

In Defense of Urgent Care: Convenient Care Isn't Driving Up Healthcare Costs



A new [report](#) from PwC's Health Research Institute points to higher urgent care utilization as driving up healthcare costs. But looking through the study, there are plenty of reasons to question that conclusion.

The "Medical Cost Trend" report projects healthcare costs will grow by 6.5% in 2017, but higher utilization of convenient care could inflate that rate.

Forty percent of consumers are expected to seek care from a retail clinic or urgent care center in 2016, and 88 percent of consumers say they're likely to use such a facility in the future, according to the PwC report. "Even if the higher use of these alternative sites reduces spending in the future, the savings may not reduce the short-term cost of more visits," it states.

While last year [high-cost specialty drugs](#) were the main driver of healthcare costs, this year it's use of services, Barbara Gniewek, a PwC partner, told CNBC. There's a sentiment among some in the industry that urgent care centers and retail clinics "create their own demand." The thought is: Since a convenient care visit is relatively cheap, available on almost any corner and being advertised, patients are showing up for ailments they would've previously waited out at home.

But urgent care isn't like discretionary retail products, where price and availability alone drive usage. People aren't heading down to an urgent care center just for fun. In fact, the PwC report cites that while expenditures for outpatient clinics are up 19 percent during the past 10 years, spending on doctor's office visits fell 17 percent during the same period. With the ongoing shortage of primary care physicians, patients face wait times of weeks or months (an average of 66 days in the Boston market) to get in to see their doctor. Thus, many patients turn to urgent care for episodic health concerns.

The care these patients are getting, in most cases, isn't new on the scene — it's healthcare that used to be delivered in a primary physician's office and is now available in urgent care. Studies also show Millennials and other younger Americans are [less likely to establish a primary care provider relationship](#) than those in previous generations. So when patients in these age groups get sick, they often turn to urgent care.

"Instead of the big deductible being a barrier to care, the convenience is cheap enough to be able to put the money out of your own pocket—especially for young people," Gniewek told CNBC. But a person paying for on-demand healthcare services out of pocket doesn't impact the insurance or government medical programs' bottom lines.

Further, there's evidence that urgent care utilization has helped identify and treat conditions in patients early enough in the process to avoid costlier emergency department care. If bronchitis, for example, goes untreated the patient could develop pneumonia and risk hospitalization along with a host of other serious long-term health problems.

National healthcare studies have found anywhere from 14 to 27 percent of visits to hospital emergency departments could be handled in less-expensive urgent care settings. This shift could save \$4.4 billion across the U.S., a [2010 study showed](#).

And to the point about the rise in outpatient facility expenditures, it seems unfair of the PwC report to tie that figure solely to convenient care clinics. The rise in costly procedures being performed in outpatient surgery and imaging facilities (instead of the traditional hospital setting), surely drives outpatient spending to a much greater degree than urgent care services.

In conclusion, there appear to be holes in the argument about how and why the rise in healthcare costs may be linked to urgent care centers and retail clinics.

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