

The Next Ten Years: Positioning Your Center for Ongoing Success in Increasingly Competitive Markets

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Practice Velocity, LLC

Urgent Care is “retail” and “retail is detail”



- Convenient, high visibility, high traffic locations
- Weekend, evening and holiday hours
- Walk-in, no appointment, on-demand care
- Customer service emphasis



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Threat: Overcrowding of Affluent Suburban Markets



- Urgent care is a “retail delivery channel” for medical services
- Retail chases “rooftops” and “money”
- Just as retail clusters in the affluent suburbs of major cities, so has urgent care
- The result in some communities is an “over-saturation” of urgent care centers for the population
- An analytics-based approach to site selection can identify underserved areas



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Opportunity: Rural and Secondary Markets



- Urban and rural areas remain historically underserved by urgent care
- Little to no competition – communities welcome the services
- Pull from a wider geographic catchment (up to 30 miles)
- Adapt the delivery model including PA/NP staffing and integration of primary care



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Threat: Insurance Case Rate



- Urgent care started with emergency medicine physicians performing a mix of procedures, appropriately paid by fee-for-service
- Case rate offered a flat rate (\$125-\$165) for all services provided in the urgent care, regardless of acuity
- Urgent care adapted its business model including shift to Family Medicine, PAs/NPs, and greater focus on head/chest conditions
- The result has been a degradation of acuity for urgent care



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Opportunity: High Acuity Urgent Care



Taking insurance out of the equation and focusing total health expenditures, the value of urgent care becomes ER diversion, thus leading to a higher acuity of services.

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

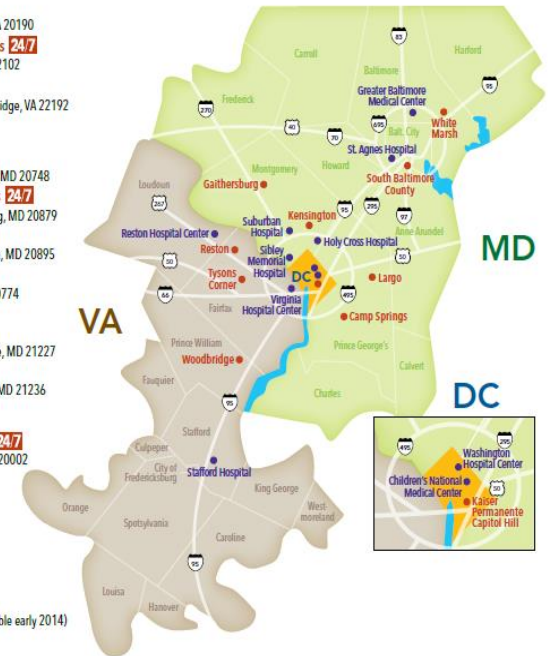
Suburban Hospital

WASHINGTON, D.C.

Children's National Medical Center

Sibley Memorial Hospital (labor and delivery only)

Washington Hospital Center



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Threat: On-Demand Primary Care



- Walk-in, extended hours services contracted as primary care
- Lower co-pay and lower total visit cost than urgent care
- Maintains patients within the medical group
- Creates confusion for patients and payers



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Opportunity: Lead with Urgent Care



- Primary care is largely for children, the elderly, and those with chronic/longitudinal conditions
- Urgent care appeals to working age families with children in the home, who place a premium on their time
- Urgent care can be used to capture a high quality panel of primary care patients
- Co-pay and pricing differential for primary care patients overflowing into urgent care
- For dual models, clear policies, processes and work rules must be established (i.e. primary care is wellness, chronic and scheduled; urgent care is episodic walk-in)



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Threat: Sea of Sameness



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



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Differentiation in Retail and Services Industries



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Opportunity: 360-degree Brand Differentiation



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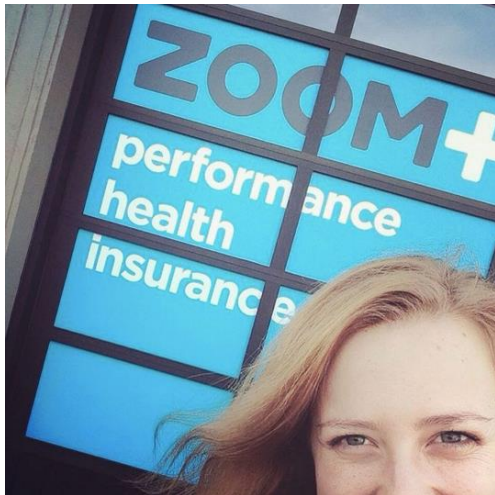


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Zoom +: Portland, Oregon



- Intense understanding of the local target consumer
- Integrated health services built upon an urgent care delivery platform



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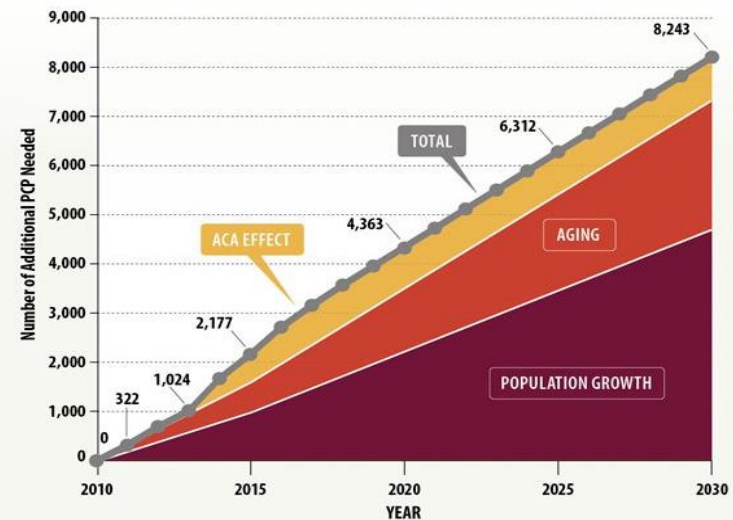


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Threat: Shortage of Qualified Providers



California Projected Primary Care Physicians Need



Source: The Robert Graham Center

By 2025, the nation will require 916,000 physicians, a shortage of 130,600 over the projected supply of 785,400



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Opportunity: Functional Shifting/New Staffing Models



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Threat: Accountable Care

The screenshot shows the Heritage California ACO website. At the top is the logo and a navigation bar with links: HOME | ABOUT US | HERITAGE PROVIDERS | COMPLIANCE | TECHNOLOGY. The main content area features a large image of four puzzle pieces labeled EDUCATION, PREVENTION, COORDINATION, and FOCUS. To the left of the puzzle pieces is a sidebar with a section titled 'Your Doctor is Participating in a New Care Coordination Program' and 'INFORMATION FOR PATIENTS'. Below this is a section titled 'Affiliated Medical Groups California' with a map of California and a list of groups: BPMC, CCPN, DOHC, HDMG, HVVMG, LMG, RMG, and SMG. At the bottom of the main image area is the text 'Solving your healthcare puzzle' and 'You are our focus and our programs center around you'.

- Narrow networks with out-of-network penalties
- Primary care medical home gatekeeper HMO
- “At risk” with integrated medical groups
- Pre-authorization, referral often required for urgent care
- Most traction in the Medicare/Medicaid space



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Opportunity: Integration w/Community Health Resources



Referral Sources

- Primary care physicians
- Medical specialists
- Retail health clinics
- Hospital emergency departments
- Employer on-site clinics
- Student health services
- Ambulance/EMS services
- Public health departments
- Pharmacies



Downstream Providers

- Diagnostic imaging
- Laboratory
- Primary care offices
 - Family practice
 - Internal medicine
 - Pediatrics
- Medical specialists
 - OB/GYN
 - Dermatology
 - Podiatry
 - Psychiatry
- General and specialized surgery
- Hospital emergency departments
- Physical therapy/rehabilitation
- Pharmacies
- Durable medical equipment



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Threat: Hospital Growth in Urgent Care



- Hospital and health systems want a community brand presence and downstream revenues
- Growth is often curbed by internal politics (i.e. non-competition w/primary care, ER groups) and lack of understanding of the retail model
- Contracting is at the system level; urgent care profitability is immaterial
- Applying an inpatient patient care model (i.e. rigid work rules, compliance requirements) to an outpatient setting results in inefficiency and high costs



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Opportunity: Partnership Models



- Contractual Affiliations
- Management Agreements
- Equity Joint Ventures



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Threat: Consumer Dissatisfaction w/Health Care



Why is your collections agency harassing me? You took my insurance. I owe you nothing...



I asked for a z-pak; she said it was a virus and I'd just have to get over it. I can't afford any more time off work. What a waste of a co-pay!



I worked all day to pay his fee and he couldn't take five minutes for my daughter...



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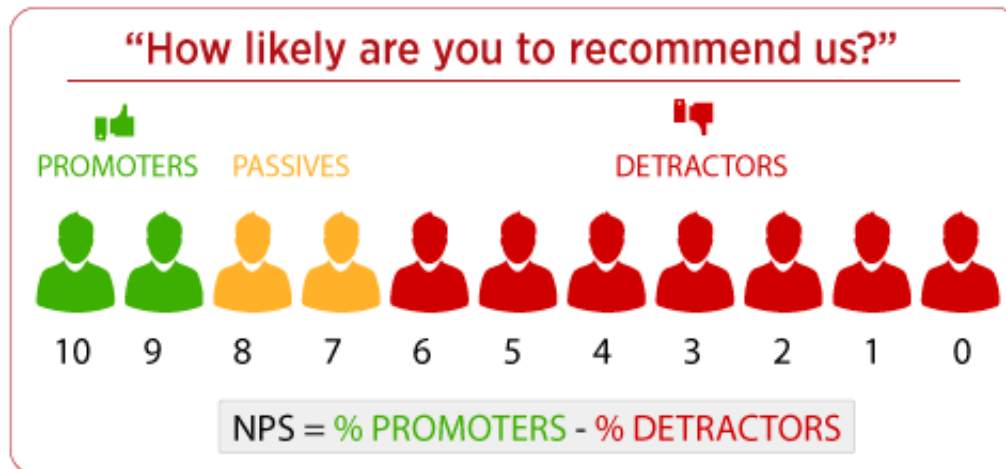


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Opportunity: Becoming the Provider of First Choice



- Consumer-centric delivery model
- Process and systems driven operating model
- Team approach to patient service
- Leverage innate “caring” (desire to help people) of those working in health care
- Metrics-driven management
- Engagement around key performance indicators, including Net Promoter Score



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Net Promoter Score is the number one determinant of sustainable revenue growth.



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Differentiation Encompasses Product, Service, and Experience



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What Patients Want and Expect



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



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Infinite Opportunities

UCAOA URGENT CARE
FALL CONFERENCE

October 26-28, 2017 ■ Anaheim, CA



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