

Considerations for Urgent Care Holiday Hours

Alan A. Ayers, MBA, MAcc

Content Advisor, Urgent Care Association of America

Associate Editor—Practice Management, *Journal of Urgent Care Medicine*

Vice President, Concentra Urgent Care

As urgent care operators look to the coming holiday season and start their strategic planning for next year, a common question that arises is in regards to holiday hours. Specifically, should a center be open on New Year's Day, Easter Sunday, Independence Day, Thanksgiving and Christmas? And should it be open a full day on Memorial Day, Labor Day, Black Friday, Christmas Eve, and New Year's Eve?

Ideally, a best-in-class urgent care center should have consistent opening hours 7 days a week, 365 days a year. Such creates a strong brand message that the center is "available when you need us," reiterating the after-hours convenience of urgent care throughout the year, and positioning urgent care as an "alternative to the emergency room." However, the difficulties of provider and staff scheduling, the desire for colleagues to enjoy time off with their families, and the need to maintain profitability in operations inhibits most urgent care centers from pursuing such an aggressive schedule.

When considering operating hours, an urgent care center may start by balancing patient demand with profitability. To do so, consider creating a "single-day profit and loss statement" which compares the incremental cost of opening the center against the incremental revenue expected from patient visits that day:

Incremental Cost of Opening on a Holiday:

Incremental costs would not be incurred if the center were closed on the holiday. "Fixed costs" like rent and equipment leases are thus excluded from the analysis. "Variable costs" of opening include:

- Direct hourly cost of providers and staff working on the holiday including overtime and/or holiday pay.
- Prorated share of benefits, paid time off, incentive pay, and other variable staffing costs per hour worked.
- Cost of advertising the holiday opening (distinct from the regular, ongoing marketing program).
- Janitorial services, courier, security, and other services incurred on days the center is open.

Incremental Revenue per Patient:

Incremental revenue is simply the net cash generated by patient encounters on the holiday:

- Number of patients seen times average net collections per patient.
- Minus costs attributable to specific patient encounters including billing fees, supplies, x-ray over-read fees, etc.

Breakeven Volume = Incremental Cost of Opening / Incremental Revenue per Patient

Simply put—if the center sees more patients than needed to breakeven, it recoups the cost of opening and makes a profit on the holiday. But because overtime, holiday pay, and advertising costs are not incurred on "normal" operating days, the incremental cost of opening on a holiday is going to require higher volume than a typical day. In most cases, volume will be less, not more, on the holiday. Thus, single-day profitability cannot be the only consideration. The center should take a long-term view. A start-up center may only see a couple of patients on the holiday—losing money for the day—but such is essential in establishing the brand with consumers. Once consumers learn the center is open, volume should increase to breakeven levels over time.

Additional considerations for holiday openings include:

- Staff the center with a "skeleton" crew. To reduce the incremental cost of the holiday opening, a center should consider opening with two people—a provider and a cross-trained front-/back-office specialist who can also take x-rays. As anticipated volume increases, staff can be added. If holiday volume is thin, not only does over-staffing increase operating losses, but it can also kill morale as bored staff will be thinking about time they could be spending with friends/family if not "stuck" at work.

- Start out with limited holiday hours and expand the hours over time. A center that is open 10 to 4 can easily meet patient needs on the holiday and as volume increases, open earlier and close later. It's always better to add hours than reduce them.
- Advertise that the center is open on the holiday. People won't use a center that they don't know is open and money spent on advertising the holiday opening will contribute to overall awareness of the center, benefitting volume year-round. Advertising recommendations include:
 - Newspaper ad the day of the holiday indicating "we're open today 10-4 to meet your urgent care needs."
 - Tagline on year-round advertising indicating "Open 7 Days per Week, 365 Days per Year, including Holidays."
 - Exterior temporary signage, such as vinyl banners, sandwich boards or plastic yard signs, announcing to passers-by that the center is open on the holiday. Include hours on the sign.
 - Signage in the center, such as on the front door, at the front desk, in the waiting room, and in exam rooms, notifying current patients the center will be open on the holiday.
 - E-mail alerts, website update and Facebook messaging that the center will be open.
 - Telephone call to occupational medicine clients who will likewise be open on the holiday (examples include municipal police/fire, hotels, transportation services, and some retail stores).
- If there are multiple centers in a market, cross-promote the location that's open on holidays at other centers in the market by placing a sign on the closed center's door and changing the voice mail system to re-direct patients to the open center.
- Consider what your competitors are doing. Hospital emergency departments are open 365 days but are the other urgent care or retail clinics in your community open on holidays as well? A competitor who is open sets a consumer expectation that "urgent care includes holidays." If competitors are closed, being open may give you a competitive edge or it may simply indicate there is insufficient local demand to justify holiday hours.
- Notify referring physicians—such as primary care providers who send patients to the urgent care after-hours—that the center will be open on the holiday. The holiday can also be used to initiate a discussion with PCPs about accepting referrals from the urgent care for patients with longitudinal needs.
- Evaluate whether payers have expectations—by way of contracting as an "urgent care center"—that the center be open on certain holidays. Also evaluate whether payers can play a role in steering patients to the center on holidays.
- If participating in community events or grassroots activities related to the holiday—such as marching in a July 4 parade—the center should be open during the event. Otherwise it undermines the brand to communicate "we're open to serve you—except right now."
- Consider the religious and cultural traditions of the center's patient base. Patients in large urban areas are likely more diverse, less likely to observe Christian holidays, and may have greater expectations of 365-day availability than patients in more conservative communities of the "Bible Belt" or of more traditional beliefs.

Clearly whether to be open on a holiday requires a number of decisions that must balance the needs of patients, providers and staff, and the profitability of the business. Regardless of the decisions that are made—key to success is consistency and persistence. Most likely, a center will lose money the first holiday it's open—but it shouldn't be discouraged! Once a center commits to be open on holidays, it should stick with the strategy as the center establishes its brand and consumers learn when and how to use it.