

## Emerging Business Models: Orthopedic Urgent Care

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**Urgent Message:** *Orthopedic group practices are creating extended hours walk-in urgent care centers to improve patient access, speed recovery and reduce costs for muscular-skeletal related injuries.*

“Orthopedic Urgent Care” is a growing phenomenon, which provides on-demand, after-hours walk-in treatment for muscular-skeletal injuries.

Whereas “conventional” urgent care centers treat a wide range of general medical complaints and refer patients to an unaffiliated primary care or specialist physician for follow-up, orthopedic urgent care tends to exist as an “access point” that funnels patients into what’s typically a large, long-established orthopedic group practice that owns or is affiliated with the orthopedic urgent care center. The orthopedics group benefits from patient self-referrals, utilization of imaging services, revenue from surgical procedures, and follow-up in physical or occupational therapy.

A recent Internet search identified more than 30 orthopedic urgent care facilities, with most being along the Eastern Seaboard, the greatest concentration being in North Carolina, and none found West of Texas/Oklahoma. Common characteristics of these centers are:

- Accept patients on a walk-in and scheduled appointment basis.
- Staffed by NPs and PAs, who perform the initial consultation, with an orthopedic surgeon “on call” and/or referral to an orthopedic surgeon for next day follow-up.
- Open extended hours on weeknights and Saturday mornings but typically not on Sundays.
- Digital x-ray on-site at the urgent care center and access to the affiliated orthopedic practice for more extensive diagnostics including EMG and MRI.

A few of the centers are in retail locations while most are in the medical office buildings, professional plazas, or hospital ambulatory facilities that house offices of the larger orthopedic group. Highly visible, street-facing signage, dedicated parking, and direct entrance from the street seems to be an advantage in raising patient awareness of walk-in services. Co-tenancy with a “conventional” urgent care center, leveraging some of the medical support staff, was found with one provider.

Orthopedic urgent care centers typically accept the same insurance plans as the affiliated orthopedics practice but unlike conventional urgent care, some payers do require a referral or pre-authorization for orthopedic urgent care. Patient encounters are often billed as “specialist visits,” requiring a specialist co-pay, which is often less than an “urgent care” or emergency room co-pay. Many of the centers also bill workers compensation if the affiliated orthopedics practice treats work-related injuries, although most do not advertise “occupational medicine” services.

### Value Proposition

Like conventional urgent care, the value of orthopedic urgent care is *access* and *cost savings* to patients. “Access” includes immediate treatment for muscular-skeletal injuries with shorter wait times than hospital emergency rooms, next day referral to an orthopedist for follow-up, and availability of the imaging and rehabilitation capabilities of the affiliated orthopedic group. In a sense, urgent care

completes an orthopedic practice's branding as a "one-stop shop" while also increasing the percentage of business that comes from direct patient decision-making as opposed to referrals from other providers. This can be especially important to independent orthopedic groups who compete against hospital-owned orthopedic practices who receive the bulk of the hospital's own primary care and emergency room referrals. In terms of "cost savings," not only is orthopedic urgent care less expensive than the emergency room but reducing delays in assessing and treating an injury can often reduce the duration and cost of claims and improve the quality of medical outcomes. Further, orthopedic urgent care differentiates itself by its experience and expertise in sports medicine.

## **Marketing Approach**

Most orthopedic urgent care centers have websites and a few mass advertise via billboards, print publications and other media but most tie in to their local "sports medicine" communities by sponsoring school athletics, sports leagues, club sports, and recreation events.

Some of the larger orthopedic groups have developed marketing relationships with collegiate and professional teams including NCAA institutions and NFL and NBA franchises. As the "team's official doctor," the ortho group uses the professional sports venue to promote their overall practice including their urgent care. That an orthopedist is "entrusted" to care for highly skilled and visible athletes adds to his/her credibility.

And last, just as orthopedic groups have historically developed referral relationships with primary care physicians, orthopedic urgent care capabilities further cultivate these relationships by providing immediate access to referral patients who no longer need to wait for a scheduled appointment. Ability to get a patient in right away is an advantage to a referring physician versus knowing his patient will have to wait days for an appointment.

## **Challenges for Conventional Urgent Care**

Orthopedic urgent care embraces many of the service delivery attributes such as extended hours, walk-in service and continuity of care that enable conventional urgent care centers to increase patient access while reducing overall costs for the health care system. But what makes orthopedic urgent care different may also lead to consumer confusion as to the meaning of the term "urgent care," and the capabilities that are provided in the various facilities.

Conventional urgent care centers do assess and treat many muscular-skeletal conditions, although their greatest volume comes from minor infections such as those to the upper respiratory system or urinary tract. Orthopedic urgent care is thus duplicative in its capabilities of assessing and treating sprains, strains, and fractures and referring to imaging centers and orthopedic specialists. Where insurance "case rate" is not a factor, muscular-skeletal injuries tend to have higher reimbursement for conventional urgent care centers, so orthopedic urgent care could be "cherry picking" the more profitable patients leaving urgent care with lower-reimbursement cases.

Brand confusion can also result if consumers, upon seeing a red "urgent care" sign seek general care from the orthopedic urgent care or begin to think that conventional urgent care does not handle muscular-skeletal injuries. For example, when one patient was asked why she chose an orthopedic urgent care center for a hand injury over a conventional urgent care center, she responded "urgent care is just for colds and flu and stuff...they don't handle hand injuries." Fact of the matter is the urgent care center she had been using for her family prior to this injury is affiliated with an occupational medicine practice with a hand surgeon and hand therapist in house.

Whereas the business case of urgent care is cost savings by reducing emergency room utilization and preventing minor injury and illness from evolving into something more serious, orthopedic urgent care is focused on increasing revenue for the affiliated ortho practice. While specific statistics are not readily available, intuitively, that orthopedic urgent care's business case is based on "downstream revenue" for the affiliated group practice could result in more imaging studies, more referrals to orthopedic surgeons, and ultimately a higher cost of claim. If this were true, orthopedic urgent care could actually be adding costs to the medical system rather than reducing them.

The response of conventional urgent care centers should be to raise public awareness of their entire spectrum of care—educating consumers that they're not just for illness but can be used for injuries as well—while also promoting to consumers and referral providers their connectivity to diagnostic resources and specialists to see a muscular-skeletal case through to recovery.

## **Conclusion**

While conventional urgent care centers practice "general medicine"—treating a wide range of illness and injury—there is a trend towards more specialized urgent care practices that provide the same value proposition of immediate attention, walk-in service, after-hours convenience, and cost savings over hospital emergency rooms but focus on a narrow set of diagnoses. From the standpoint that consumers have come to expect that urgent care is their "first choice" provider when minor illness or injury strikes, confusion can develop as consumers have to differentiate which "urgent care" facility serves which medical need. Orthopedic urgent care can steer higher-reimbursing muscular-skeletal injuries away from conventional urgent care centers with the resources to handle them. And while there are benefits to an orthopedics group practice opening its own urgent care, including patient self-referrals and downstream revenue in imaging, surgery, and therapy...such a model is based on optimizing revenue for the orthopedics group and not necessarily reducing overall health care costs.