More Companies Adding In-House Medical Clinics

Workplace Medical Clinics: For Every $1 Spent, Employer Gets $3 Back

By ALAN FARNHAM

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Next time you hear about corporate America being bled white by the high cost of employee healthcare, consider this: For every $1 that HanesBrands of Winston-Salem, N.C., spends on providing its employees an in-house clinic, it gets back $1.40 in savings.

It gets those savings, despite the fact that the clinic is free. They derive in part from improved productivity (fewer hours lost to workers' having to go off-site to see a nurse or doctor) and in part from the benefits that come from catching chronic conditions like heart disease and diabetes early.

Nor is Hanes' experience unique.

Stuart Clark, head of CHS Health Services, the contractor that runs Hanes's clinic plus more than 130 more for other big U.S. companies, tells ABC News that many companies with in-house clinics get even more payback: on average, a 3-to-1 return ($3 back for every $1 they spend on a clinic).

Start-up costs, says Clark, run anywhere from a few hundred thousand dollars to a couple of million, depending on its size. The figure covers such costs as staffing and getting the necessary licenses. After two years of a clinic's operation, he says, employers have recovered their one-time capital costs and are starting to see savings. By the end of their third year, he says, they see returns approaching 2-to-1 to 3-to-1.

Hanes V.P. Annmarie D'Souza, who created her company's clinic, says that since it opened in 2010 Hanes has seen a 30 percent drop in workers' emergency room visits and a 39 percent drop in inpatient hospital admissions.