
Hospitals, Urgent Care Centers Find Common Ground

Christopher Cheney, for HealthLeaders Media , January 12, 2015

In the urgent care arena, opportunities for mutually beneficial cooperation outweigh the risks of financially damaging competition, healthcare providers say.

Part 1 of 2. [Read Part 2](#)

Over the past decade, health systems and hospitals have been adapting to a challenging market reality: the rise of "retail medicine."

Traditional healthcare provider organizations have faced vexing market dynamics on two fronts: retail clinics at sites such as pharmacies that offer a relatively limited suite of services, and urgent care centers capable of treating most non-life-threatening conditions.

[Retail Clinics Solidify Their Market Niche](#)

With few areas of direct competition in core services, hospitals and health systems have largely embraced peaceful co-existence with retail clinics, but urgent care centers have been more daunting.

Alan Ayers, practice management adviser and board member at the Naperville, IL-based Urgent Care Association of America, says health systems and hospitals have delicately nuanced relationships with urgent care centers.

"One challenge in integrating urgent care into a health system is competition within that entity for the patient. For example, emergency departments may want to save physician time and reduce overcrowding by redirecting low-acuity visits to urgent care, but at the same time these visits can represent high margins for the emergency department," Ayers says.

"Additionally, some primary care physicians want to maintain exclusive relationships with their patients, and, as a result, they may extend their hours and raise their level of clinical capabilities."

In any given healthcare market, the key to establishing urgent care centers that optimize value for both providers and patients is matching the site of care appropriately with the patient's level of need for services, he says.

"An outcome of this competition is some duplication or overlap of capabilities across the system. Ideally, a process would be in place to guide patients to the most appropriate option for their specific need."

If You Can't Beat 'Em, Join 'Em

St. Anthony's Medical Center in St. Louis was among the early innovators in urgent care, opening its first urgent care center in 2004 and currently operating four such facilities.

[What So Great About Retail Health Clinics?](#)

"We believe urgent care centers are an important service for our community, which is why we were one of the first providers in the St. Louis area to open [one]," Charles Lewis, says executive director of emergency services and ambulatory care at St. Anthony's.

"For many patients, including those without a primary care physician, we need to provide access to immediate care without the trip to the emergency department when true emergency services aren't necessary. Whether patients visit our urgent care centers or another provider's, we know it's a service that helps our entire community."

Lewis says St. Anthony's urgent care centers emphasize to patients the importance of following up with care from a primary care physician or a specialist and are able to make referrals and coordinate follow up care.

"The urgent care centers also provide our clinicians with a cost-effective after-hours care option for their patients," he says. "We also believe it's important that urgent care centers exist to relieve emergency departments of some of the burden of seeing too many patients. Every patient who seeks appropriate care at an urgent care center instead of the emergency department allows us to improve the care of our emergency patients. All of these options work to improve access to our health system."

Last month, Indianapolis-based Indiana University Health announced plans to [open a dozen urgent care centers](#) in partnership with Premier Health, a Baton Rouge, LA-based organization that helps health systems and hospitals develop urgent care facilities.

Ron Stiver, president of Indiana University Health's clinical services, says the health system's urgent care center initiative is part of an ambitious strategy.

"The addition of urgent care centers broadens our efforts to improve access to healthcare and make it more convenient for consumers to access IU Health clinical expertise. It is one component of a larger strategy that also includes our launch of same-day primary care appointments, online self-scheduling, onsite/near-site employer clinics, virtual health offerings and the [myIUHealth](#) portal," Stiver says.

He has high praise for Premier Health, which has "demonstrated expertise in partnering with health systems to launch and operate urgent care clinics... We believe their expertise and track record, combined with our clinical expertise and brand strength, will form a powerful combination to the benefit of consumers," Stiver said.

Steve Sellars, CEO of Premier Health, says the partnership with IU Health exemplifies his company's approach to working with hospitals. Sellars is also on the board of the [Urgent Care Association of America](#).



Ron Stiver

"Premier Health was one of the first companies in the country to partner with hospital systems in the urgent care space. That was 16 years ago," he said. "We are recognized in the industry as a company that understands urgent care and the management processes necessary to be successful in a retail health model. We believe that has great value. We also believe there is great value in having an established hospital partner that has built its brand in the market providing excellent patient care and outcomes. That's critically important because of our unique approach to urgent care partnerships. Each of the urgent care centers Premier Health shares ownership in and/or manages bears our hospital partner's name. In that respect, you could describe us as a silent partner."

Friction Point: Emergency Departments

Independent urgent care centers pose some competitive challenges to health systems and hospitals, but there are several opportunities to establish a mutually beneficial relationships, according to Max Puyanik, co-CEO of Portsmouth, NH-based ConvenientMD Urgent Care.

"We tend to collaborate with the majority of departments and groups within a hospital network," Puyanik says. "The main area of competition is within the hospital's ED, specifically patient visits that are non-life-threatening and can be treated in one of our facilities for a fraction of the cost and significantly more convenient access to care."

He says ConvenientMD, which opened its first clinic in Windham, NH, two years ago and plans to have 10 clinics in the Granite State by the end of this year, works cooperatively with health systems and hospitals on several levels.

"We often act as an extension of their network to provide their patients an option for convenient access to high-quality medical care. Primary care groups within health systems will refer patients to us when they have a higher acuity case that would not be treated in a primary care setting but is not life-threatening," Puyanik said. "Another common scenario is that PCPs refer patients to us if they cannot see one of their patients right away, due to a full schedule for the day, or the office is closed on evenings, weekends and holidays."

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[Back](#)

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