

Urgent Care's role in the care continuum

Urgent Care Association (UCA) Strategic Advisory Group

July 2024



Topics for discussion

- Macro healthcare investment themes
- Urgent Care's evolving role in the care continuum
- Integration with Primary Care
- Opportunity for value-based care in Urgent Care
- Opportunity and challenges with hospital partnerships



Healthcare investment themes

Four major macro trends are influencing healthcare investment activity



1 Tight credit markets

The tight credit market has potentially **limited large-check financing and delayed particularly high-value deals.**



2 High inflation

Medical inflation is compressing provider margins, while **increased utilization and MA rate cuts** are putting pressure on payors.



3 Labor shortages

A shortfall of 18 million qualified health workers is expected by 2030.

4 Evolution in advanced analytics

Recent advances in advanced analytics, including GenAI, have the potential to **transform healthcare and address market headwinds**

Urgent Care is facing additional challenges

Shift towards home-based care delivery

34% home health demand increase
between 2019 and 2029 (expected),
with focus on chronic diseases

Consolidation of value-based care assets

10-15% growth of lives in value-
based care arrangements

Telehealth as an affordable & accessible alternative

38x increase in telehealth claims
from pre-covid to post-covid

Competition from hospitals pursuing diversified growth

>\$1B value created by individual
health systems pursuing diversified
growth

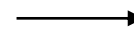
Health systems are investing in Urgent Care to pursue diversified growth

Select transactions – not exhaustive

Yale
NewHaven
Health



Sentara[®]
Health



HONORHEALTH



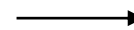
HCA⁺
Healthcare



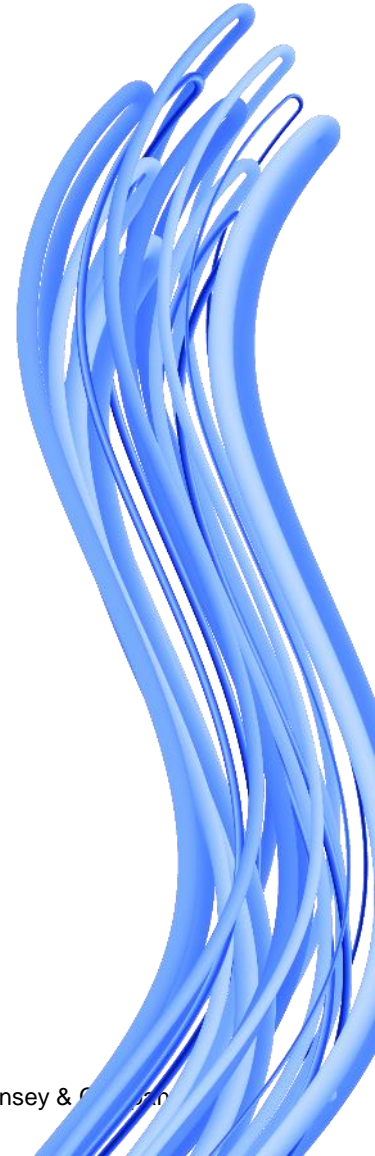
Bon
Secours



Ochsner
Health



Diamondhead
Urgent Care



UCA Survey Insights and discussion



There is overall optimism about the future of UCCs in the healthcare continuum

73.3/100

Average response to “How optimistic are you about the future of urgent care in the healthcare continuum?”

Three key themes drive positive sentiment:



Urgent cares remain affordable places where people can get access to care and avoid the ER



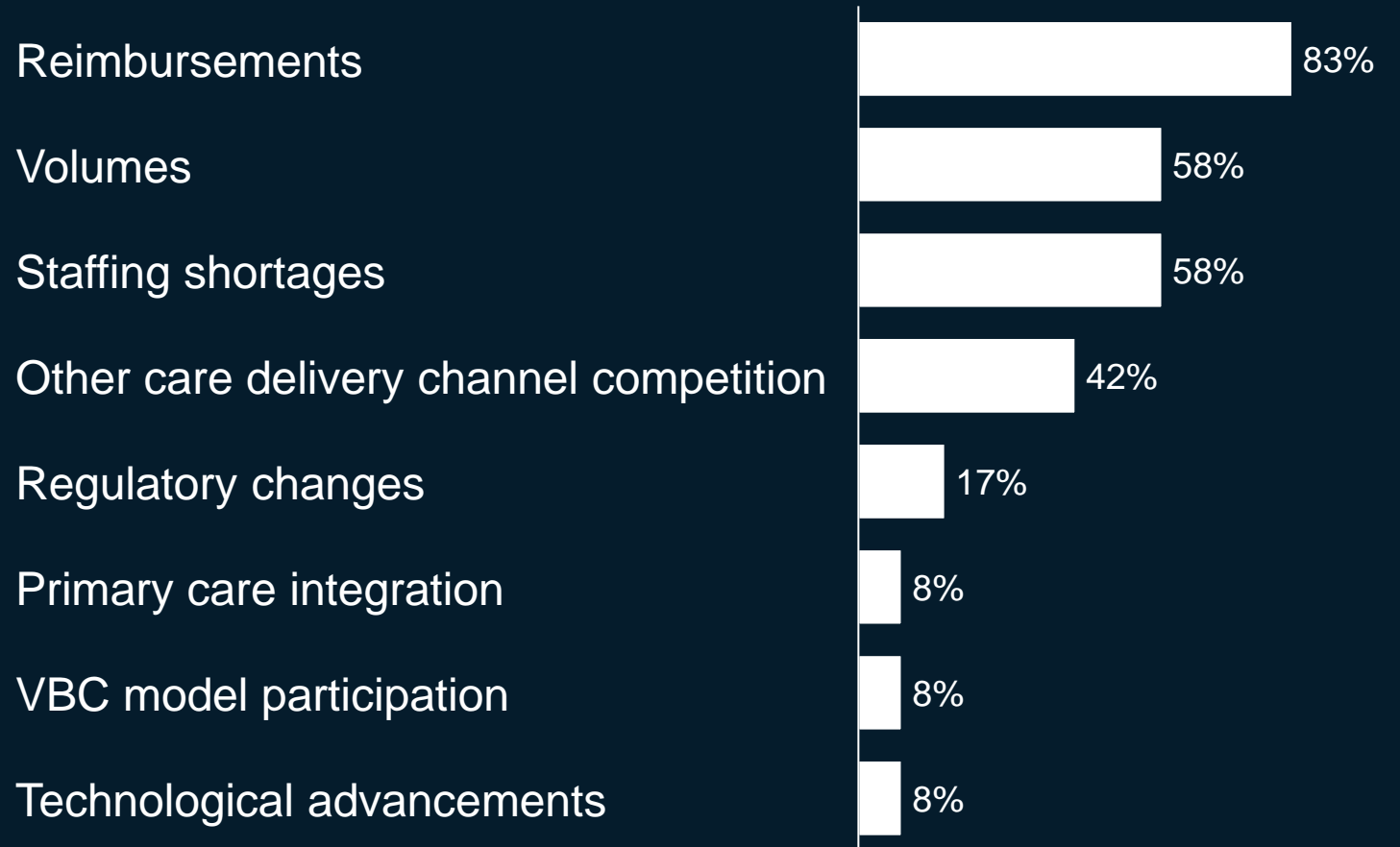
Convenience and speed are distinctive factors that differentiate UCCs from other players



Hospital partnership and innovative collaborations reinforce the value proposition of urgent care centers

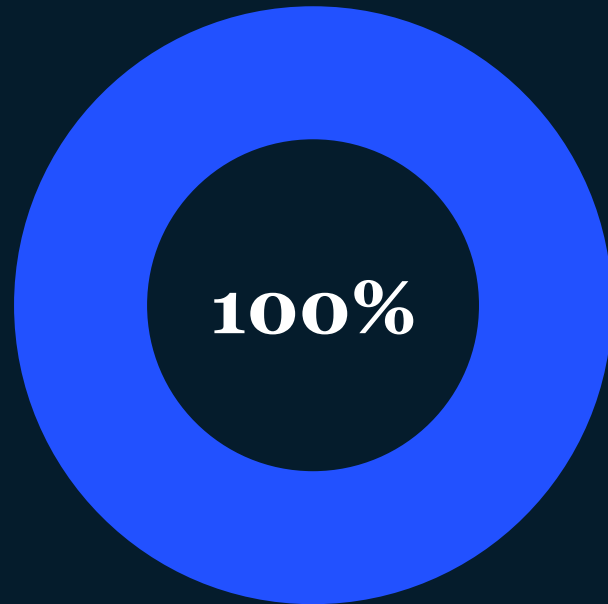
Top challenges facing Urgent Care

Q: What are the top challenges facing urgent care over the next 5 years?, % of respondent



Everyone agrees that Urgent Care provides quick & convenient access to primary care...

Q: “How do you see urgent care's role in the care continuum evolving?”



Believe urgent care's focus will remain providing quick & convenient access to care

...but there is varying views on the full scope of services urgent care should provide

91%

Believe urgent care should **focus on higher acuity patient needs**

73%

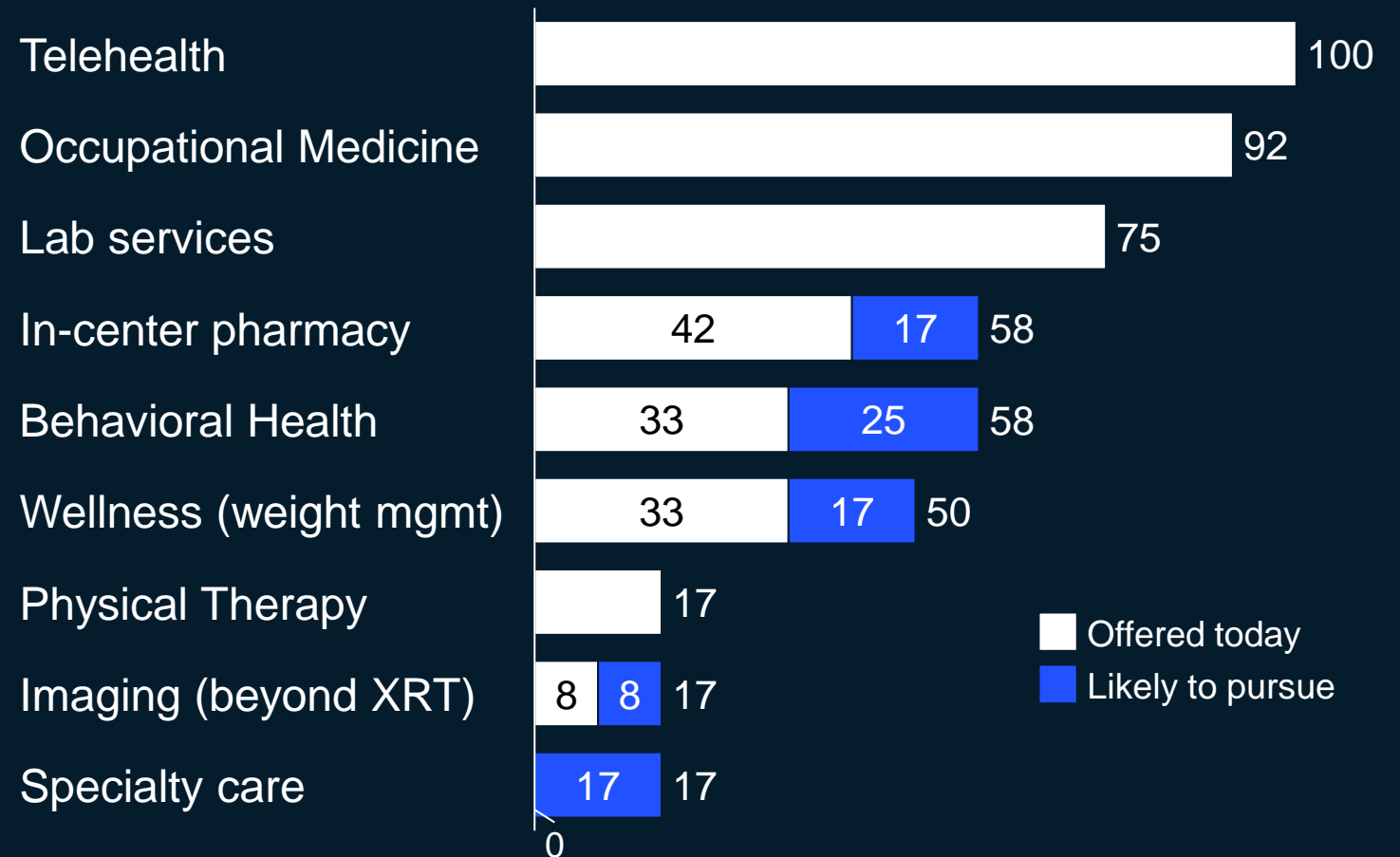
Believe urgent care should **integrate with primary care**

45%

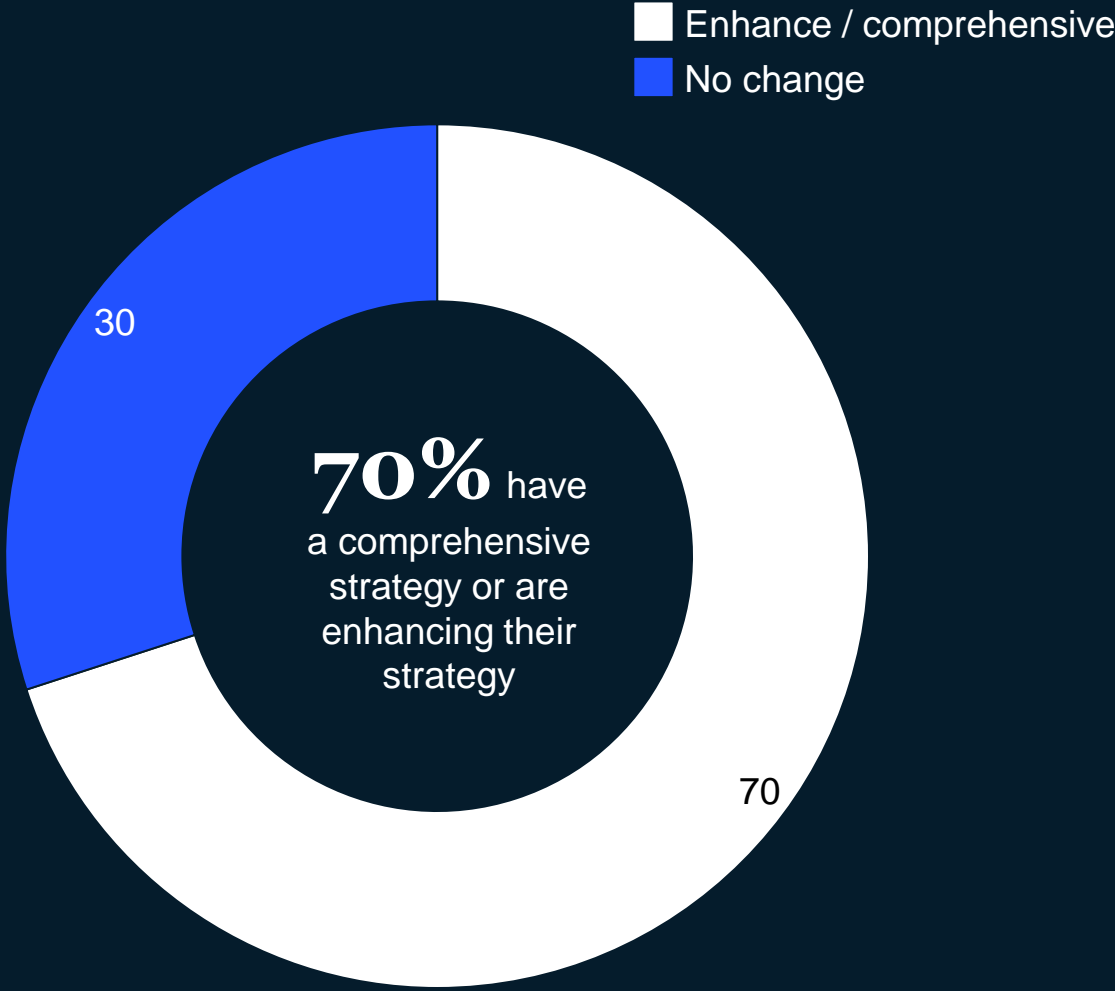
Believe urgent care **should integrate with specialty care**

Role in care continuum: Current and future services

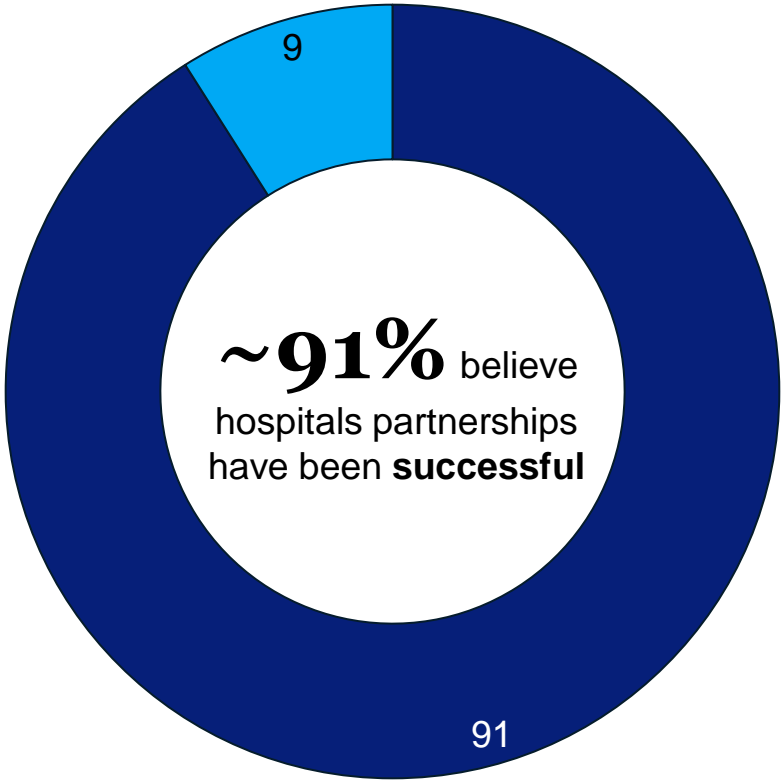
Q: What services are you currently offering or will likely pursue offering in your UCCs, % of respondents



**~70% of of Urgent
Cares are developing
or enhancing a
comprehensive
primary care strategy**

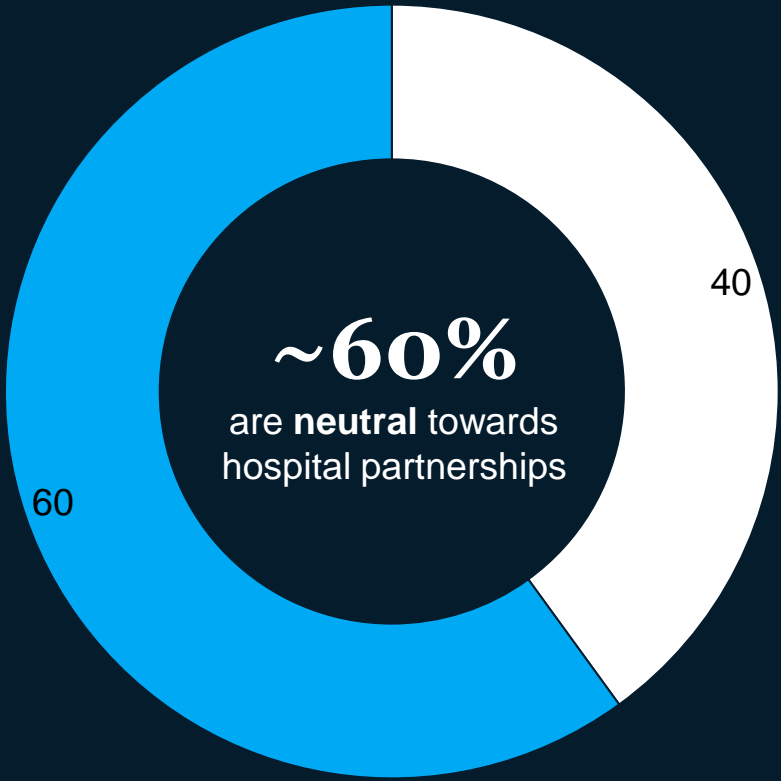


>90% of respondents indicated hospital partnerships have been successful...



- At least somewhat successful
- Unsuccessful

...yet ~60% are neutral towards pursuing new hospital partnerships

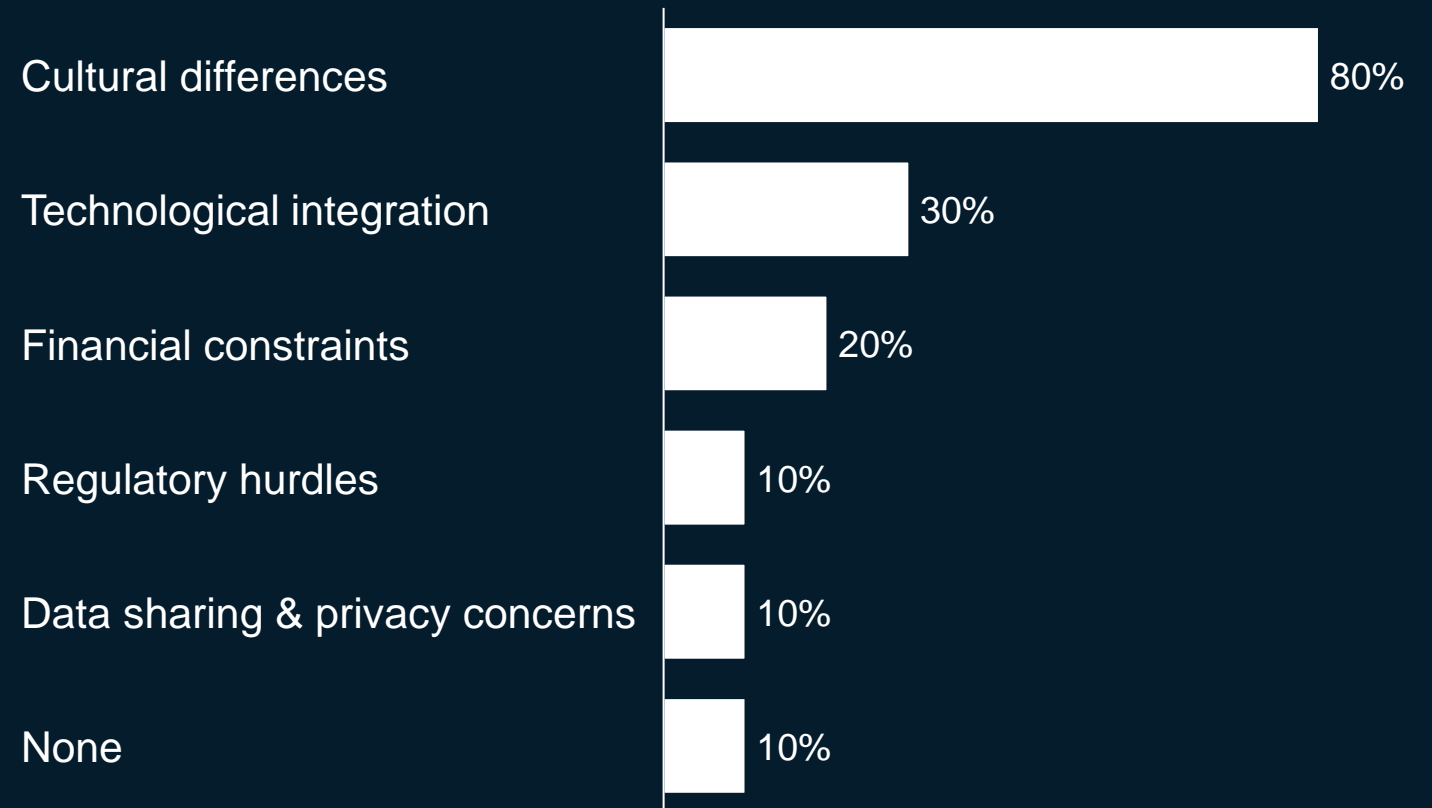


- Will likely pursue
- Neutral

Source: Urgent Care Association July 2024 UCC Survey (Q1: N=12, Q2: N=10)

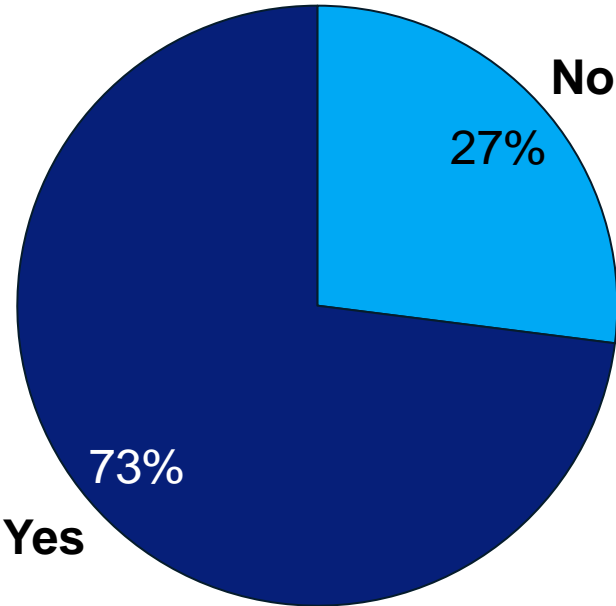
The largest challenge in hospital partnerships is culture

Top challenges in partnership with hospitals, % of respondents



Urgent Cares are engaging in VBC

~73% report having some form of value-based care contract...



...with a wide variety of contracting models, # of respondents

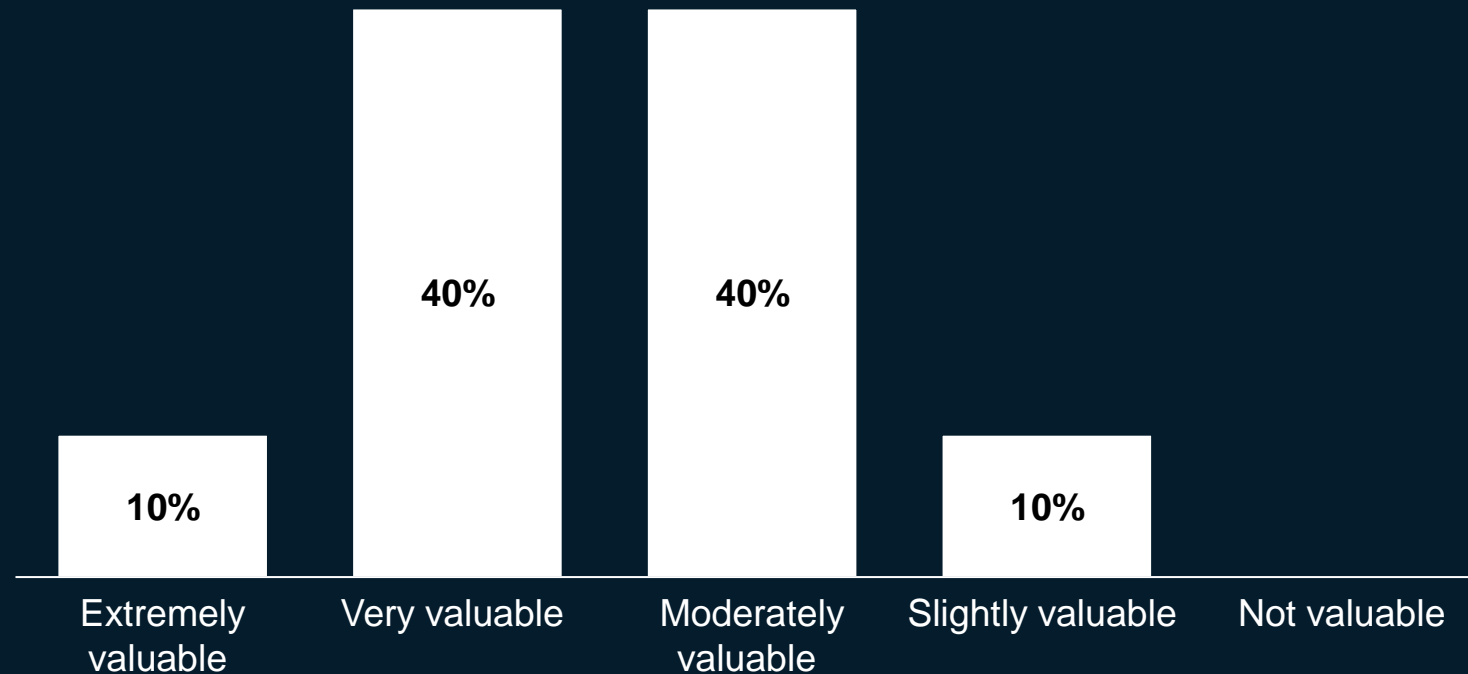


Source: Urgent Care Association July 2024 UCC Survey (Q1: N=11, Q2: N=7)

There are split views on how hospital partnerships help Urgent Cares succeed in VBC

Q: How valuable do you find partnerships between urgent care centers and health systems for participating in VBC models?,

% of respondents



Urgent Care is predicted to be **participating in VBC mostly for ER avoidance** while also being value-based care due to its intrinsic characteristics (convenient, high-quality, and cost-effective)



What can we collectively do to **advance these priorities?**

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Thank you