

# WASHINGTON BUSINESS JOURNAL



## CARE WITH CONVENIENCE

Latham & Watkins' Mandy Reeves and her team have established an in-house clinic for D.C. employees. Could this become a trend?

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## A CLINIC AT THE OFFICE

A D.C. law firm has established an in-house clinic to care for employees' physical and mental well-being. Could this become a trend?

BY SARA GILGORE | [sgilgore@bizjournals.com](mailto:sgilgore@bizjournals.com)

**A**mong the most persistent challenges for employers these days are containing health care costs and attracting and retaining talent. One D.C. employer thinks it has the solution for addressing both concerns: an in-house health center designed exclusively for its workers.

Global law firm Latham & Watkins LLP recently teamed up with Johns Hopkins Medicine to open the clinic inside its downtown D.C. office building. It offers acute and preventative care services, from sick visits to mental health support, for the firm's nearly 800 employees.

And here's the kicker: The firm is footing the bill.

"This resource removes barriers to care – and makes it easy for our lawyers and business professionals to focus on their health proactively," said Elizabeth Arnold, director of well-being and benefits at Latham & Watkins.

The in-house clinic, which opened in October, is the third for Latham & Watkins, one of the world's largest law firms with more than 3,000 lawyers and more than 30 offices.

The concept had some momentum nationally pre-pandemic, then fizzled out during the rapid, widespread shift to remote work. But experts say it's one that could gain traction as employers see the potential to cut down on health care costs – even after the steep up-front investment – and improve employees' physical and, importantly, mental health.

"It's an interesting model to enhance productivity and employee satisfaction," said Lisa O'Connor, senior managing director with D.C.'s FTI Consulting. "I think this one could have legs."

### 'A huge undertaking'

Latham & Watkins established its LiveWell Center at 555 11th St. NW, exclusively for the D.C. office's nearly 500 lawyers and 300 professionals, as well as summer associates, temporary employees



and those visiting on firm business, said Mandy Reeves, managing partner of Latham & Watkins' D.C. office.

Johns Hopkins Medicine is managing the center and staffing it with a physician assistant, nurse practitioner, physical therapist and mental well-being coach. Johns Hopkins did not return repeated requests for comment.

The clinic offers acute care, screenings, immunizations, chronic disease management and physical therapy. It also provides mental health coaching, from advice through life transitions and challenges, self-care plan building, guidance around obstacles and even informal chats, according to the firm. It's an in-person

complement to LiveWell Latham, the firm's existing well-being and benefits platform that gives employees tools to support their physical and mental health.

The clinic's services are free for employees and do not require that they be enrolled in Latham's medical plan, according to Arnold. The firm is covering the costs associated with the services, except in cases that require bloodwork to be sent offsite, for which the lab would bill the patient's insurance. It declined to disclose the terms of the deal with Hopkins, projected costs associated with sustaining the clinic or its investment in the project.

Generally, the price tag for this type of project



Tiernan Damas, Physical Therapist; Pamela Maslen, Nurse Practitioner; Virginia Tran, Physician Assistant; and Jacquesline Bolaji, Mental Well-Being Coach.

could vary greatly – based on whether the employer must acquire or just build out existing space, and how much, for instance – as well as the terms of the agreement with the medical practice that runs it, experts say. In Latham’s case, the health clinic comprises 1,000 square feet in an area the firm previously used for storage on the building’s eighth floor, one of eight and a half floors it leases.

The staffing model – numbers and types of practitioners – would also help inform the required investment.

“The real cost is in the providers themselves,” likely hundreds of thousands of dollars but less than \$1 million in annual expense, said O’Connor, also leader of FTI’s health care provider practice. “The return on investment must be there, or they wouldn’t be doing it,” she said of Latham’s clinic.

One estimate pegs a workplace health center at about \$300,000 in startup costs, and anywhere from \$800,000 to \$1 million in annual operating costs, Sadhna Paralkar, national medical director at New York HR and benefits consulting firm Segal, told the Society for Human Resource Management (SHRM) in May.

An on-site clinic makes the most sense for larger employers because “it could be a huge undertaking,” said Yvette Lee, a human resource knowledge adviser with SHRM, which represents nearly 340,000 members around the world.

“You really don’t see a lot of the smaller companies engaging in this type of benefit to employees,” she said, adding: “It has got to be an organization that has that type of financial fluidity, that is able to operate something like that.”

**‘A high degree of satisfaction’**

Latham decided to bring medical services to its D.C. office to assist employees in prioritizing their health, as well as to help attract and retain staff, thanks to the easy access and quality of care it brings, Reeves said.

The convenience factor alone could be a big deal for employees who visit the clinic instead of leaving work to travel to doctor’s appointments. That’s important for patients in today’s health care landscape because “there’s such an amount of dissatisfaction around access and wait times, that this is obviating,” O’Connor said. “This is getting rid of that challenge for their employees, and I’m sure creates a high degree of satisfaction.”

But it’s equally significant for employers, helping to increase efficiency and decrease absences from work due to medical appointments and unaddressed illness, experts agree. For



**“The return on investment must be there, or they wouldn’t be doing it.”**

Lisa O’Connor, FTI Consulting



Virginia Tran, a certified physician assistant at the LiveWell Center, meets with Latham & Wakens Senior Manager of Technology Services, Christopher Anatol.

law firms and other productivity-based companies – where employees bill their hours, for example – an on-site clinic could cut down on employees' time away from work.

And if it's a top-tier academic health system such as Johns Hopkins, "it sends a positive message to the employees," O'Connor said.

The model also makes good business sense for the health system delivering the care, in that an employer would cover the costs of the providers who staff the clinic. The added presence in the community also doesn't hurt the health care organization's brand or referral business; when patients have positive experiences, they're more likely to seek future care from doctors within the same health system.

Then there's a less obvious, but equally significant, benefit: the impact on health care costs.

"Health care costs have been steadily increasing over time," Lee said. "It's definitely become a hot topic for employees."

They're expected to continue rising. One study from professional services firm Aon plc reports an estimated 9% jump in employer health-care costs – or \$16,000 per employee – in 2025. That's up from the 6.4% increase that hit employers from 2023 to 2024, according to Aon.

Employer medical-plan costs, meanwhile, are expected to increase by a median of 8% from this year to next, partially due to the cost of prescription drugs, according to the International Foundation of Employee Benefit Plans. The cost of health benefits per employee could rise by more than 5% in 2025, a Mercer study found.

But an on-site health center could help reduce urgent care or emergency room visits, by giving workers a direct line to medical expertise – potentially, to address medical issues earlier. And that makes them less expensive to their insurance plans; preventative care is less pricey than an ER visit.

On top of that: The employees are not billing insurance for those clinic visits, so "the total cost of care for those employees is less," and that makes the employer more attractive in the marketplace when buying insurance coverage for their employee benefits packages, O'Connor said. That means the employer could probably get a better deal from the insurers on the costs for their employees' insurance, she said, "because they're taking the costs off the backs of the payor."

### 'A huge incentive'

Before 2020, employers across the country were beginning to open health clinics for their employees.

Latham was one of them: It stood up the first of its now three Johns Hopkins-run clinics in Los Angeles in 2019.

"It was something that was starting to trend," Lee said. But the Covid crisis, which fueled a wave of remote work, led many of those companies to move away from such plans or close their clinics altogether, she said.

Latham kept its health center running, opening a second one in New York in 2022. Both have since "received tremendous positive feedback and testimonials" – and that's what made the D.C. clinic "a natural next step," Arnold said. Latham's D.C. office is the firm's third-largest hub by headcount and one of the largest law offices in Greater Washington.

The firm's leadership hopes the D.C. site sees "high utilization rates, enthusiastic user feedback, and long-term positive health outcomes for our people," Reeves said.

Latham said it's the first law firm in the country to establish such a clinic with Johns Hopkins. But the Baltimore-based health system isn't the only local player to get in on it.

Columbia, Maryland-based MedStar Health has operated a primary care clinic at the World Bank Group Headquarters for a handful of years, staffed with physicians, nurse practitioners and a behavioral health specialist – for employees, family members and retirees of the financial institution. Falls Church's Inova Health System said it has worked with "numerous corporate clients" for their employee health clinics for more than five years, though it declined to disclose them.

Still, workplace health centers aren't yet ubiquitous. More often, organizations with self-insured health plans – meaning they pay for their employees' medical claims – provide non-acute support services, such as free telehealth, experts say. That's also the type of benefit that makes more sense for businesses that don't have significant in-person workforces, where an on-site clinic wouldn't get much use.

Big companies like Google or Amazon, rather, would be better positioned to put the health center model into effect, O'Connor said. "Your productivity-based companies, I think, have a huge incentive for it."

So will we see more in the D.C. region?

"Now that employers are starting to return to the office, even if it's in a hybrid fashion, it could be something that picks up steam," Lee said.

## Q&A

### MENTAL HEALTH

Mental health is an important piece of the benefits' puzzle. Here's more from experts on that.

#### LISA O'CONNOR



*Lisa O'Connor is senior managing director at FTI Consulting.*

**Why is access to mental health services often a challenge?** There's just not enough providers out there. And the demand has grown so substantially, and we can thank Covid for a lot of that. But it's a tough one to walk back.

**Why should an employer consider mental health services as part of its on-site clinic's services?** It's very clear that in the population at large, we're seeing an increased need for mental health support. If there is a way to ensure that your employees get the support they need to have as healthy of a mental health outlook as they can, they will be better employees, right?

#### ... WITH YVETTE LEE



*Yvette Lee is an HR knowledge adviser with the Society for Human Resource Management.*

**Why else?** Employers looking at an employee's overall wellness – physical and mental – can be an attraction [for talent]. That's something that's been consistent. Employees want to feel valued.

**What should an employer weigh when considering a clinic's services?** An employer has to look at their employee population and say, "What is reasonable for us to offer?" Because if they don't have, for example, a high population that's using vaccines, then why offer it on-site? That's all part of that planning process, to look at the needs of the population and determine what could be offered when partnering with a health provider.