

The Next 10 Years: Positioning Your Center for Ongoing Success in Increasingly Competitive Markets



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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.

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.

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.

Opportunity: High Acuity Urgent Care



Taking insurance out of the equation and focusing total health expenditures, the value of urgent care becomes emergency room 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 **2.7**
 8008 Woodpark 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 **2.7**
 655 Watkins Mill Road, Gaithersburg, MD 20879
 Kensington Urgent Care
 110810 Connecticut Ave., Kensington, MD 20895
 Largo Urgent Care Plus **2.7**
 1221 Mercantile Lane, Largo, MD 20774
 South Baltimore County Urgent Care Plus **2.7**
 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 **2.7**
 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

Threat: On-Demand Primary Care



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

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).

Threat: Sea of Sameness



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

Differentiation in Retail and Services Industries



Opportunity: 360-degree Brand Differentiation



Zoom +: Portland, Oregon



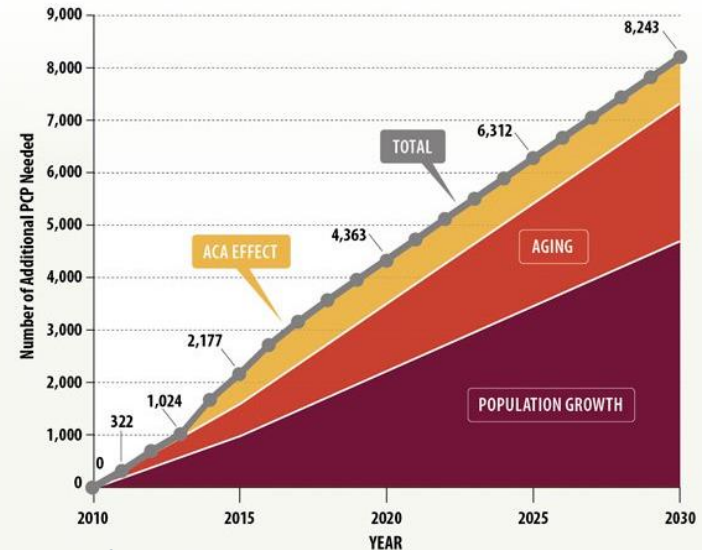
- Intense understanding of the local target consumer.

Threat: Shortage of Qualified Providers



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

California Projected Primary Care Physicians Need



Source: The Robert Graham Center

Opportunity: Functional Shifting New Staffing Models



Threat: Accountable Care

Heritage California ACO

HOME | ABOUT US | HERITAGE PROVIDERS | COMPLIANCE | TECHNOLOGY

Your Doctor is Participating in a New Care Coordination Program

INFORMATION FOR PATIENTS

Affiliated Medical Groups
California

BFMC •
CCPN •
DOHC •
HDMG •
HVVMG •
LMG •
RMG •
SMG •

EDUCATION

PREVENTION

COORDINATION

FOCUS

Solving your healthcare puzzle
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.

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
 - Physiatry
- General and specialized surgery
- Hospital emergency departments
- Physical therapy/rehabilitation
- Pharmacies
- Durable medical equipment

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



Opportunity: Partnership Models

- Contractual Affiliations
- Management Agreements
- Equity Joint Ventures



Threat: Consumer Dissatisfaction w/Health Care



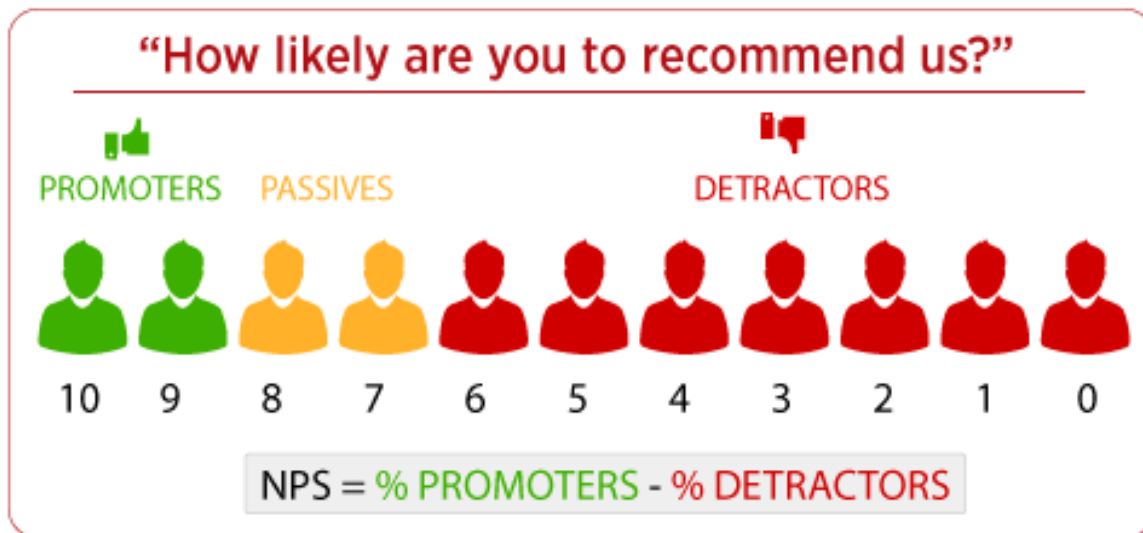
I asked for a z-pak; she said it was a virus and I'd just have to get over it. I can't afford any more time off work. What a waste of a co-pay!



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

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

Opportunity: Becoming the Provider of First Choice



- Consumer-centric delivery model.
- Process and systems driven operating model.
- Team approach to patient service.
- Metrics-driven management.
- Engagement around key performance indicators, including Net Promoter Score.



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



Differentiation Encompasses Product, Service, and Experience



What Patients Want and Expect



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



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