URGENT CARE INDUSTRY WHITE PAPER

The Essential Nature of Urgent Care in the Healthcare Ecosystem Post-COVID-19

August 2023

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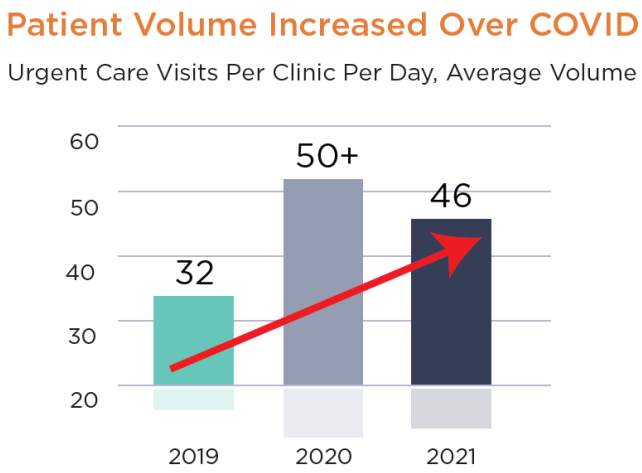
INTRODUCTION

Since the last UCA White Paper was published in 2019, the COVID-19 pandemic flipped the world upside down and highlighted the importance of the Urgent Care model. It was an Urgent Care center that saw the first COVID patient in the U.S. on January 20, 2020 in Snohomish County, Washington.[1] Ten days later, the World Health Organization declared a Public Health Emergency of International Concern, and went on to characterize COVID as a pandemic on March 11.[2] When patients often had nowhere else to turn, Urgent Care centers and staff were on the frontlines of evaluating, diagnosing, and eventually testing and treating these patients.

COVID introduced many patients to Urgent Care for the first time. Pre-COVID, a single Urgent Care center saw 32 patients per day, on average. From 2019 to 2020, Urgent Care centers across the United States managed a 60 percent increase in per-center patient visits.[3] Post-COVID, patients continue to show us how essential Urgent Care is in their lives – the median number of daily visits to an Urgent Care center was 40 in 2022.



What these per-center numbers do not take into account is the nationwide growth in the number of Urgent Care centers during this same timeframe. At the end of 2019 there were 11,481 centers. By the end of 2022 there were 14,075. This represents an approximate increase in use of Urgent Care from 2019-2022 of over 71 million visits per year. In 2022, Urgent Care centers treated almost 206 million non-emergent cases. In contrast, the nation's emergency departments see 131 million visits annually.[4]

While Urgent Care's fulfillment of an essential part of the healthcare ecosystem is in the spotlight, its federal recognition and support does not reflect such. According to the Centers for Medicare & Medicaid Services, healthcare spending in the U.S. continued to grow, reaching 18.3 percent of the nation's Gross Domestic Product in 2021[5] (vs. 17.7 percent in 2019).[6] Urgent Care, however, does not receive federal funding or specialized reimbursement like other forms of healthcare, like emergency departments.

Despite this, the number of Urgent Care centers continues to grow. There are currently over 14,000 Urgent Care centers in the U.S., and the current growth rate for new centers is seven percent.

Urgent Care bridges the gap between primary care and emergency care, providing evaluation and care for urgent, but not emergent, conditions. This includes treating minor burns, scrapes and cuts, but also treating conditions such as allergic reactions, ear infections and strep throat; providing X-ray imaging and lab services such as testing for COVID-19, STI's, pregnancy and blood glucose as well support and treatment for mental health concerns and providing preventative services in the way of physicals and vaccinations.

Over 67 percent of centers are open every day of the week, 18 percent are closed on weekend and 11 percent are open every day except Sunday. Of the centers closed on weekend days, the majority are not affiliated with a hospital. Where many centers would close during holidays, most have shifted to a reduced hours schedule for the day.[7]

The purpose of this White Paper is to present an overview of the Urgent Care industry in the United States, and its position within the broader healthcare system. It will explore the benefits of Urgent Care centers for patients, physicians and APPs, and the healthcare system as a whole. It will provide an update on industry statistics and examine how Urgent Care integrates with other areas of the healthcare system.

Urgent Care centers play a critical role in providing both urgent and primary care services, while also relieving overcrowded and higher-cost emergency departments. The paper will also explore potential future models of care delivery that support the Patient Centered Medical Home (PCMH) and national value-based care, population health, and disease management goals. These models will contribute to an efficient and effective low-cost, high-quality healthcare system.

Finally, the paper will discuss the initiatives and programs of the Urgent Care Association (UCA) College of Urgent Care Medicine (CUCM) and Urgent Care Foundation (UCF), including the annual convention, continuing education programs, and Advocacy efforts. Through collaboration with its members and stakeholders, UCA is committed to advancing the Urgent Care industry and improving access to quality, affordable healthcare for all.

THE URGENT CARE INDUSTRY

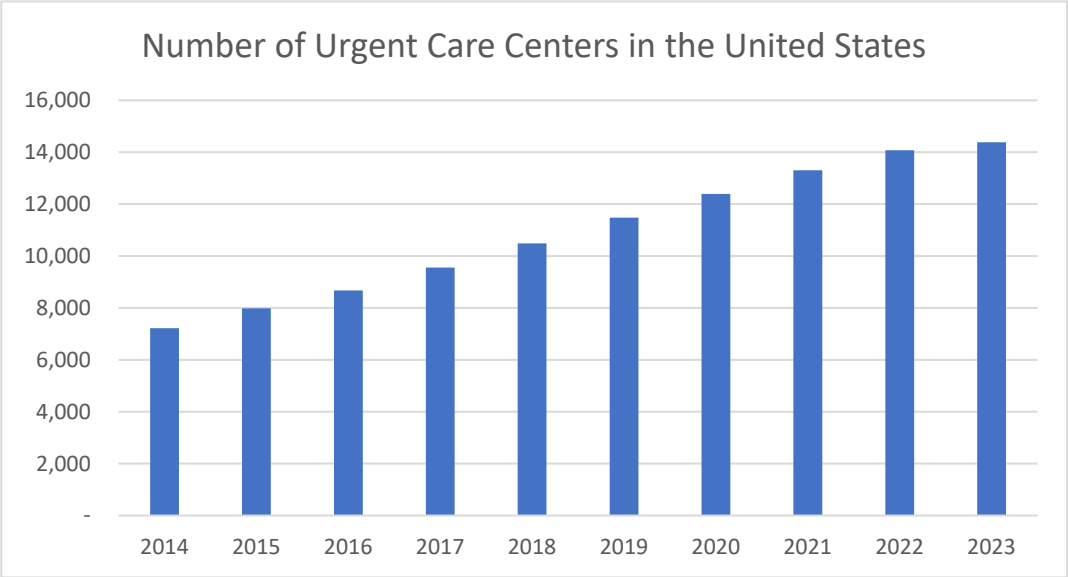
The Urgent Care industry has emerged as a crucial component of modern healthcare, addressing the growing need for accessible and timely medical services. As the healthcare landscape continues to evolve, the Urgent Care industry will continue to play a pivotal role in ensuring quality care, improved patient outcomes, and enhanced healthcare accessibility for individuals of all ages.

NUMBER OF URGENT CARE CENTERS

The reported number of Urgent Care centers (UCCs) in the United States can vary. Based on the definition above, as of July 2023, **the total number of Urgent Care centers in the U.S. was 14,382.** This number does not include (1) retail clinics housed inside retail operations and typically alongside in-house pharmacies or (2) traditional primary care practices with extended hours for their patients.

Year over year Urgent Care center growth continues, fueled by consumer behavior, industry investors, existing owner densification and expansion, hospital system strategies and even payer interest in the Urgent Care value proposition. The number of Urgent Care centers has steadily increased over the last nine years. The 2023 number represents the number of centers in June, 2023.[8]

- 2014: 7,220 centers
- 2015: 7,983 centers
- 2016: 8,676 centers
- 2017: 9,553 centers
- 2018: 10,484 centers
- 2019: 11,481 centers
- 2020: 12,392 centers
- 2021: 13,306 centers
- 2022: 14,075 centers
- 2023: 14,382 centers



GEOGRAPHIC DISTRUBTION

Over 78 percent of the U.S. population lives within a 10-minute drive of an Urgent Care center. While growth is sustained across all areas, the growth of Urgent Care centers in suburban areas increased nearly twenty percent from 2019 to 2022 (2022 Compensation Benchmarking Report).

The geographic location of Urgent Care centers plays a crucial role in determining the level of access individuals have to healthcare services. The location of these centers can have a significant impact on the accessibility of medical services, particularly for individuals who live in rural or low-income areas. However, reimbursement models may not support the costs to operate and staff centers in sparsely populated rural communities and can act as a deterrent for operators. With the numbers of young people leaving cities on the rise[9], the reimbursement environment should become more hospitable to accommodate such geographic population fluctuations.

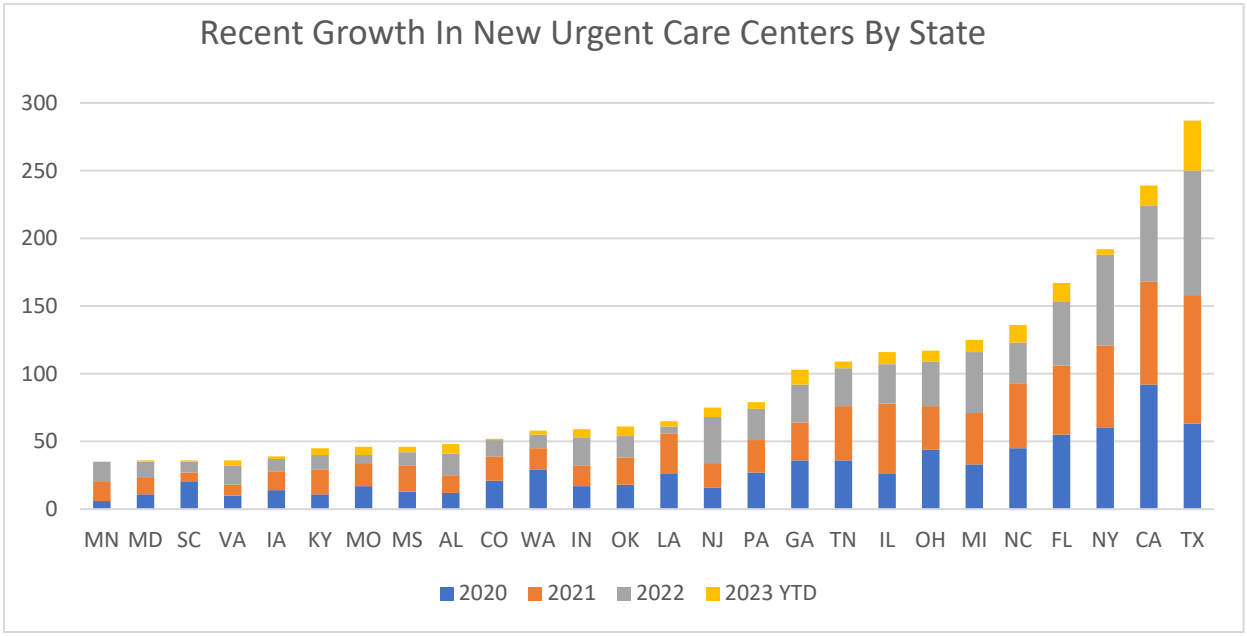
When Urgent Care centers are located far from residential areas, it may be difficult for patients to access care in a timely and convenient manner. On the other hand, if there are not enough Urgent Care centers situated in densely populated urban areas, there may be long wait times and overcrowding. One key initiative of UCA's Commission on Diversity is to improve healthcare disparities, which includes those caused by geographical factors.

Count by State:

	2019	2020	2021	2022	2023 YTD
AK	36	37	39	40	40
AL	222	234	247	263	270
AR	104	111	114	120	122
AZ	252	256	265	275	278
CA	1065	1157	1233	1289	1304
CO	173	194	212	224	225
CT	171	181	187	196	199
DC	11	11	14	16	16
DE	30	33	34	37	37
FL	846	901	952	999	1013
GA	430	466	494	522	533
HI	45	49	52	53	53
IA	109	123	137	146	148
ID	90	103	111	117	121
IL	399	425	477	506	515
IN	202	219	234	255	261
KS	107	115	127	130	130
KY	158	169	187	198	203
LA	227	253	283	288	292
MA	160	168	182	189	194
MD	216	227	239	251	252
ME	45	47	53	56	57
MI	424	457	495	540	549
MN	173	179	193	208	208
MO	202	219	236	242	248
MS	153	166	185	195	199
MT	46	50	56	60	61
NC	422	467	515	545	558
ND	41	41	45	47	47
NE	74	83	85	87	88
NH	52	54	55	60	62
NJ	303	319	337	371	378
NM	56	62	63	66	68
NV	106	113	120	123	126
NY	650	710	771	838	842
OH	402	446	478	511	519
OK	184	202	222	238	245

OR	158	175	185	189	191
PA	370	397	421	444	449
RI	37	39	42	43	44
SC	172	192	199	207	208
SD	49	52	58	58	59
TN	403	439	479	507	512
TX	962	1025	1120	1212	1249
UT	93	100	107	112	114
VA	280	290	298	312	316
VT	18	20	21	23	23
WA	216	245	261	271	274
WI	199	213	219	224	225
WV	84	93	95	97	98
WY	36	40	41	43	43

Recent Growth by State:



PATIENT VOLUME & MIX

In the 2022 UCA Operations Benchmarking Report, respondents reported a median patient volume of 56 patients per day (50th percentile). This was broken down into 40 provider visits, five occupational medicine visits, four worker's compensation visits, four nurse visits and three digital health visits. Reported volume varies year over year based on the sampling, length of time since the center opened, and proximity to competitors. Urgent Care volume can be seasonal, typically spiking during late fall and winter, during the "respiratory season," correlating to the intensity of the flu, COVID-19, RSV and other respiratory illnesses.

If we only look at the provider visits and multiply 40 visits a day by 14,230 Urgent Care centers in the U.S., (April 2023), Urgent Care centers will continue to provide access and care for greater than 200 million patient visits per year.

According to 2021 data reported by the Centers for Disease Control and Prevention's (CDC) National Center for Health Statistics, 26.5 percent of adults visited an Urgent Care or retail health clinic[10] and 8.4 percent of children had two or more Urgent Care or retail health clinic visits over the last year. In addition:

- 82.3 percent of U.S. adults and 91 percent of children[11] had visited a doctor's office
- 18 percent of adults visited an emergency department
- 3.6 percent of children had two or more emergency room visits

Use of Urgent Care centers is much higher among Gen Z and Millennial consumers vs. other generations, with approximately 36 percent of them reporting having used Urgent Care services in the past six months.[12] In comparison, only 19 percent of Boomers and members of the Silent Generation utilized Urgent Care during the same period. Furthermore, Gen Z and Millennials have visited Urgent Care centers more frequently, with 56 percent and 45 percent respectively having visited more than three times in the past 12 months, compared to only 26 percent and 22 percent of Boomers and Silent Gen.

These disparities in Urgent Care utilization lead us to the conclusion that for younger generations, Urgent Care providers are fulfilling the role of primary care provider. And while about three quarters of consumers have a primary care physician (PCP), that number is on the decline[13]. With an estimated physician shortage of between 37,800 and 124,000 physicians by 2034,[14] there is a large gap in care that Urgent Care is able to fill.

Around 80 percent of Boomers and the Silent Generation express satisfaction with their healthcare experiences, while only 54 percent of Gen Z respondents share the same sentiment.[15] This discrepancy explains why younger respondents give significantly lower net promoter scores for PCPs when compared to older consumers. As a result, younger demographics are more inclined to seek alternative providers that can better meet their needs. It is evident that these younger generations are increasingly dissatisfied with primary care and have no reservations about exploring other options like Urgent Care.

PAYER MIX/ PAYER MODELS

Like other healthcare settings, Urgent Care centers have experienced changes in the payer environment. The traditional fee-for-service model is now being supplemented with a combination of global rates, where the payment remains consistent regardless of the case's acuity or complexity. Commercial payers continue to be the primary group responsible for payment, which can be attributed largely to the age demographic seeking care in Urgent Care centers.

UCA's 2023 Finance Benchmarking Report revealed that 95 percent of respondents indicated having reimbursements from the Medicare fee schedule. This is consistent with 2015 data, where 97 percent of respondents indicated accepting Medicare. Respondents who do not accept one or more forms of Medicaid primarily do so because the fee schedule does not cover the expenses associated with providing the care. Other reasons cited for not accepting Medicaid include the high administrative burden and that Medicaid visits are a very small percent of the market where the center is located.

Commercial payers are also making it difficult for Urgent Care centers to cover expenses. There is a trend of not raising reimbursement rates, although costs to deliver care have been increasing due to factors such as inflation, staffing shortages and supply chain issues. Urgent Care centers (UCA 2023 Finance Benchmarking Report) reported a significant increase in spending on medical supplies in the last five years; a cost that accounted for 5.4% of expenses in 2018 rose to 15.2% of overall expenses in 2023. The prevalence of global rates is also on the rise. Since 2019, there is a trend of more centers being reimbursed as a "global" S9083 or fixed amount per visit regardless of the complexity of the encounter.

SERVICES IN URGENT CARE CENTERS

UCA defines Urgent Care *services* as (1) a medical examination, diagnosis and treatment for non-life or limb threatening illnesses and injuries that are within the capability of an Urgent Care center which accepts unscheduled, walk-in patients seeking medical attention during all posted hours of operation and is supported by on-site evaluation services, including radiology and laboratory services; and (2) any further medical examination, procedure and treatment to the extent they are within the capabilities of the staff and facilities available at the Urgent Care center. By offering same-day ambulatory health care, Urgent Care centers are capable of providing, though not limited to, on-demand and scheduled medical, wellness and screening services for employers, injured workers, the commercially insured, Medicare, Medicaid, Tri-Care, self-insured employers and patients seeking cash-pay options.

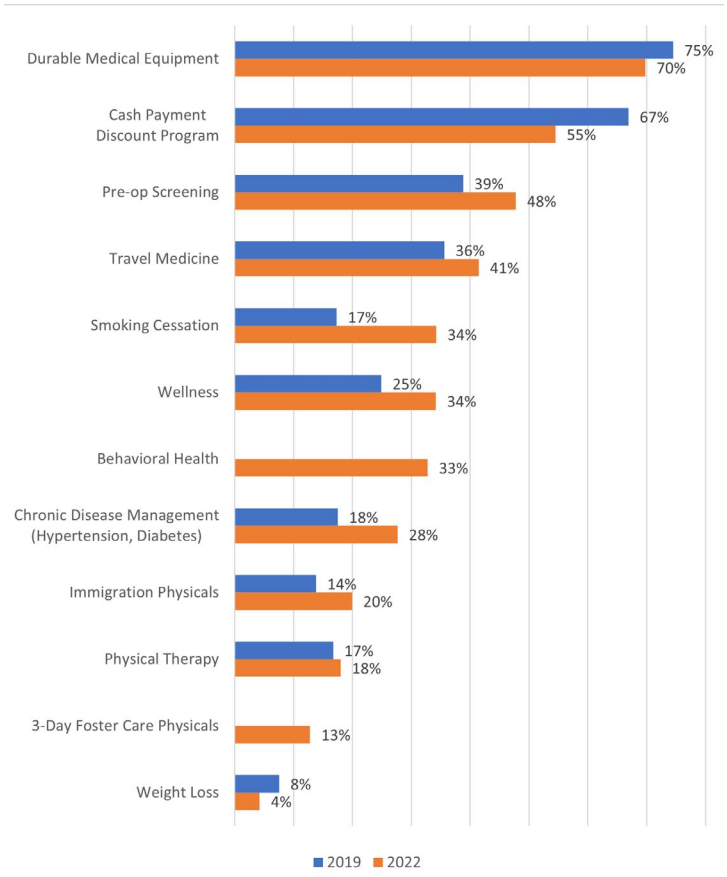
Urgent Care centers provide walk-in, extended-hour access for acute illness and injury care that is either beyond the scope and/or the accessibility/availability of the typical primary care practice and is not life-threatening. Frequently encountered conditions in Urgent Care include: minor injuries (sprains, strains, minor fractures, cuts, and abrasions); upper

respiratory infections (COVID, flu, common cold, sinus infections, strep throat); urinary tract infections; sexually transmitted infection testing; minor infections (ear, skin, pink eye); allergies (allergic reactions, seasonal allergies); sports injuries and minor illnesses (mild pneumonia, bronchitis, dehydration).

Most centers also stabilize and treat fractures and offer on-site X-ray, laboratory, and lab services. As a service to the patients and where allowed by state law, many UCCs also dispense commonly prescribed pre-packaged medications. Urgent Care centers do not care for life (or limb) threatening situations but will stabilize patients while securing emergency transport. The majority of Urgent Care centers employ family practice and emergency medicine trained physicians, as well as licensed healthcare professionals, including physician assistants, nurse practitioners, registered nurses and radiology technicians.

According to UCA's 2022 Operations Benchmarking Report, 68.9 percent of Urgent Care centers offer traditional Urgent Care services, while 10.3 percent specialize in high acuity Urgent Care, 8 percent offer pediatric Urgent Care only, and 5.1 percent are a combination Urgent and primary care.

In-House Services



Since 2020, more than half of all patients seen per day are presenting with respiratory, ear, and COVID symptoms; COVID exposure; or confirmed COVID.[16]

In-house services typically increased across the board from 2019 to 2022, with the exception of durable medical equipment (decrease from 75 percent to 70 percent), cash payment discount program (decrease from 67 percent to 54.5 percent) and weight loss services (decrease from 8 percent to 4 percent).
Offering smoking cessation services doubled, from 17 percent to 34.3 percent, and chronic disease management jumped from 18 percent to 27.7 percent.

In order to ensure consistency in what is deemed an Urgent Care center, UCA created a program that defines what an Urgent Care centers is, with its Certified Urgent Care (CUC) program. CUC recognizes Urgent Care centers that meet nationally standardized criteria to demonstrate their commitment to meet the scope of service of a qualified Urgent Care center.

The designation of CUC tells the public and payers that the Urgent Care center's scope of service is consistent with criteria defining easy access and services that treat a broad spectrum of illness, injury, and disease. CUC capabilities must include X-ray (chest X-ray, c-spine, long bone films, abdomen and extremities) laboratory and EKG. Certified centers must have designated exam rooms, treatment rooms, radiology rooms and laboratories. Emergency equipment supplies and medications must be stocked for both adult and pediatric populations, and the center's Medical Director must have an unrestricted license. Certified centers must accept walk-ins during all hours.[17]

DIAGNOSTIC TESTING

Urgent Care Centers provide laboratory testing both on-site as well as those that can be sent out to regional or national laboratories. Examples of available testing may include blood testing services such as Complete Blood Count, Comprehensive Metabolic Profile, Diabetic testing (hemoglobin A1c, finger-stick glucose), urine pregnancy, urinalysis, rapid strep throat cultures, and rapid influenza testing. UCCs also routinely offer Tuberculosis testing, drug screens from urine, hair and saliva as well as cultures for STIs and Urinary Tract Infections.

There is a nationwide shortage of Radiologic Technologists which impacts patient access to care. This is a serious concern in Urgent Care centers, but there is also a simple, proven solution: Limited Scope x-ray licensing for qualified individuals. Prior to the pandemic a 2019 survey by the American Society of Radiologic Technologists (ASRT) revealed that radiology departments were 8.5% understaffed with radiographers. The Bureau of Labor and Statistics has recently outlined at least a 6 percent growth in demand – approximately 17,000 positions annually – that will merely compound the existing shortage.

This shortage is severely affecting smaller and more independent practices. Whereas large

hospital or specialty organizations are able to offer inflated levels of compensation to ensure their imaging departments remain staffed, smaller healthcare providers cannot compete with these wages and are running out of solutions beyond that of curtailing or eliminating their radiology services and redirecting patients to additional sites (often with higher costs of care), and adding financial burden onto the entire healthcare system – and potentially forcing a compromise of patient care.[18]

Many states have already implemented Limited Scope licensure. Others allow for it, but make it nearly unachievable, and many states have no solution at all. This paper advocates for Limited Scope x-ray licensure in those states where regulations do not allow for it or the requirements make Limited Scope licensure effectively unobtainable. UCA has partnered with Control the Dose to provide safe, high-quality x-rays in all Urgent Care centers. Our training programs are designed to train clinical professionals in limited scope radiology and are customized to meet state regulations.

OCCUPATIONAL HEALTH

Promoting workplace safety and well-being is crucial for both employees and the workforce as a whole. Urgent Care centers play a vital role in this by offering a range of occupational health services such as pre-placement physicals, drug screening, post-injury testing, annual employment physicals, flu immunizations, and workforce health education. The convenience of seven-day per week access to immediate injury treatment and ongoing medical care until full recovery is highly advantageous for employers. Additionally, many UCCs provide Department of Transportation (DOT) physical examinations, which are mandatory for commercial drivers and must be conducted by a licensed medical examiner listed on the FMCSA National Registry.

Centers offering Occupational Medicine services are doing so within the constructs of their Urgent Care business. Very few respondents to the 2022 Operations Benchmarking Report indicated that they had a separate entrance, waiting room or lab for Occupational Medicine patients. Approximately 2 percent have provider staff that are dedicated to those patients, presumably to ensure they are licensed to provide necessary exams and are well-versed in OSHA requirements.

TELEHEALTH

Digital health has undergone significant transformations in the past five years. In the 2018 Benchmarking Report, only a small fraction of respondents (1.8 percent) stated that they offered telehealth services, although more expressed their intentions to do so. However, within just one year, as indicated by the 2019 Benchmarking Report released in January 2020, the percentage of healthcare centers providing telemedicine skyrocketed to 29 percent. This sudden surge represented a remarkable increase in a relatively short span of time—until the arrival of March 2020.

The pandemic acted as a catalyst for the rapid adoption of telemedicine. In June 2020, 87

percent of healthcare centers were offering telemedicine services. By 2022, 94 percent were still offering it as a service. Patients have come to expect this service; it is offered not because it is profitable, but in order to meet patient expectations and stay competitive. The dramatic increase clearly demonstrates the transformative impact of the pandemic on the widespread adoption of telemedicine within the healthcare industry.

PATIENT SATISFACTION

One of the key reasons for the increasing popularity of Urgent Care centers is the unparalleled patient experience. UCCs promote convenience in a healthcare industry system that has historically been complex for patients to navigate.

Centers use multiple resources to evaluate patient satisfaction. The 2022 Operations Benchmarking Report revealed that centers using the Net Promoter Score (NPS) to measure patient satisfaction has decreased from 79 percent in 2019 to 64 percent. According to NICE Satmetrix, co-creator of NPS, a 20 percent response rate is a good goal for satisfaction measurement. The median score for patient satisfaction in Urgent Care, using a Net Promoter Score, was 76% in 2022.

Wait time is a major consideration when patients are considering visiting an Urgent Care center. Patients are less willing to wait to see a provider than ever before. Solv. Health surveyed patients on how long they'd be willing to wait for any care, not just Urgent Care, and 26 percent said they wanted to be seen the same day.[19] And speed matters even more for those with children under 18, as half of parents with children under 18 said they would not wait to see a provider beyond the same day.

Patients appreciate the consumer-focused approach where they can walk in and get a broad scope of care that is quick and efficient, even on holidays. As found in the 2019 UCA Benchmarking Report, 20 percent of centers shifted from being closed on Christmas to offering limited hours on the holiday.

OWNERSHIP MIX

The Urgent Care industry's ownership mix is in a constant state of flux. Urgent Care centers emerged largely as a physician or physician group strategy. In 2008, 54.1 percent of centers were physician owned while hospitals represented 24.8 percent of the total. By 2014, physician ownership had dropped to 40 percent and hospital ownership increased to 37 percent of respondents.

In 2022, ownership by a physician was reported at 27 percent, while hospital owned/joint venture centers made up 52.8 percent. Corporate entity (private equity, insurance companies or majority shareholder ownership) was at 14.6 percent. One year later, sole ownership has increased to its levels of nearly 15 years ago, at 52 percent. Hospital owned/JV growth has dropped sharply, from 52 percent in 2022 to 33 percent in 2023.

Many healthcare systems have strategically integrated Urgent Care into their objectives of delivering cost-effective and accessible care, particularly when integrated with ancillary, specialty, and primary care strategies.

Numerous multi-site Urgent Care centers have formed partnerships with private equity firms. These collaborations provide the necessary resources to support ongoing development and expansion efforts. Industry outsiders are eyeing existing systems, as evidenced Amazon's acquisition of primary care chain One Medical earlier this year.[20]

These recent developments underscore the evolving landscape of Urgent Care, with healthcare systems, private equity firms, and payers recognizing the value and potential of this vital component of healthcare delivery.

STAFFING

There is no standard staffing model for Urgent Care centers. Some operators elect to centralize all administrative functions while others provide them at the center level. Laboratory testing is typically conducted by trained medical assistants, nurses and, in some cases, radiologic technologists. Laboratory services levels are typically established as either CLIA waived or CLIA moderate.

According to the 2022 UCA Compensation Benchmarking Report, physician-led models continue to dominate the industry. However, the **physician-only** model is very rare, with only 0.3 percent of respondents indicating it as their model. More organizations are moving to a model with physicians, nurse practitioners and physician assistants as the primary providers, but with physicians not always on-site. This model grew from 54.4% in 2019 to 71.6% in 2022. One reason for this change is during the pandemic federal and state governments progressed nurse practitioners closer to full practice authority.[21]

Physician specialization is important in Urgent Care, and the numbers reflect the need. Thirty-eight percent of Urgent Care centers say their physician staff is more than half Emergency Physicians (2022 UCA Compensation Benchmarking report). Forty-eight percent said greater than half of their physicians had a primary care background. Nineteen percent of centers employ pediatric physicians.

Physician assistant demand is on the rise. In 2021, job searches in Urgent Care were highest for Physician Assistants, at 48 percent of all searches. (2022 UCA Operations Benchmarking). However, the role of nurse practitioners had the highest fill rate, at 43 percent. According to the Association of American Medical Colleges, "The rate of growth in supply in APRNs and PAs vastly exceeds the rate of growth in demand for health care services, which raises the question of the degree to which this growth in supply might reduce the demand for physicians as the ratio of physicians to APRNs and PAs falls from current levels of about 2:1 to a projected 1:1 by 2034.[22]

Urgent Care clinical support staff have a variety of skillsets and scope of practice allowances. As of 2022, 84.6 percent of centers employed x-ray technicians, 73.4 percent employed radiologic technologies, 46.1 percent employed registered nurses (RN), 36 percent employed nurse assistants, and 28.8 percent employed paramedics.

INTEGRATION & COLLABORATION

Urgent Care has firmly planted itself within the healthcare ecosystem. Partnerships optimize resource utilization, streamline patient care, and improve access to timely medical attention. Collaboration with Medicaid and commercial insurers expands coverage options, enhancing healthcare delivery and reducing unnecessary ER visits. Collaboration with Medicaid and commercial insurers expands coverage options, enhancing healthcare delivery and containing costs.

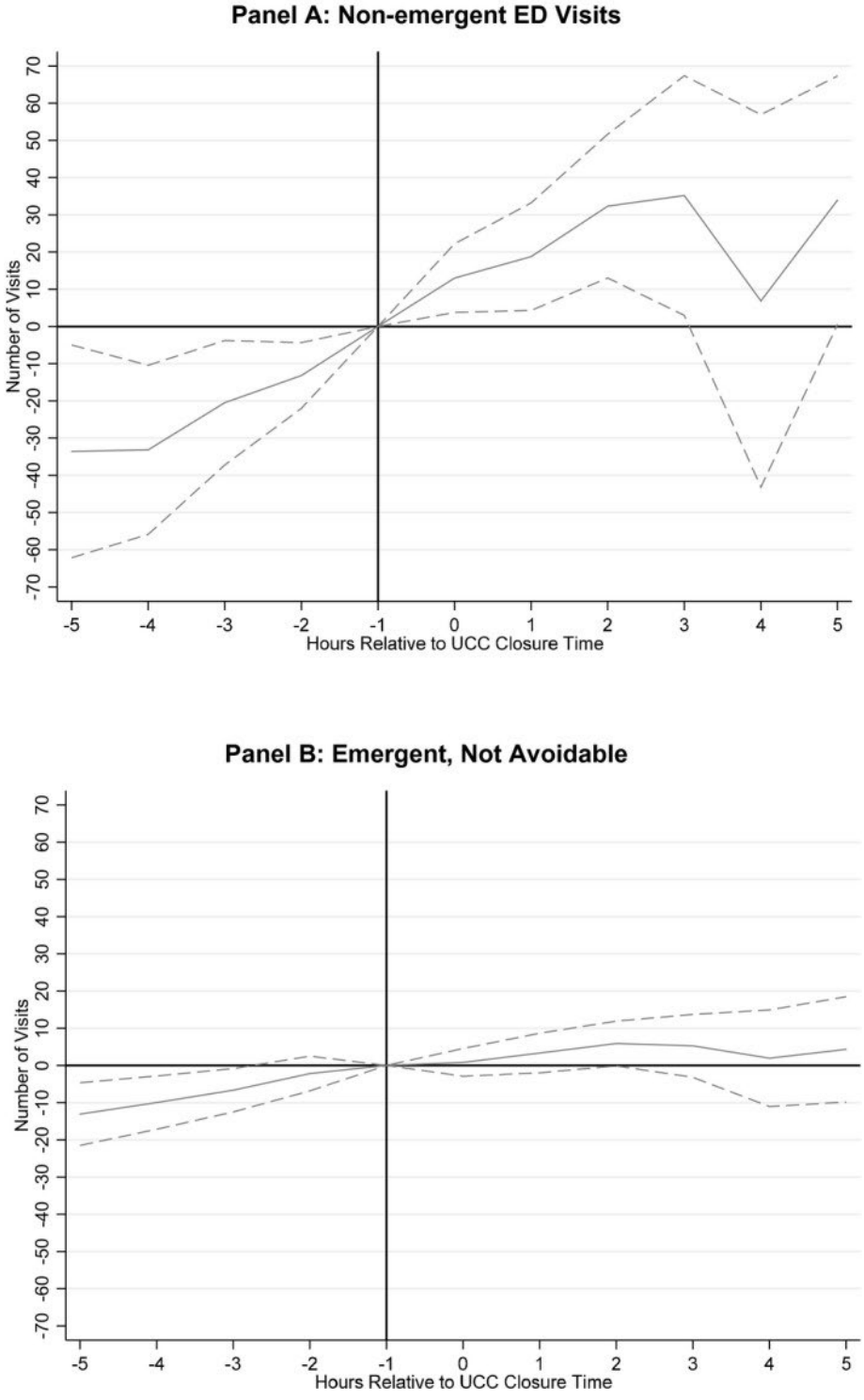
EASING THE EMERGENCY DEPARTMENT BURDEN

Access to healthcare plays a crucial role in the essential nature of Urgent Care medicine in communities across the United States. One of the primary factors that patients highly value is convenience. This includes the convenient locations of Urgent Care centers, their extended hours of operation, and the wide range of services they offer. Urgent Care centers serve as comprehensive hubs where patients can receive evaluations from pediatric to geriatric, along with on-site diagnostics such as imaging and laboratory tests. These centers also often provide pre-packaged medications, enabling patients to promptly access a variety of routine and generic drugs without the need to visit an off-site pharmacy or wait until the next day for necessary medical treatment. Unlike traditional primary care, specialty care, retail care, and emergency care services, Urgent Care centers are specifically designed, staffed, and equipped for optimal efficiency and seamless patient flow.

It is estimated that Urgent Care centers prevent around 24.5 million emergency room visits annually, which not only reduces the burden on emergency rooms but also saves patients and the healthcare system valuable time and money. This data emphasizes the importance of Urgent Care centers having the capacity to keep non-emergent patients out of the emergency room and shines a light on Urgent Care as an essential part of the healthcare system, especially for those who need immediate medical attention but don't require emergency services.

Principal findings in a National Library of Medicine study found that by having an Urgent Care center in the area, the total number of emergency department visits in that zip code decreased by 17.2 percent.[23] In addition, Urgent Care centers reduced the total number of uninsured and Medicaid visits to the emergency department by over 20 percent.

One review found that 32.1% of Emergency Department visits are non-emergencies[24], and according to the CDC, only 18.6 million ED visits result in hospital admission each year. The chart below illustrates when Urgent Care centers are open, the number of nonurgent visits to ED is lower, though this effect gets smaller as closure time approaches.[25]



National Library of Medicine

COST SAVINGS

The value proposition of Urgent Care includes the opportunity to improve the overall cost of medical care. Healthcare in the United States is 18.3 percent of the national gross domestic product (2021).

While recent research shows Urgent Care has the potential to decrease healthcare expenditures,[26] UCCs are being utilized in many other settings to enhance quality as well as save costs of care. A 2021 study found that the average cost of an emergency visit is $1,646, while the average Urgent Care visit cost is only $171.[27] The same study found that lower-acuity visits averted from the ED to Urgent Care result in higher net costs on average, but with advances in telemedicine and a concerted effort for consistency of care across all Urgent Care centers (led by UCA) it is unlikely this argument will hold true in the coming years.

Even with the potential of increased costs, diverting non-emergent cases from the ER will always be a priority to combat overcrowding, as "overcrowding [of Emergency Rooms] determines an increase in the risk and rate of adverse events, even serious ones, of morbidity and mortality."[28] In addition, the collaboration between primary care providers and Urgent Care providers can minimize the need for expensive emergency room visits and redundant tests.

INTEGRATION INTO EXISTING HEALTHCARE SYSTEMS

As the U.S. healthcare system moves away from the fragmentation of fee for service delivery system, Urgent Care centers are effectively partnering with medical organizations and systems focused on coordinated care for patients. Integrated care models including Accountable Care Organizations (ACOs), Patient Centered Medical Homes (PCMHs) and bundled payment systems are utilizing the access and savings opportunities that Urgent Care centers provide.

According to the 2019 UCA Benchmarking Report, 25% of patients reported not having a primary care provider. And a study from the American Academy of Family Physicians (AAFP), found that only 26.1 percent of AAFP members offer x-ray services in their practice.[29] Due to gaps such as these, many large integrated healthcare systems have integrated Urgent Care medicine into their continuum of care, utilizing Urgent Care centers for primary care, specialty care, and post-acute care services.

The goal of Urgent Care is not to replace these primary or other specialized care; Urgent Care centers are a perfect complement to the PCMH model. UCCs support primary care practices as an extension of the patient's clinical team. Primary care groups are most efficient and cost effective by referring acute episodic illness and injury patients to Urgent Care centers, which not only affords primary care to then care for those patients needing

more intensive disease management, but they also benefit from more favorably reimbursed chronic care examinations.

ACCESS TO CARE

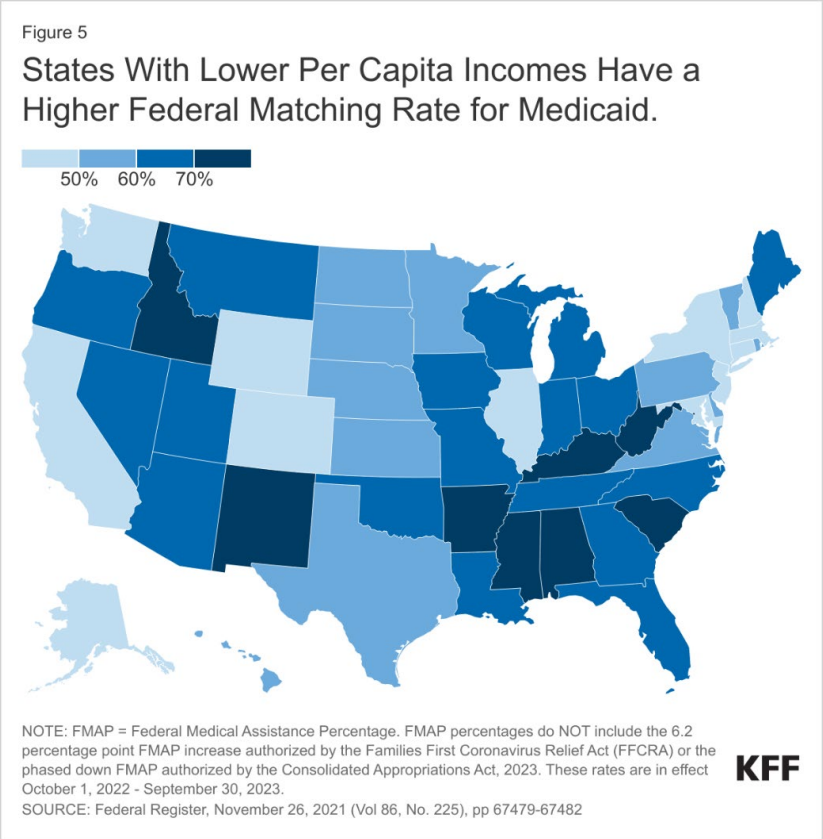
There is a healthcare access issue in the United States. Emergency rooms are increasingly crowded, hospitals are closing and the wait time to see a primary care physician can be months. The Department of Health and Human Services has reported disparities in access to care for low-income adults, children, pregnant women, elderly adults and people with disabilities. Rural populations also suffer from lack of options within a certain geography. Urgent Care addresses these concerns to the best of its ability with easily accessible, walk-in, high-quality care and supplemental screening opportunities.

URGENT CARE AND ACCESS GAPS

A 2021 Department of Health and Human Services report to Congress noted that "Adults under the age of 65 with Medicaid were approximately twice as likely to report having gone to the ED in the past year compared to those who are privately insured (National Center for Health Statistics 2019)."[30] This suggests that the higher utilization of the ED may be due to unmet health needs of this patient population, due to lack of access to appropriate settings. The report states that diverting these types of visits from EDs to Urgent Care has the potential for a significant impact on cost.

States and the federal government together provide funding for Medicaid, with the federal government guaranteeing to match payments made by states without a predetermined limit. The specific percentage of costs covered by the federal government depends on the type of service and the category of individuals enrolled, as well as whether the costs are for medical care or program administration.

For individuals eligible for Medicaid through traditional means, such as children, low-income parents, individuals with disabilities, or those aged 65 and above, the federal government's contribution is determined by a formula established by law. This formula aims to ensure that states with lower average income per person receive a higher proportion of program costs covered by the federal government. The resulting percentage, known as the "federal medical assistance percentage" or "FMAP," varies by state and ranged from 50 percent to 78 percent for the 2023 fiscal year.[31]



As stated in a 2022 Kaiser Family Foundation article[32], "Insurers offer a range of network designs in marketplace plans, including some that may be exceedingly narrow…Appointment wait-time standards begin to measure actual access to care but have been proposed only for 3 types of routine care, not specialized or urgent care services." This illustrates the lack of inclusion for Urgent Care when it comes to determining coverage.

COMMERCIAL PAYER ISSUES

There are varying issues with commercial payer reimbursement for Urgent Care services. Each insurance company has its own set of rules, coding requirements, and fee schedules, making the billing and reimbursement process cumbersome and time-consuming. Historically, commercial payers have generally followed the approach of CMS in raising reimbursement to align with cost increases or other changes, but in recent years that approach has been ignored. Most recently, when coding rules were changed in 2021 CMS increased rates to mitigate the changes for providers, but many commercial payers did not follow suit. Instead, they used the changes to their own advantage and left providers to suffer with no avenue for recourse. Low (and static) reimbursement rates are one of the largest issues for Urgent Care; the rates may not adequately cover the costs associated with providing quality care, staffing, maintaining centers, and purchasing necessary

medical equipment and supplies. This current model of receiving reimbursements that don't cover operating costs is unsustainable.

Many Urgent Care centers face challenges when it comes to being in-network with insurance providers. Being in-network provides patients with non-emergency room options and lower copays. However, negotiating contracts with insurance companies to become in-network can be a lengthy and complex process, and smaller Urgent Care centers may struggle to establish such agreements. Even some larger, or existing, organizations are excluded from being covered by commercial payers when they open a new center. This often leads to patients paying more for higher-cost care out-of-network, traveling further for care or visiting the emergency room unnecessarily.

The lack of standardized billing and coding practices across insurance companies adds to the challenges faced by Urgent Care centers. Inconsistencies in coding requirements, documentation guidelines and inconsistencies in the application of coding rules can result in claim denials or down coding, where insurers reduce the level of reimbursement for a particular service. This lack of standardization creates additional administrative burdens and can hinder the timely and accurate reimbursement of services provided. Urgent Care centers should be considered when such changes are made.

To address these reimbursement challenges, Urgent Care centers often invest in specialized billing and coding systems, hire dedicated staff or third-party billing companies, and engage in contract negotiations with insurance providers. Additionally, UCA is advocating for increased Urgent Care reimbursement at the national level. Working with the Centers for Medicare & Medicaid Services (CMS) to identify any gaps in patient services, UCA will be developing data-driven solutions to incentivize Urgent Care reimbursement.

SCREENING OPPORTUNITIES TO IMPROVE POPULATION HEALTH

The significant percentage of patients who seek care at UCCs who are unaffiliated with a primary care provider provides an opportunity for UCCs to identify potential health issues that could require additional interventions, yet payers often limit the Urgent Care center's ability to offer wellness or screening services unless a test or service is directly related to the chief complaint or reason for the visit.

A study published in the October 2016 Journal of Urgent Care Medicine revealed that when previously undiagnosed pre-diabetes or diabetes patients presented to an Urgent Care center and were determined to meet specific screening eligibility criteria, 10.9 percent of those tested were determined to have prediabetes and 4.7 percent produced the diagnosis of diabetes. It concluded that this early detection diabetes pathway (EDDP) "is an effective and feasible method for diabetes screening in Urgent Care centers"[30]. Early diagnosis could lead to fewer complications, improved health and substantial savings. The payer community oftentimes views and limits Urgent Care centers to care of episodic

illness and injury, thereby eliminating the opportunity for UCCs to participate in the early-identification of at- risk patients who could subsequently be referred to the care of a PCP or specialist.

Urgent Care centers could potentially provide a great service to population health if contractual and payment barriers were lifted to appropriate screening. This is especially true in rural areas, where access to healthcare is being increasingly threatened. Over 100 rural hospitals have closed over the last decade and when rural hospitals close, people have to travel about 20 miles farther for common services that they rely on. [33]

Underserved communities in all geographies benefit from Urgent Care services that meet the need for accessible, appropriate and affordable acute care.[34]

QUALITY OF CARE

Urgent Care quality measures aim to support centers and providers in providing the best patient care and assess performance and adherence to best practices.

UCA provides Accreditation programs to recognize Urgent Care centers that meet specific quality, safety and scope of service standards. UCA Accreditation demonstrates a commitment to scope of care that meets the criteria of the UCA certified center, including x-ray and laboratory services, as well as a quality and safety commitment to patients and employees It represents the only endeavor in the industry that will provide the applicant dual Accreditation and Certification.

In 2018 UCA, the College of Urgent Care Medicine (CUCM) and Urgent Care Foundation (UCF) undertook a longitudinal Antibiotic Stewardship (ABS) Initiative to support providers and operators in addressing ABS, to achieve the strategic objectives of the World Health Organization (WHO) global action plan for addressing antimicrobial resistance (AMR). Since Urgent Care providers make clinical prescribing decisions for over 210 million patients each year and around 30% of antibiotics prescribed in outpatient settings are unnecessary, CUCM and UCF found it imperative to tackle this issue.

The initiative focuses on addressing five key objectives through fostering a culture of quality within the Urgent Care industry; developing guidance and resources to create and strengthen stewardship programs; and leading collaboration across Urgent Care stakeholders. There is also an Antibiotic Stewardship Commendation Program for UCCs — a quality program that recognizes Urgent Care centers' commitment to responsible prescribing practices for antibiotics. Participants must comply with the Core Elements of Outpatient Antibiotic Stewardship program developed by the CDC.

In May 2022, UCF was awarded a grant from the Centers for Disease Control and Prevention (CDC) to further Antibiotic Stewardship (ABS). This grant – the inaugural federal award for UCF — funds UCA and CUCM ABS activities as part of a five-year

cooperative agreement with the CDC (2020-2025).

The Urgent Care industry is engaged in efforts to ensure and improve the quality of care delivered to patients. Through specialized training programs for providers, the establishment of more Medical Assistant schools, continuing education opportunities, quality improvement initiatives, and collaborative research, the industry is working diligently to enhance the skills, knowledge, and overall standards of Urgent Care medicine.

THE FUTURE OF URGENT CARE

With a strong Advocacy presence, evolving technology, and strategic growth, Urgent Care is well-positioned to continue playing an essential and expanding role in the healthcare landscape, providing accessible, efficient, and quality care to patients in need.

URGENT CARE ADVOCACY

The Urgent Care Association has held a strong Advocacy presence for years. The main Advocacy goal is to secure higher Urgent Care reimbursement rates, and there are various ways this can happen. The plan for the next few years is to work closely with the Centers for Medicare and Medicaid Services, with the help of an engaged lobbying firm. As the industry continues to gather data and stories to reinforce its essential position within the healthcare system, UCA will continue to create, compile and leverage this information — which will include original industry research supported by the Urgent Care Foundation — to secure reimbursement rates that reflect the capabilities consistently maintained by Urgent Care centers. The ability to be paid fairly and consistently should enable the Urgent Care industry to continue to grow and fill many of the gaps in care access across America.

OPPORTUNITIES AND THREATS

While there are some forces that create a hospitable environment for the practice of Urgent Care, including sustained patient demand, health system partnerships and a skilled workforce, there are also forces that keep Urgent Care from reaching its full potential in all communities.

One of the most recent examples is Urgent Care not being included in public health planning. The lack of UCC inclusion in the COVID-19 Public Health Emergency (PHE) planning from the Department of Health and Human Services (HHS) — although the first COVID-19 patient was treated in Urgent Care and UCCs were one of the main community locations for testing – had a tremendous impact on how COVID-19 was managed.

As covered in the Access to Care section, payers are not increasing Urgent Care reimbursement rates appropriately, if at all. If Urgent Care centers were paid appropriately, they could have an even greater impact on public health by providing additional services to communities that are in lacking them, such as primary care services to rural populations

that cannot easily access a primary care physician. Urgent Care centers could also help prevent more unnecessary and costly visits to the country's ERs.

With all the great things Urgent Care does for community health, there are some critics. For example, a recent article suggests that Urgent Care centers increase Medicare spending.[35] However, there are flaws in this research based on the analysis only occurring over a few years and the assumption that hospital-based Urgent Care centers drive Medicare patients to hospitals as a business strategy. That is untrue; older patients have a higher likelihood of being referred to hospitals overall since UCCs provide episodic care.

And as Emergency Rooms become more crowded and require increased capacities,[36] Urgent Care needs to be there to care for the overflow patients with urgent health concerns. There is an access issue within the healthcare system. Until it is fixed, Urgent Care is right where it needs to be.

TECHNOLOGY

Technology will continue to play a vital role in shaping the future of Urgent Care. Adoption of and advancements in telemedicine, electronic health records, and digital health solutions have and will continue to enhance accessibility, streamline workflows, and improve patient outcomes. Telemedicine, in particular, is already showing great potential for expanding access to Urgent Care services, especially in underserved areas and during times of emergencies. In addition, digital health providers should all be considering Urgent Care as the appropriate "last mile" of their care continuum, for patients who cannot be treated solely by virtual visits.

CONCLUSION

The evolution of Urgent Care in the United States has been remarkable, with the COVID-19 pandemic serving as a catalyst for its widespread recognition and essentiality within the healthcare landscape. The surge in patient visits during and after the pandemic underscored the critical role Urgent Care centers play in delivering accessible and timely medical services. Despite facing disparities in federal recognition and funding compared to other healthcare facilities, the number of Urgent Care centers continues to grow steadily, demonstrating their essential position in bridging the gap between primary care and emergency services.

It is evident Urgent Care centers will remain a fundamental component of the healthcare ecosystem; if health disparities and access issues exist, Urgent Care needs to be there to combat them to meet the evolving needs of our communities in the years to come.

URGENT CARE ASSOCIATION

The Urgent Care Association (UCA) is the trade association for the Urgent Care industry. UCA's membership includes approximately 4,400 Urgent Care centers representing clinical and business professionals from the United States and abroad. UCA exists to ensure the advancement and long-term success of Urgent Care, which includes a strong commitment to Diversity Equity and Inclusion to properly serve the diverse communities for which Urgent Care professionals care.

UCA was established in 2004 as the Urgent Care Association of America (UCAOA), and was founded on November 12, 2004 as a 501(c)6 by Don Kilgore, Dr. John Koehler, Dan Konow, Dr. William Meadows, Dr. Lee Resnick, Marge Simat, and Dr. David Stern. On May 7, 2018 UCAOA became the Urgent Care Association (UCA) to reflect the inclusion and growth of Urgent Care outside the United States.

UCA supports its members by fostering togetherness, empowering best practice and championing excellence through education quality programs, Advocacy, publicity and discussion and networking opportunities. The association creates and provides numerous educational opportunities such as clinical and practice management webinars, a peer reviewed medical journal, and an all-encompassing annual national convention, the Urgent Care Convention. UCA also supports a nationally-recognized Urgent Care center Accreditation program, currently accrediting over 2,000 Urgent Care centers, more than any other accrediting body in the U.S.

UCA also certifies over 2,000 Urgent Care centers based on their scope of care and accessibility. UCA's mission is enhanced through its partnership with both the College of Urgent Care Medicine (CUCM) and the Urgent Care Foundation (UCF), a 501(c)3 organization.

UCA is a fully remote organization with staff and board members from across the United States. The Association does not own or manage any Urgent Care centers.

If you are interested in learning more about the Urgent Care Association or becoming a member, visit urgentcareassociation.org.

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