

QUICK-HITTING SURVEY URGENT CARE STRATEGIES

Executive Summary

Methodology

In February 2017, The Health Management Academy conducted a quick hitting survey of 49 Leading Health Systems regarding urgent care strategies. With a 41% response rate, the 20 responding Chief Operating Officers (COOs), Chief Strategy Officers (CSOs), and Chief Medical Officers (CMOs) represent health systems with an average Net Patient Revenue of \$3 billion that own or operate 250 hospitals with almost 44,000 beds and approximately 2.1 million admissions annually.

Key Findings

- Most (90%) responding health systems have an established urgent care strategy; those that do not yet have a defined strategy (10%) are planning on developing one in either 2017 (5%) or 2018 (5%).
- A majority (60%) of health systems do not include Freestanding EDs in their urgent care centers.
- While a majority of Leading Health Systems own all of their urgent care centers (60%), some health systems partner on urgent care centers (5%) or both own and partner on their urgent care centers (35%).

Results

Most (90%) responding health systems have an established urgent care strategy; those that do not yet have a defined strategy (10%) are planning on developing one in either 2017 (5%) or 2018 (5%). On average, health systems currently operate 13 urgent care centers (range: 1 – 37). All responding health systems expect to grow their number of urgent care centers to an average of 19 per health system by the end of 2018 (range: 2 – 45).

Health systems' urgent care centers recorded an average of 117,136 visits in 2016 (range: 14,000 – 220,000), and most (65%) expect to see a 5 – 10% growth rate in urgent care visits in 2017 (Figure 1). One executive specified, **"Growth rate provided is 'same store.' Actual growth rate much higher due to the opening of new centers."** (COO)

All (100%) responding health systems' urgent care centers cover services relating to sprains and strains; breathing difficulties (i.e. mild to moderate asthma); bleeding/cuts (e.g., not bleeding a lot but requiring stitches); diagnostic services, including X-rays and laboratory tests; eye irritation and redness; fever or flu; vomiting, diarrhea or dehydration; severe sore throat or cough; skin rashes and infections; and urinary tract infections. Most urgent care centers also cover accidents and falls (95%), moderate back problems (95%), and minor broken bones and fractures (i.e. fingers, toes) (89%). Executives also reported some urgent care centers cover sports physicals, workplace health, and travel vaccines.

A majority (60%) of health systems do not include Freestanding EDs in their urgent care centers (Figure 2). Of those health systems that do not include Freestanding EDs, most (92%) do not plan to add Freestanding EDs in 2018 – 2020.

FIGURE 1. WHAT GROWTH RATE IN URGENT CARE VISITS DO YOU EXPECT IN 2017?

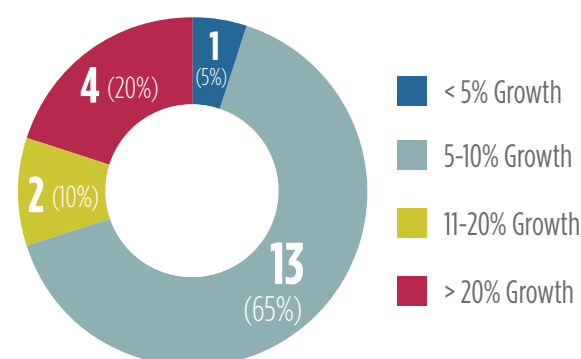
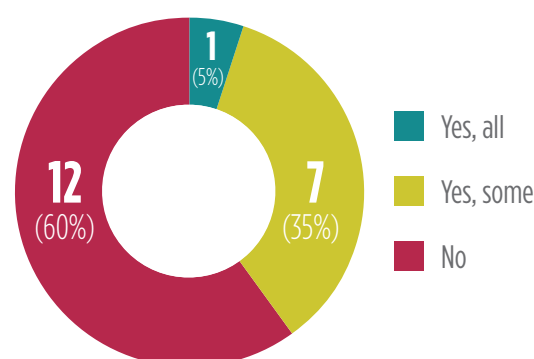


FIGURE 2. DO YOUR URGENT CARE CENTERS INCLUDE FREESTANDING EDs?



While a majority of Leading Health Systems own their urgent care centers (60%), some health systems partner on urgent care centers (5%) or both own and partner on their urgent care centers (35%) (Figure 3).

Health system urgent care partners include CVS, Patient First, IPA Physicians, Premier, GoHealth, PhysicianOne Urgent Care, as well as independent physicians.

Health systems primarily define other providers with urgent care clinics (100%), freestanding urgent care clinics (95%), and retail clinics (70%) as their competition around urgent care. One health system also reported Freestanding EDs as competition.

Health systems commonly utilize market competitive pricing rates for their urgent care centers, with some health systems pricing urgent care visits the same as primary care practice (PCP) visits. Alternative pricing strategies reported include pricing urgent care centers the same as a microhospital or PCP after hours visit; utilizing bundle pricing for urgent care centers, unique from an ED or PCP visit; pricing based strictly on professional fees; and a flat price of \$115 per visit.

“For employees, it’s the same expense as a PCP visit in an attempt to keep them out of the ED which is a much higher cost. For other payors, the revenue model is similar to PCP reimbursement.” (COO)

FIGURE 3. DOES/WILL YOUR HEALTH SYSTEM OWN YOUR URGENT CARE CENTERS OR PARTNER?

