

Urgent Care Growth Strategy Summit

December 6-7, 2016
Orlando, Florida

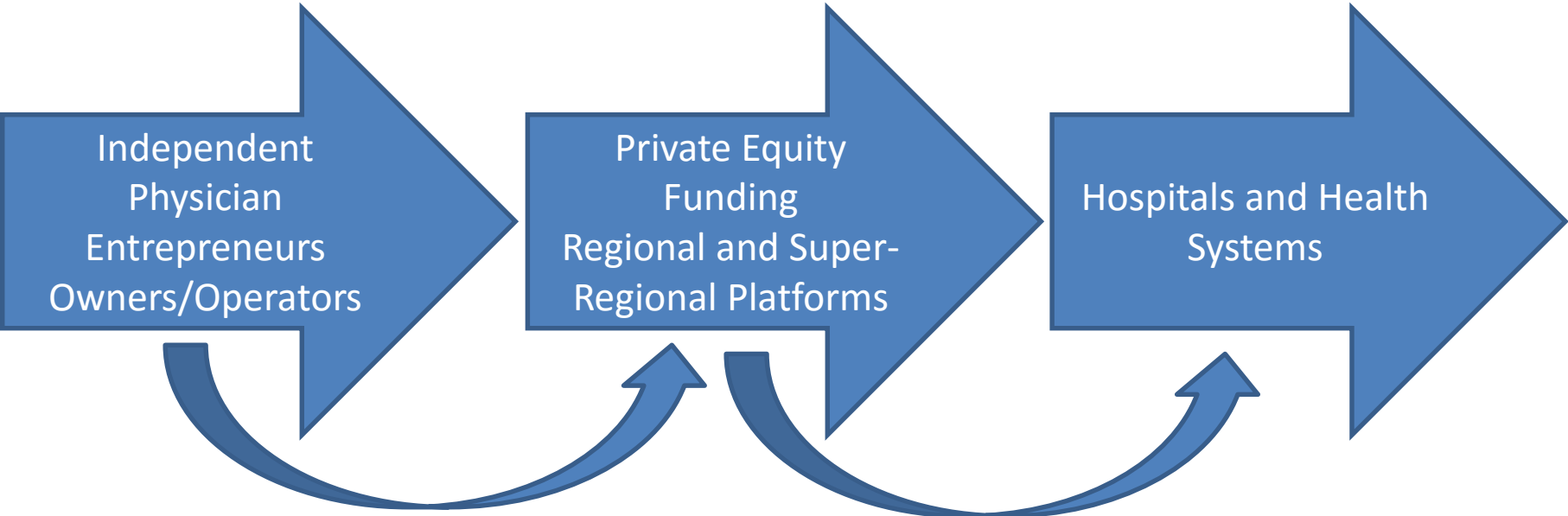


Urgent Care Trends, Opportunities and What to Expect for 2017

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Evolution of Urgent Care

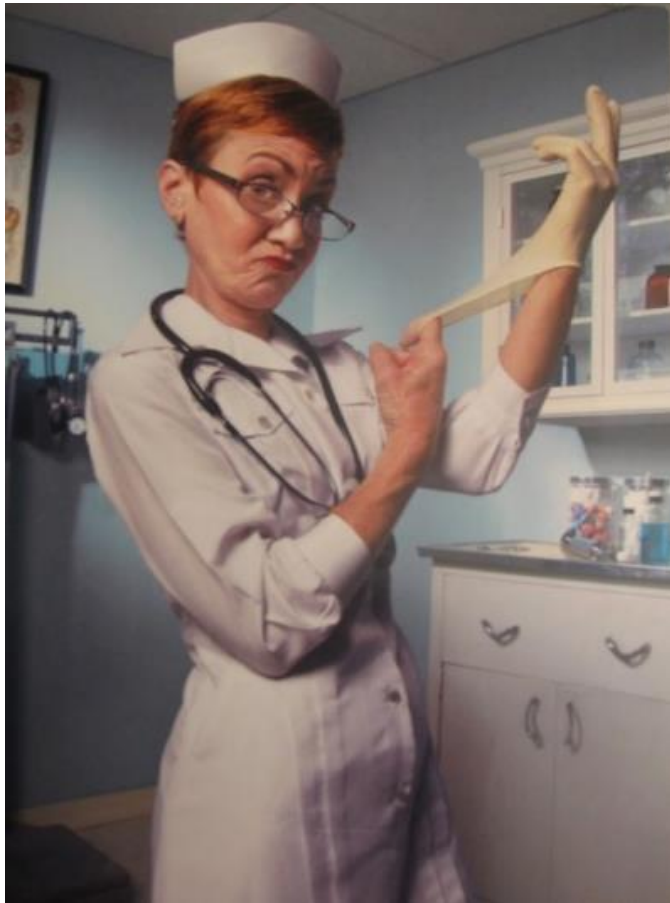


Organic Growth: 1-3 Locations
5-10 Locations
20+ Locations

Market Build Out: Consolidation
De Novo Growth



What Business Are You In?



Merely delivering a “service” makes for a commodity provider that by definition has no brand loyalty and no competitive advantage.

Success in urgent care requires resolving the medical problem that is the reason for the patient’s visit—efficiently and courteously—in a way that creates a *positive emotional connection* with the patient.



Urgent Care

Retail-oriented delivery channel for low-acuity medical services differentiated from the ED and primary care by:

- High-traffic, high visibility locations
- Extended evening and weekend hours
- Walk-in, on-demand convenience
- Short waits with rapid throughput
- Lower cost than the ED
- Customer service emphasis



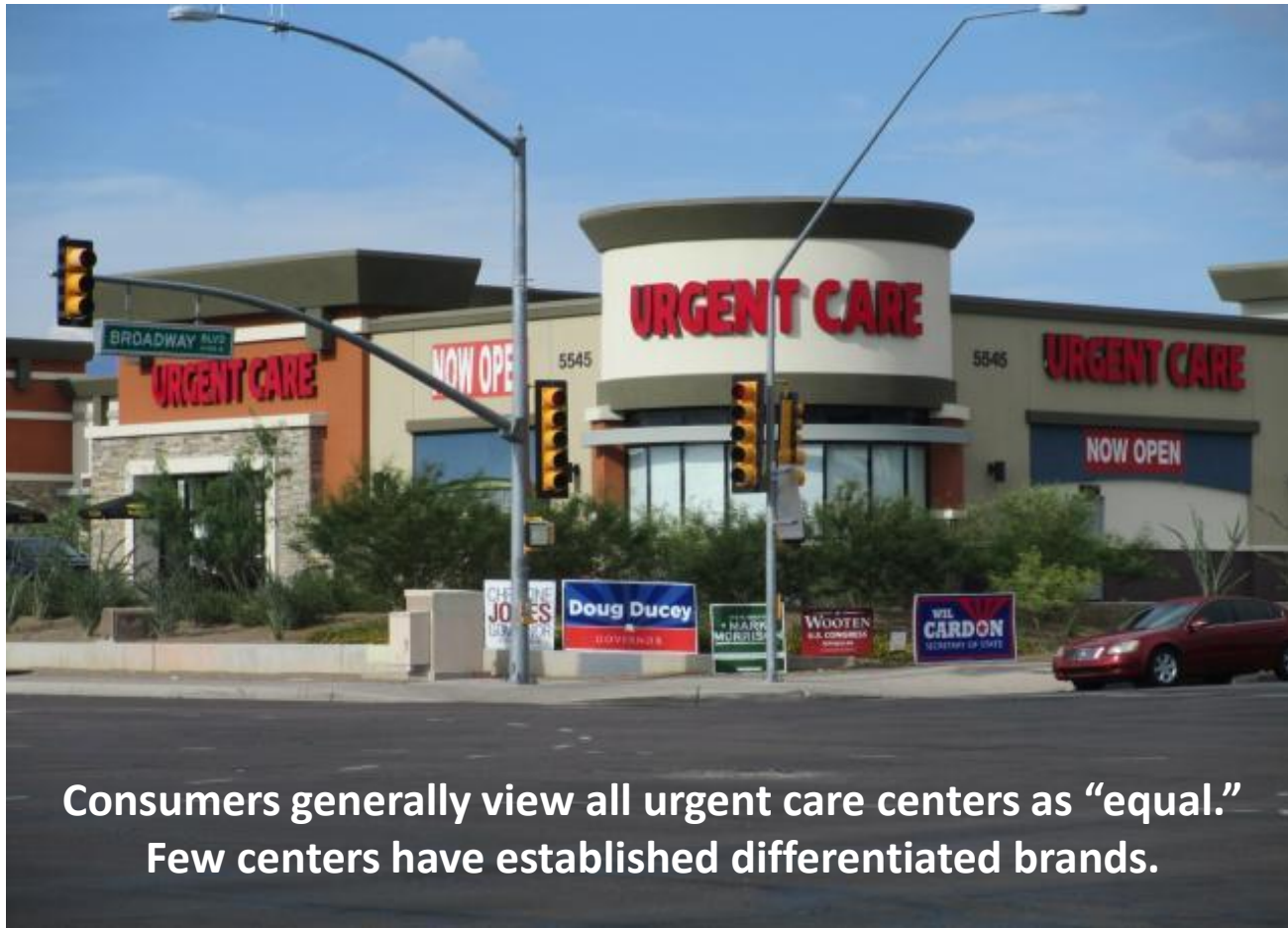
Differentiation in Retail



Differentiation in Retail, cont'd.



The Sea of Sameness



Consumers generally view all urgent care centers as “equal.”
Few centers have established differentiated brands.

Saturation of Major Markets



Charleston, SC Population: 127,000 (664,000 in MSA)
Number of Urgent Care Centers: 44

Existing Centers Struggling for Profitability

- “Volume-driven” means:
 - A minimum number of visits are required to cover the center’s variable operating costs
 - Each incremental visit contributes to the bottom line
- Organic growth occurs through signage, advertising, word-of-mouth, and repeat business from loyal patients
- Centers sustain operating losses until break-even volumes are attained
- Operating losses are absorbed by the center’s working capital
- Exhausting working capital prior to break-even is the top reason why urgent care centers fail



Fast Pace: Focus on Rural Markets

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How We Help

Fast Pace Urgent Care is dedicated to providing primary, walk-in and urgent care to the communities we serve.

We provide treatments for a wide range of illnesses, injuries, and common conditions, as well as provide a variety of wellness, diagnostic and screening services.

[Complete List of Services](#)

Payment Flexibility

Fast Pace Urgent Care allows to create easier access to convenient and affordable health care. We accept most major insurance providers and offer competitive self-pay prices.

[Pricing Information](#)

Treatment

We offer a wide variety of treatment options that include health screenings and tests, minor injuries, skin conditions, and diagnostics.

Prevention & Wellness

Fast Pace strives to keep its patients healthy by promoting health and wellness through screenings and tests, routine physicals, and vaccines.

Occupational Health

Fast Pace Urgent Care provides much more than urgent care. Take advantage of our broad range of employer services to help keep your business moving forward.

Monitoring & Management

All Fast Pace Urgent Care we are able to help you manage conditions such as acid reflux, asthma, diabetes, blood pressure, cholesterol, and much more.

Trillium Health: Urgent Care Door to the Community



**Different,
Together.**

We are intentionally **different**, caring for your health **together**.
For over 30 years we've provided primary care services to our patients. And now it's time we cared for you.



Trillium HEALTH
Your neighborhood health center



New Operating Models

- Maturity of occupational medicine/lack of traction of mixed-model UC/Occ Med centers.
- Freestanding EDs expanding to new states.
- Hybrid models: UC/FSED, UC/PCP
- Pediatric urgent care
- Orthopedic urgent care
- Psychiatric urgent care



Telemedicine from Home



Carolinas HealthCare System

Virtual Visit
NOW AVAILABLE
to virtually everyone in
NORTH CAROLINA

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24/7 care from your phone,
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\$45 Urgent Care By Phone - plushcare.com

Ad www.plushcare.com/Los-Angeles

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We Treat & Provide Script By Phone. 100% Satisfaction Or Money Back!
“Pedigreed Stanford and UCSF-educated doctors” – Venture Beat

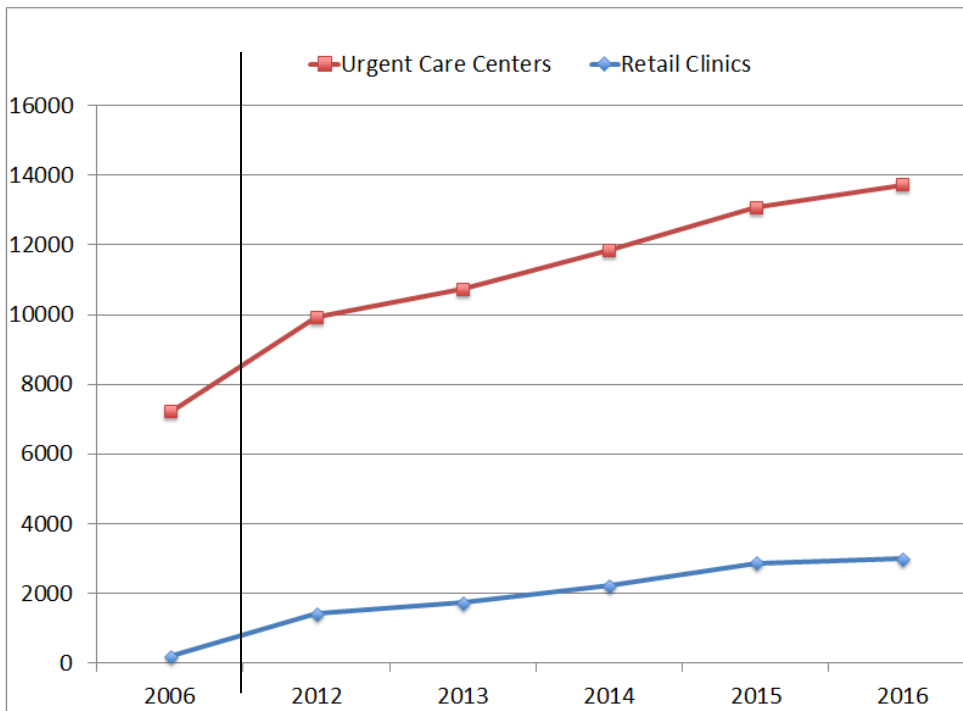
- Cheaper and more convenient than urgent care?
- Issue of trading high NRV urgent care visits for low NRV telemedicine consults?

24/7 NO APPOINTMENT PRESCRIPTIONS, AS APPROPRIATE **\$49** PER VISIT



Difficulty in Recruiting and Retaining Doctors

Urgent care benefits from the shortage of primary care providers but it's also dependent on the primary care workforce to staff centers.



Case Rate

- Fee-for-service “conflict of interest” is increasing reimbursement by providing more reimbursable services, including “defensive medicine.”
- Case rate provides a flat fee per urgent care visit, generally \$115-165:
 - E/M code must be billed
 - Includes all services, supplies, medications/vaccinations, lab and x-ray
 - Center makes more money on low-acuity visits and less on more complex visits
- To maximize profits under case rate:
 - Staff with mid-level providers
 - Use diagnostic services sparingly (don’t staff RT during slow periods)
 - Refer complicated/time-consuming cases to the emergency room
- True “ED Diversion” requires a higher acuity of care (stat labs, observation, advanced imaging, IV hydration, etc.).
- Case rate incentivizes a lower acuity of care, leading to little differentiation from retail clinics (despite urgent care’s higher operating costs).



Business Case for Hospital Urgent Care

- Expanding the hospital's geographic catchment to suburban markets
- Creating competitive parity without building new hospitals
- Providing downstream referrals to hospital specialists/ancillary services
- Providing overflow/after-hours coverage for hospital-affiliated primary care, building a quality panel of PCP patients
- Decanting over-crowded emergency departments
- Minimizing leakage outside the system, especially of self-insured employee populations
- Increasing market share in pediatrics, among other demographic segments
- Reducing hospital re-admissions of recently discharged patients

In addition, as hospitals engage in accountable care, urgent care enables integrated systems to align the acuity of patient needs with the capabilities of providers and facilities.



Strategy Shift: Build Platforms for Health Systems, Joint Venture, Mgmt Services



Hospital UC Strategy: Downstream Revenues

Historic: Filling Hospital Capacity

- Expand brand into community to gain market share.
- Flanking/catchment strategies to expand footprint.
- Capture specialist referrals/ downstream revenue.
- Offset low acuity visits from the ED.
- Overflow/after-hours coverage for primary care.
- Practice opportunity/equity participation for physicians.




Ortho Urgent Care: Downstream Revenues Equal Higher Cost of Claim



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Kaiser Permanente: Raising Urgent Care Acuity in a Capitated System



Kaiser Permanente Urgent Care

VIRGINIA
Reston Urgent Care
 1890 Metro Center Drive, Reston, VA 20190
Tysons Corner Urgent Care Plus 24/7
 8008 Westpark Drive, McLean, VA 22102
Woodbridge Urgent Care
 14139 Potomac Mills Road, Woodbridge, VA 22192

MARYLAND
Camp Springs Urgent Care
 6104 Old Branch Ave., Temple Hills, MD 20748
Gaithersburg Urgent Care Plus 24/7
 655 Watkins Mill Road, Gaithersburg, MD 20879
Kensington Urgent Care
 10810 Connecticut Ave., Kensington, MD 20895
Largo Urgent Care Plus 24/7
 1221 Mercantile Lane, Largo, MD 20774
South Baltimore County Urgent Care Plus 24/7
 1701 Twin Springs Road, Halethorpe, MD 21227
White Marsh Urgent Care
 4920 Campbell Blvd., Nottingham, MD 21236

WASHINGTON, D.C.
Capitol Hill Urgent Care Plus 24/7
 700 2nd St., N.E., Washington, D.C. 20002

Kaiser Permanente Core Hospitals

VIRGINIA
 Reston Hospital Center
 Stafford Hospital Center (available early 2014)
 Virginia Hospital Center

MARYLAND
 Greater Baltimore Medical Center
 Holy Cross Hospital
 St. Agnes Hospital
 Suburban Hospital

WASHINGTON, D.C.
 Children's National Medical Center
 Sibley Memorial Hospital (labor and delivery only)
 Washington Hospital Center



Zoom+: Integrated Delivery System on an Urgent Care Platform



The New Insurance Marketplace

- Fee-for-service urgent care lacks experience with capitated/risk-/value-based reimbursement methods.
- Accountable Care Organizations control costs by limiting access to network providers and directing care within a primary care medical home model.
- High-deductible plans result in high write-offs for urgent care centers lacking front office processes to verify and collect patient financial responsibility at time of service.



What Patients Want and Expect



Focus on Throughput: Practicing Urgent Care Medicine,
Maximizing Provider Efficiency, Reducing Non-Value Added Activities



Functional Shifting



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