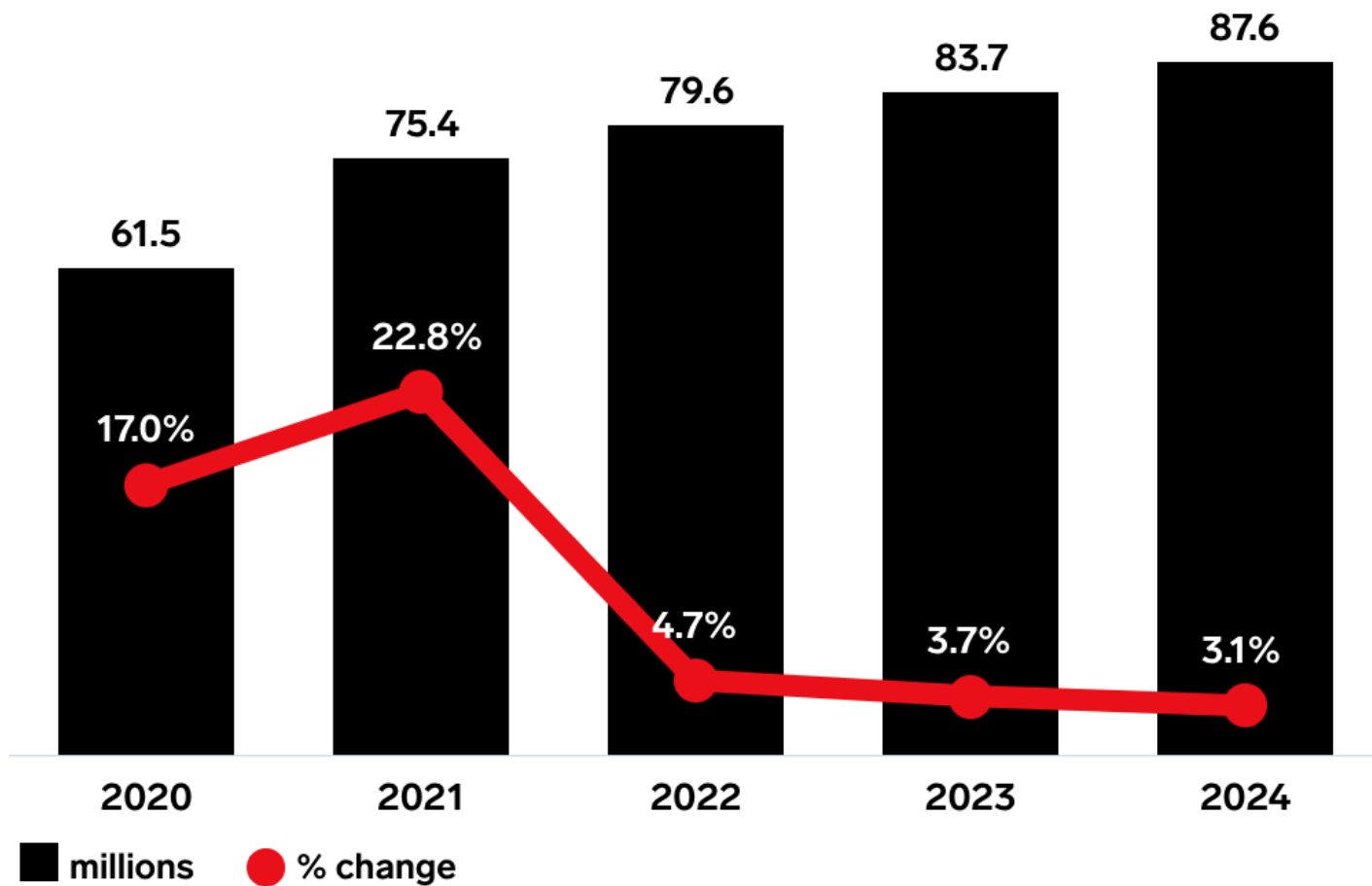
- [Walgreens](#) just reported in its Q2 2023 earnings call that it administered **2.4 million** vaccinations in Q2, compared with **11.8 million** during the prior year's second quarter.
- Per our projections, by far the greatest rate of change in retail clinic utilization was between 2020-2021—the timeframe when most COVID shots were administered.

Our take: Physician practice closures, long wait times, and easy access to COVID tests and vaccines pushed consumers toward retail health clinics in 2020 and 2021.

Insurers will keep steering patients to lower-cost settings, such as alternative care sites (compared with hospital care, which costs health plans more money). But retail health players shouldn't expect to sustain the utilization bump they experienced during the pandemic.

Retail Clinic Patients

US, 2020-2024



Note: ages 18+; adults who visit retail clinics in-person at least once during the calendar year; examples include CVS MinuteClinic, Walgreens Healthcare Clinic, Kroger's The Little Clinic, Walmart Care Clinic, etc.

Source: eMarketer, November 2022

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