

Navigating Your Urgent Care Through Uncertain Times

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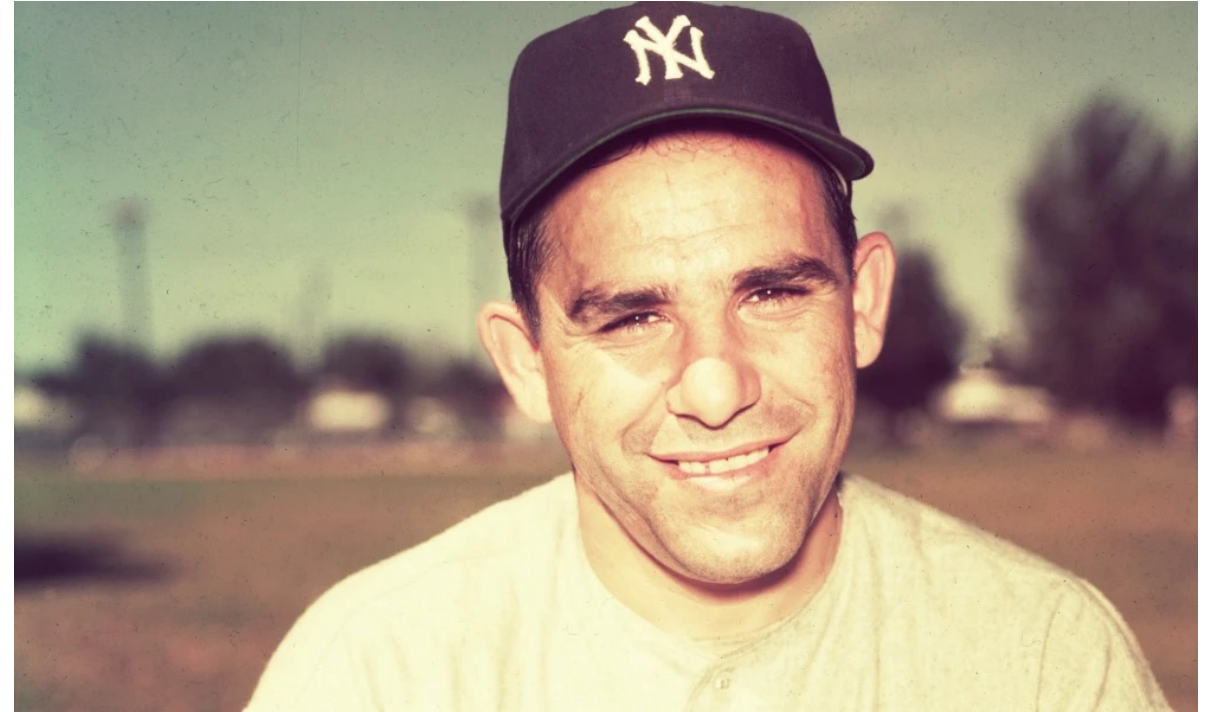
Financial Disclosures

- I have no financial disclosures

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“It’s tough to make predictions, especially about the future.” – Yogi Berra



What Kind of Uncertainty?



- Seasonality
- Competition
- New Site Ramp-up

- New patient preferences
- Unpredictable seasonality
- New Service Lines

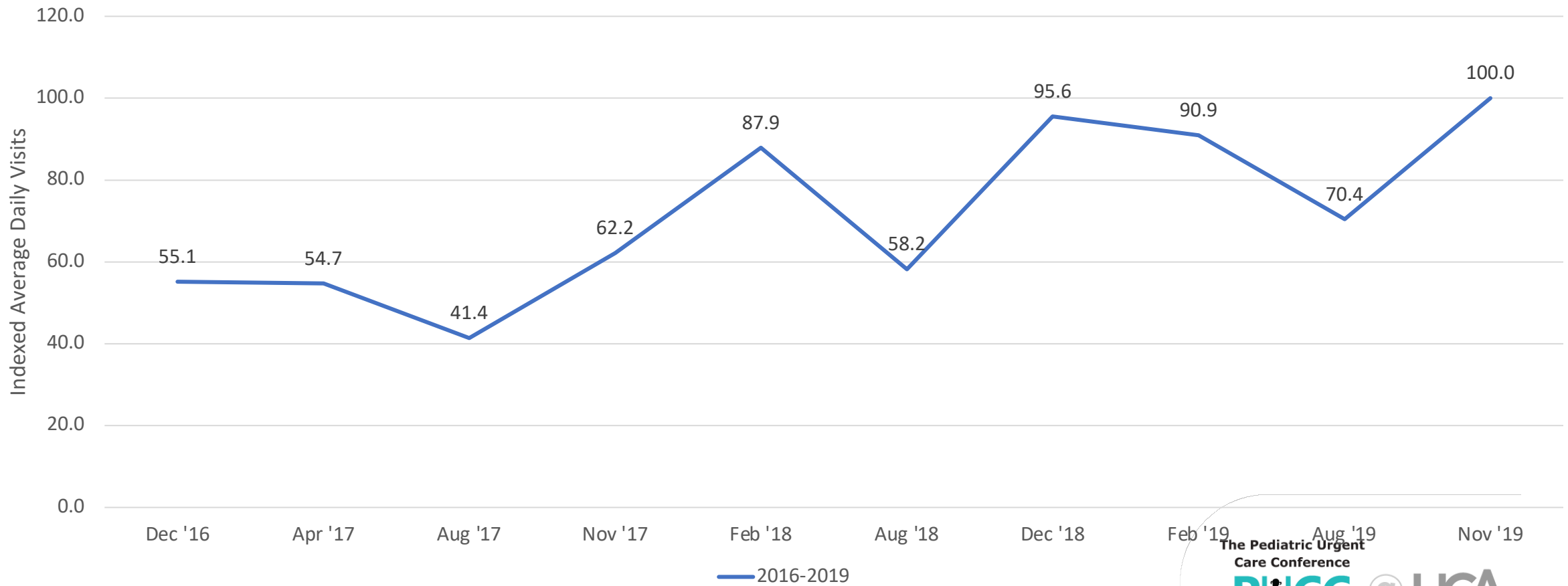
- Pandemic
- Financial Crisis
- New Technology

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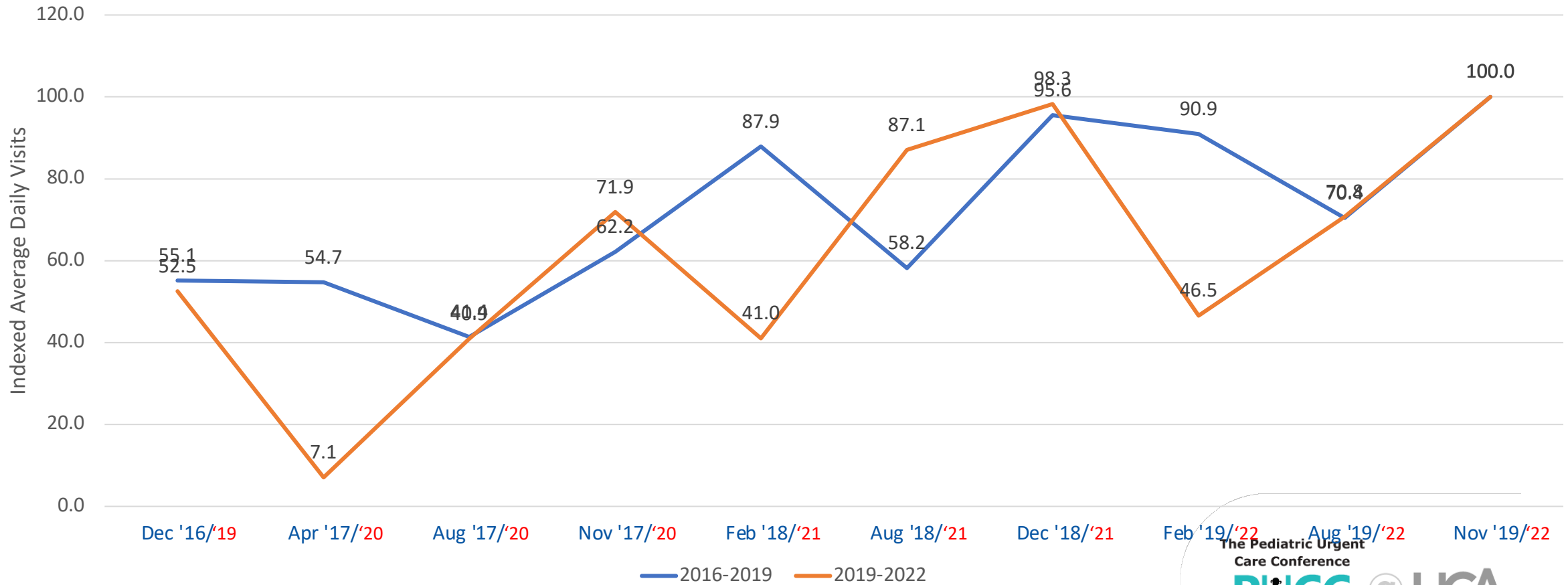
Historical Seasonality

2016-2019

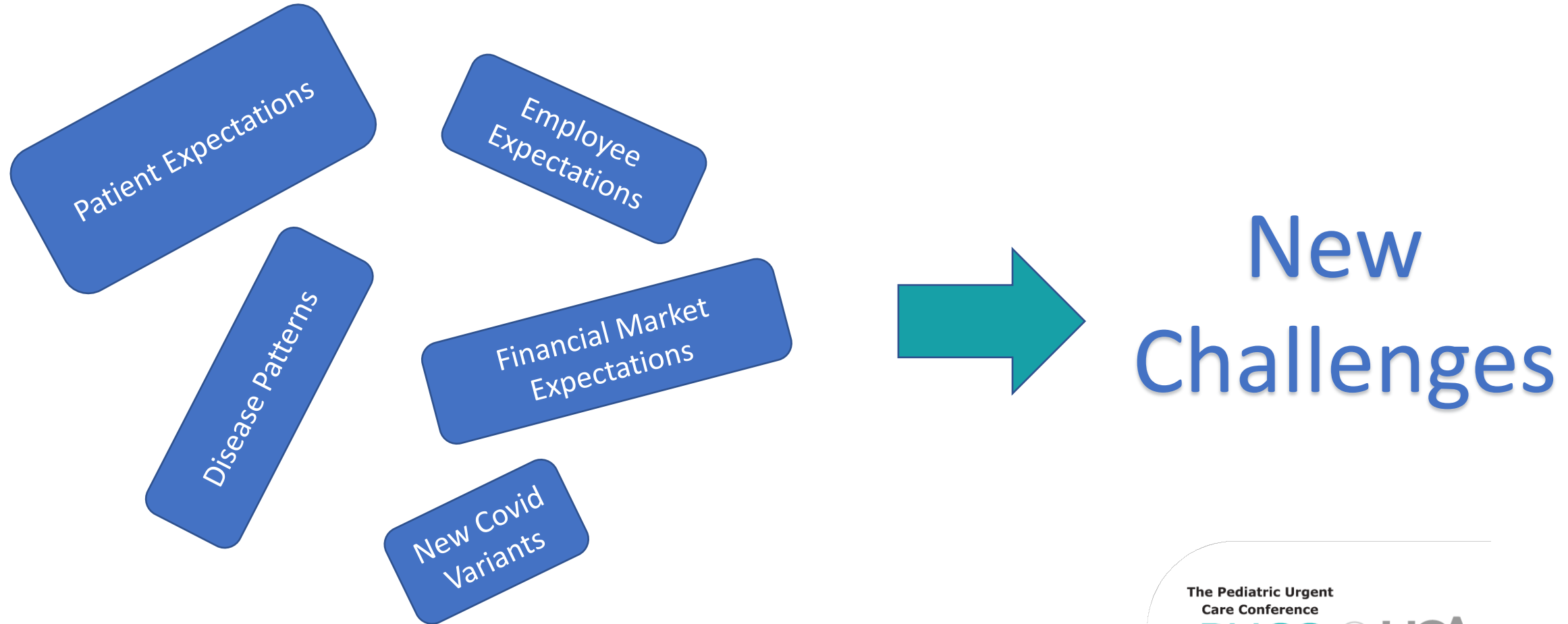


Historical Seasonality vs. Pandemic

2016-2019 vs. 2019-2022

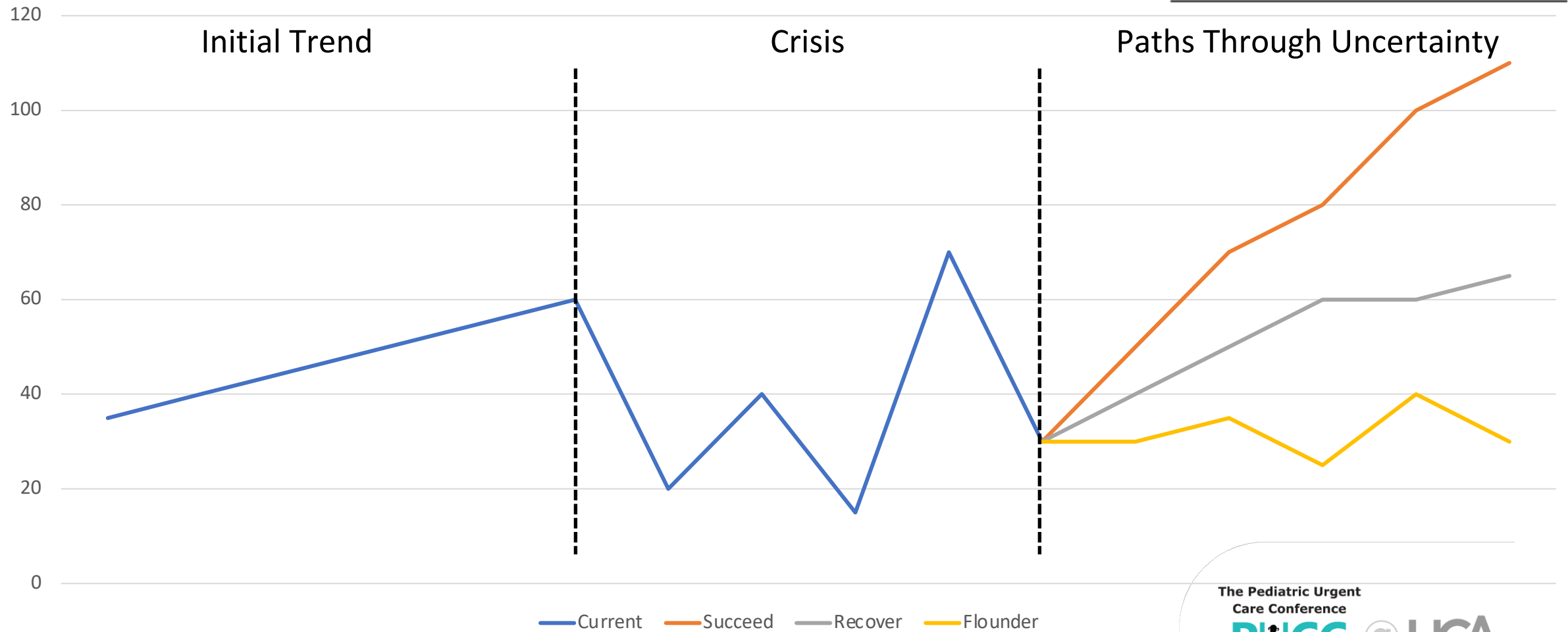


Post-Pandemic Sources of Uncertainty

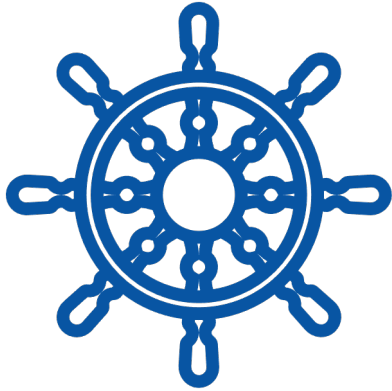


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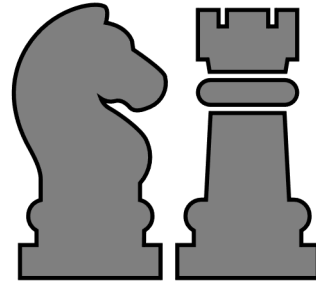
Differing Outcomes Post Uncertainty



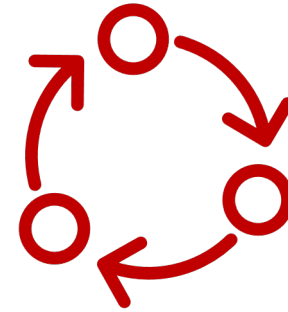
Levers For Managing Uncertainty



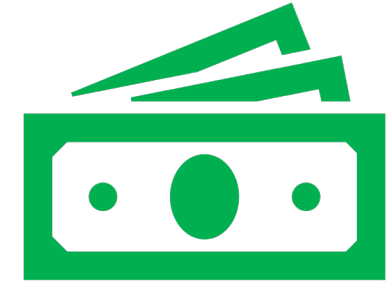
Leadership



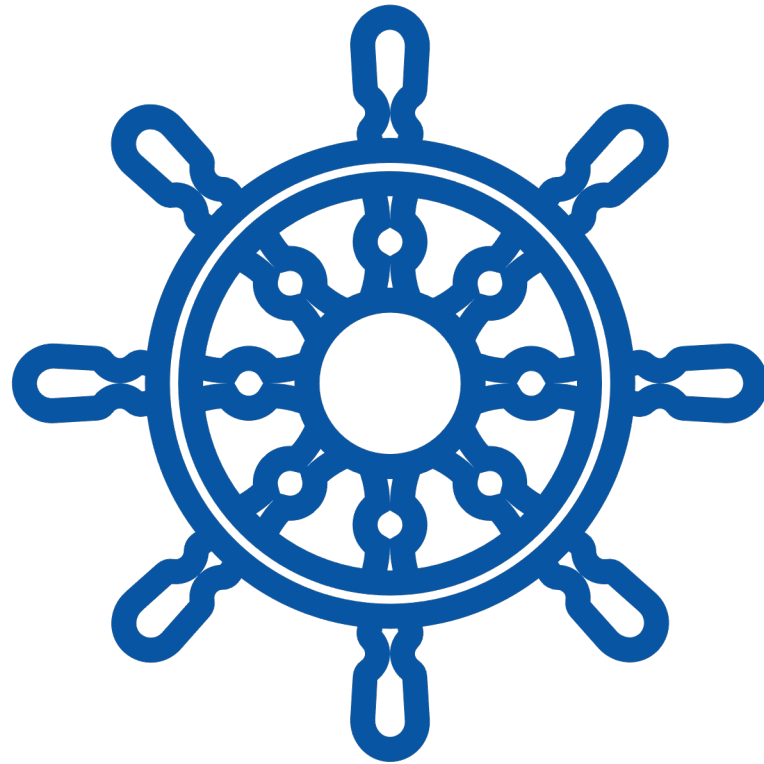
Strategy/
Decision-Making



Operations/
Execution



Financial
Considerations



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Leadership Tip #1 - Communication



- Transparent
- Frequent
- Supportive
- In-person > Video > Phone > email/memo
- Two-way

Leadership Tip #2 - Attitude

- Acknowledge challenges & unknowns
- Be the calm in the storm
- Be optimistic – we will get through it!
- Connect to mission/purpose, but also connect personally
- Don't underestimate the impact your attitude will have on others



Leadership Tip #3 – Stick to Your Values & Vision



- Don't let immediate concerns compromise your values
- Remember what you are trying to build
- Continue to selectively invest in improving business models, adding services, etc.

Leadership Tip # 4– Balance the Heart & Head

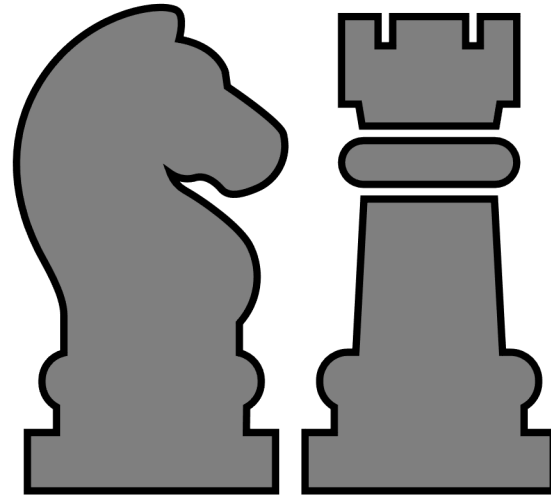
Compassion and empathy for employees, customers, and the broader ecosystem



Need to take a hard, rational line to protect financial performance

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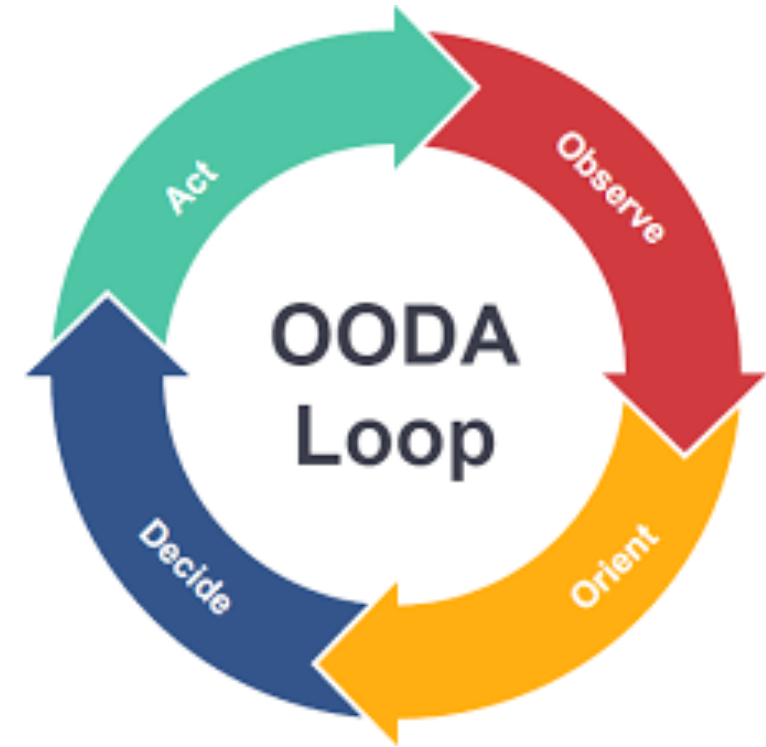


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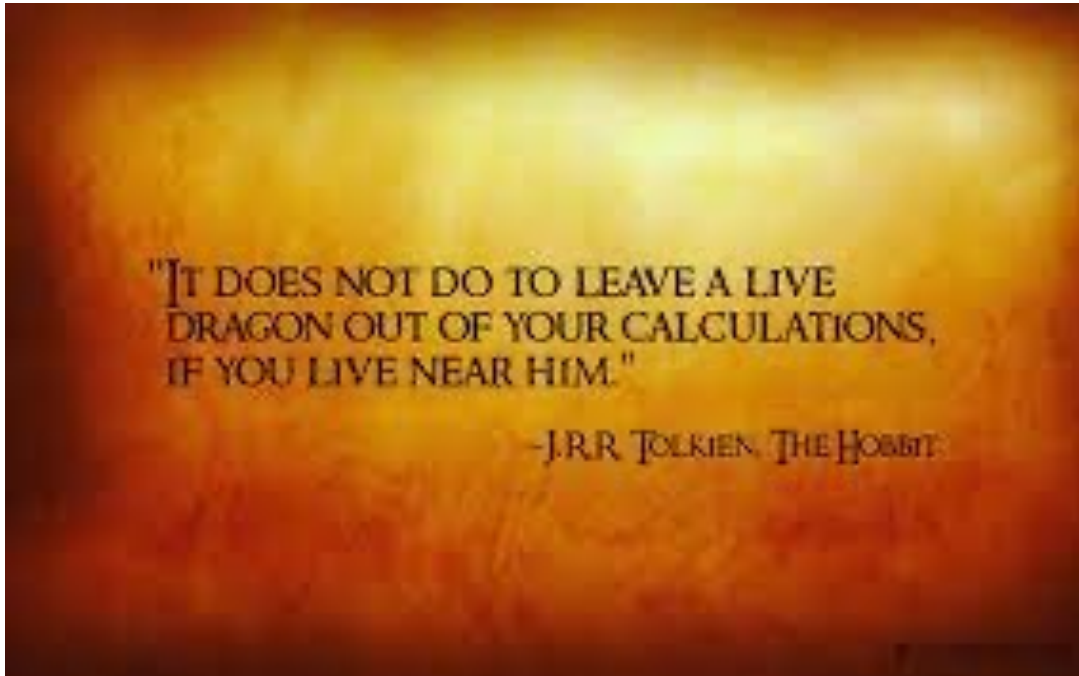


Strategy Tip #1 – Resist Perfectionism/Need for Speed

- During times of uncertainty, wanting more info and trying to avoid all mistakes are natural instincts
- But in a rapidly changing environment it is counterproductive
- Make decisions and take action – speed is essential!



Strategy Tip #2 – Intensive “What If?” Planning



- Uncertainty implies a wider range of potential outcomes, and you must prepare for that
- Have a plan ready for downside outcomes
- Understand cash needs for each scenario and match to sources of savings + capital

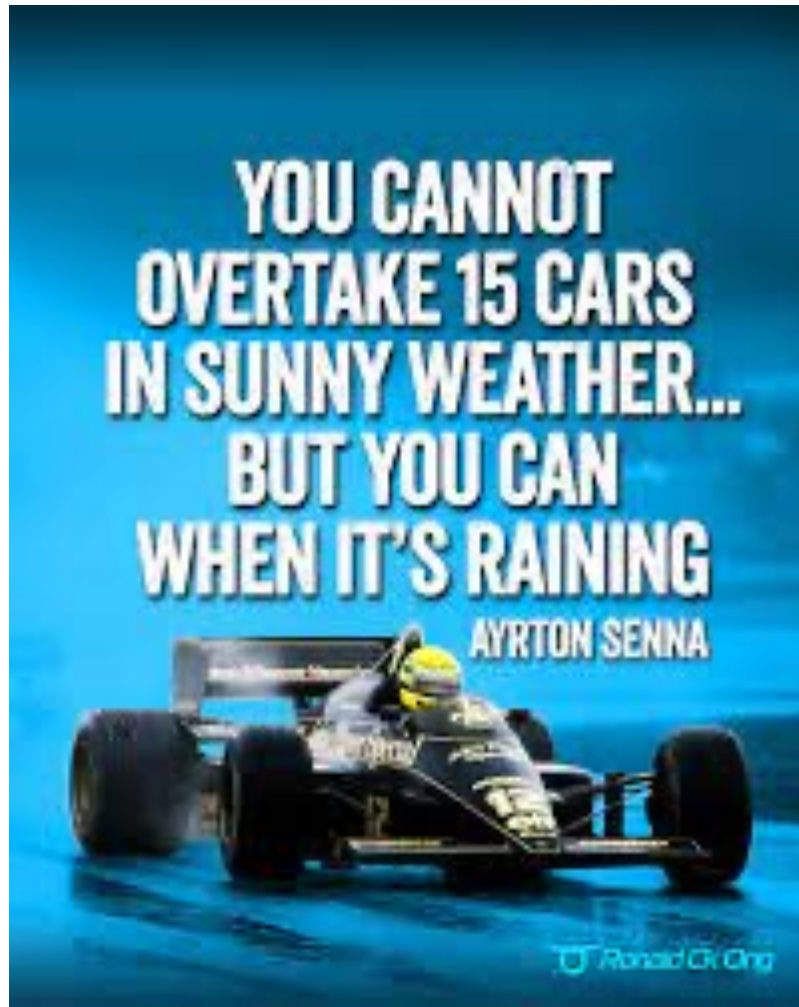


Strategy Tip #3 – Data Cuts Through the Fog

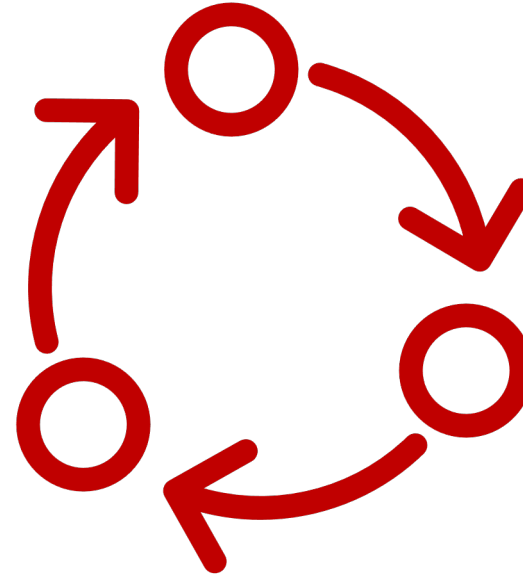
- Moving faster doesn't mean operating blind
- Prioritize reports that directly help with decision making
- Actionable level of accuracy, not accounting level
- Adapt analyses to new conditions
 - PM Pediatric Care % Covid related visits



Strategy Tip #4 – Willingness to Pounce on New Ideas



- Uncertainty = Opportunity
 - When conditions are changing, many traditional ways of doing things are ripe for disruption
 - Changing customer desires create unmet needs
- At a time when many companies are battering down the hatches, smart investments can be game changers
- Spend time identifying and analyzing potential opportunities



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Operations Tip #1 – Manage the Downside (pt. 1)

- Build in ability to flex up and down
 - Employment models
 - Contracts with flexible hours/week
 - Use of per diems
 - Sharing between sites
 - Load balancing with telehealth
 - Selectively make other costs variable vs. fixed
 - RCM
 - Real estate



Operations Tip #1 – Manage the Downside (pt. 2)

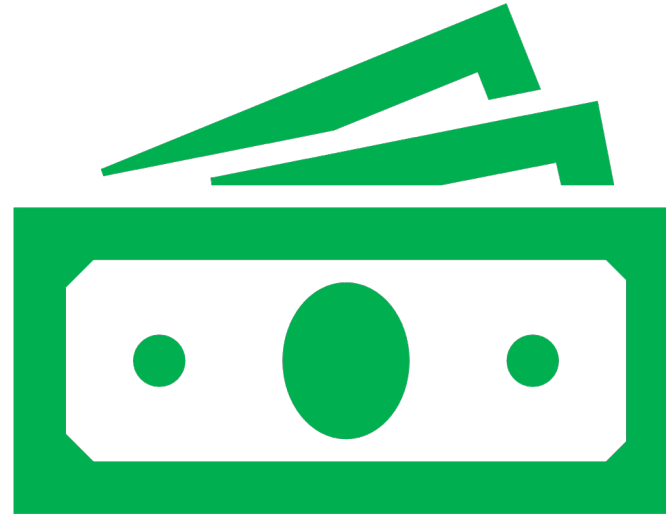


- Be prepared to cut costs as deeply as necessary
 - Prioritized list of opportunities by area
 - Process improvements
 - Vendor negotiations/switching
 - Outsourcing of functions
 - Personnel – Benefit cuts, fewer hours, terminations, temporary pay cuts
 - Always an opportunity to get some immediate savings
 - Nice to have vs. need to have

Operations Tip #2 – Pursue the Upside



- Remember Uncertainty = Opportunity
- For ideas you've identified, commit resources and try them out
- Do in a cost-efficient manner – testing, pilot programs, regional, etc.
- If it isn't working, undo quickly
- If it is working, further commitment



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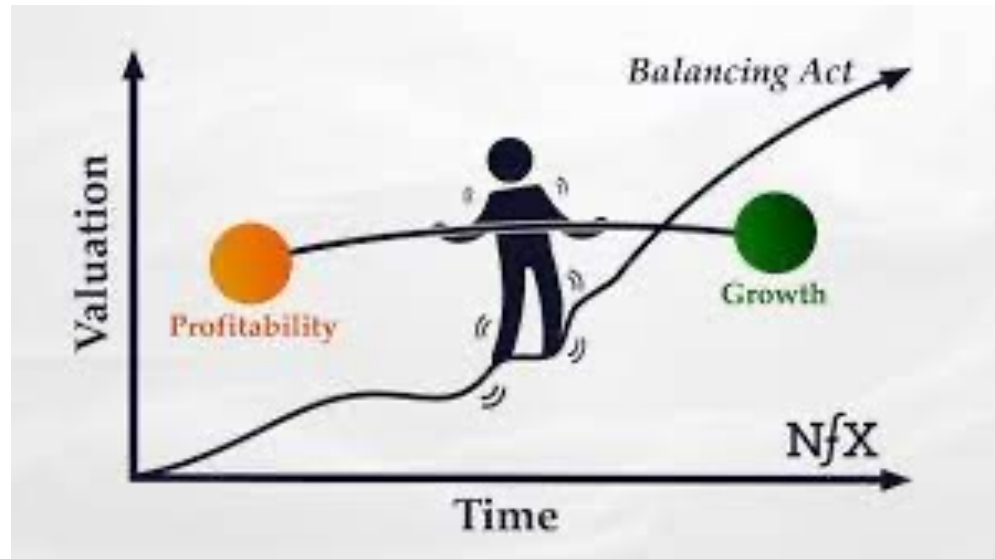


Financial Consideration #1 – Capital Preservation

- In times of uncertainty, cash is even more important
 - Protection against downside scenarios
 - Fuel for upside opportunities
- Limit and/or delay capital expenditures
 - New locations
 - Big IT investments
- Manage Balance Sheet
 - Shorten receivables
 - Extend payables



Financial Consideration #2 – Trade Off Growth for Profits



- Growth requires cash...
 - New locations
 - New service lines
 - Marketing
 - Ramp-up losses
- ...While higher profits (or smaller losses) add to or preserve cash
- Financial markets value profits much more in times of uncertainty
 - Look at stock prices of high-growth, money losing health care companies

Financial Consideration #3 – Prioritize Cash Projections

- Monitor cash levels and cash flows frequently
 - Be granular
 - Go out far enough to react to cash needs
- Compare cash projections to actuals and explore any variances – early warning signal
- Incorporate changes in operating projections (i.e. visits, payroll, etc.) asap



Financial Consideration #4 – Obtain Access to Capital



- Debt vs. equity
- Secure commitments well before you need any cash
- Be judicious about how much you actually use
 - When necessary to meet expenses
 - As part of planned, tested investments in growth

Session Evaluation

- Your feedback is valuable, take a moment to complete the survey for this session.
- To claim CME, you must complete a separate survey available after the convention.

* How likely are you to recommend this **content** to a colleague?

Not likely at all Neutral Extremely likely

0 1 2 3 4 5 6 7 8 9 10

What did you find most valuable about this **content**?

What would have made this **content** better?

Thank You!

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