

 OUR TAKE

How Covid-19 is Changing Urgent Care Centers

A review of the current landscape and projections for the future

Article by the Market Innovation Center

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Executive summary

As Covid-19 spreads throughout the U.S., many urgent care centers (UCCs) have become the frontline for triage and testing. Some UCCs have seen as much as 70% of their volumes shift to Covid-19 related concerns. Despite taking on Covid-19-related work, total UCC volumes were down about 50% at the end of April, and many sites have closed temporarily.

One advantage that UCCs have, though, is that they have largely avoided media coverage in a way hospitals have not. Most of the limited news related to UCCs has focused on revised safety protocols and no-contact drive-through testing capabilities, while hospital coverage has focused on surge preparation and intensive care. As such, when patients start returning to in-person care, UCCs may be perceived as a safer option than emergency departments.

In the medium- to long-term, we anticipate an increase in patient acuity, a rise in antibody testing, continued market consolidation and new partnership models, and a shift toward increasing UCC specialization.

Inside this report:

In this briefing, we outline the immediate, medium-, and long-term implications for UCCs. Our predictions depend on:

- How UCCs position themselves in the market in terms of services and safety protocols
- How effectively UCCs manage Covid-19 testing and prevent infection spread
- How extensively UCCs partner with other players to triage and refer patients

Urgent Care Centers: Fast Facts

- There are 9,616 urgent care clinics in the United States
- 39% of UCCs are owned by corporations and 31% are owned by hospitals
- The most common conditions treated in UCCs are fevers, sprains and strains, upper respiratory infections, lacerations, contusions, and back pain

Source: "UCA 2019 Benchmarking Report", Urgent Care Association of America, 2019. https://www.ucaa.org/Portals/80/pdfs/benchmarking/UCA-BenchmarkSurvey19_v1.pdf?ver=2020-02-21-182523-333; "UCA 2018 survey responses", Urgent Care Association of America, March 2019. <https://www.managedcaremag.com/archives/2019/5/urgent-care-surge>; "Afraid of getting coronavirus, Michiganders avoid urgent care centers, emergency rooms", Detroit Free Press, April 2020. <https://www.freep.com/story/news/health/2020/04/13/urgent-care-centers-coronavirus/2973525001/>; "INDUSTRY NEWS: The COVID-19 Impact on Small to Midsize Urgent Care Organizations", UCA, April 2020. <https://www.ucaa.org/About-UCA/Industry-News/ArtMid/10309/ArticleID/1556/INDUSTRY-NEWS-The-COVID-19-Impact-on-Small-to-Midsize-Urgent-Care-Organizations>; Market Innovation Center interviews and analysis.

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Short-Term Impacts

Volumes are low, and many UCCs have temporarily closed

Urgent care volumes were down more than 50% nationwide at the end of April. As a result, many urgent care operators have temporarily closed some or all of their clinics.

Larger, hospital-affiliated urgent care providers have strategically closed certain clinics to redeploy staff in hospitals, conserve PPE, and centralize Covid-19 testing operations. For example, Beaumont Health closed four of their 20 UCCs because of volume shortages and redistributed staff and resources.

Smaller, independent sites may have difficulty accessing tests and/or PPE, and less flexibility to shift resources. As such, these sites are much more likely to close temporarily to conserve resources.

Open facilities are centralizing and segregating Covid-19 care

Of the sites that remain open, those affiliated with health systems are most often being used as Covid-19 testing and treatment sites. This approach helps centralize testing resources, prevent overcrowding in the ED, and minimize infection spread by directing patients with Covid-19-related concerns to particular facilities. However, systems with multiple UCCs, such as UnityPoint Health and Beaumont Health, usually designate only some sites as Covid-19-specific “respiratory illness clinics,” while maintaining regular operations at others.



50%

Estimated reduction in UCC volumes as a result of Covid-19

Source: “UnityPoint turns Waterloo, Cedar Rapids clinics into triage locations for those with respiratory illness”, KCRG News, March 2020, <https://www.kcrg.com/content/news/UnityPoint-turns-Waterloo-Cedar-Rapids-clinics-into-triage-locations-for-those-with-respiratory-illness-569123931.html> “Afraid of getting coronavirus, Michiganders avoid urgent care centers, emergency rooms”, Detroit Free Press, April 2020, <https://www.freep.com/story/news/health/2020/04/13/urgent-care-centers-coronavirus/2973525001/>; “INDUSTRY NEWS: The COVID-19 Impact on Small to Midsize Urgent Care Organizations”, UCA, April 2020, <https://www.ucaoa.org/About-UCA/Industry-News/AntMid/10309/ArticleID/1556/INDUSTRY-NEWS-The-COVID-19-Impact-on-Small-to-Midsize-Urgent-Care-Organizations>; Market Innovation Center interviews and analysis.

SHORT-TERM IMPACTS

Systems with fewer UCCs, such as Keystone Health, have tried to maintain regular UCC operations while also triaging Covid-19 concerns at the same site. In these instances, the clinics typically set up separate entrances or manage Covid-19 cases in the parking lot and non-Covid-19 cases inside the building.

In very few instances, such as in the case of Banner Health’s Loveland Urgent Care, UCCs are being used to treat anything but Covid-19-related urgent cases.

Some UCCs are shoring up volumes with telehealth

Before Covid-19, urgent care clinics were already investing in virtual platforms. In fact, at the end of 2019, 30% of Urgent Care Association survey respondents had plans to implement telehealth within the next 6-12 months. Covid-19 accelerated this shift as patients sought alternatives to in-person care.


UnityPoint Health experienced a 176% increase in virtual urgent care visits between February and March. NYU Langone—located in the midst of one of the biggest Covid hotspots—saw a 683% increase in virtual urgent care visits between March 2 and April 14. Even those without a pre-existing telehealth platform—such as Mercy-GoHealth in Missouri—quickly ramped up virtual offerings to recover lost volumes.

Source: "UCA 2019 Benchmarking Report", Urgent Care Association of America, 2019, https://www.ucaa.org/Portals/80/pdfs/benchmarking/UCA-BenchmarkSurvey19_v1.pdf?ver=2020-02-21-182523-333; "Rapid roll-out of telehealth services in Iowa: 'We're just going crazy with it,' one doctor says", Des Moines Register, April 2020, <https://www.desmoinesregister.com/story/news/health/2020/04/13/clinics-hospitals-ramp-up-telehealth-services-iowa-fights-covid-19/512443002>; "COVID-19 transforms health care through telemedicine: evidence from the field", Journal of the American Medical Informatics Association, April 2020, <https://academic.oup.com/jamia/advance-article/doi/10.1093/jamia/ocaa072/5824298?guestAccessKey=3621cf08-b2df-4027-b1f5-7dadadcd640f>; "Banner Health Now Offering Urgent Care at Non-Respiratory Location in Loveland", North Forty News, April 2020, <https://northfortynews.com/banner-health-now-offering-urgent-care-at-non-respiratory-location-in-loveland/>; "Keystone Health begins using screening tents", The Record Herald, March 2020, <https://www.therecordherald.com/news/20200323/keystone-health-begins-using-screening-tents/>; "With patient counts dropping drastically, Ozarks urgent cares turn to telemedicine", Springfield News Leader, April 2020, <https://www.news-leader.com/story/news/local/ozarks/2020/04/20/springfield-missouri-coronavirus-urgent-care-near-me-telemedicine-patient-count/2983929001/>; Market Innovation Center interviews and analysis.

SHORT-TERM IMPACTS

Many conditions traditionally treated in an urgent care are conducive to virtual intervention:

Urgent care conditions that can be treated virtually



Respiratory infections and allergies

- Cold or sinus infection
- Influenza
- Hay fever/allergies
- Cough without fever

Common female infections

- Female bladder infections
- Vaginal yeast infections

Eye and mouth problems

- Canker or cold sore
- Pink eye
- Sty

Travel medication

- Malaria prevention
- Motion sickness prevention

Medication to prevent an illness or infection

- Influenza prevention if acutely exposed
- Post exposure to pertussis (whooping cough)

Bone, joint and soft tissue problems

- Focal bone, joint or soft tissue pains without fever and not acute trauma or sudden onset

Abdominal issues

- Constipation and/or diarrhea
- Heartburn or acid reflux
- Mild abdominal pain without fever or vomiting

Skin and nail problems

- Acne
- Athlete's foot
- Diaper rash
- Eczema
- Fungal skin infection (tinea)
- Shingles
- Skin irritation (contact dermatitis)

Certain medicine refills

- Short-term refills if patient is visiting the area or can't get in to see their PCP (evaluated on a case-by-case basis)

Medium-term impacts as states begin to loosen restrictions

In-person volumes will be slow to return to normal as patients continue to avoid care

According to a survey by the American College of Emergency Physicians, 70% of consumers are very or somewhat concerned about contracting Covid-19 if they go to facilities for other care. This fear is translating to lower rates of routine disease management and acute condition treatment. This pattern may persist for months—even after Covid-19 restrictions are lifted. In a survey administered by Revive Health, only 38% of consumers reported that they will seek care normally after restrictions are lifted.

The UCCs that will fare the best in the medium-term are those that can offer a broad range of services via virtual visits and guarantee the highest standards of safety and sanitization in their clinics. This will require investment in HIPAA-compliant telehealth infrastructure, workforce and consumer education on how to make the most of virtual visits, and clear communication of safety protocols.

UCCs may see a spike in complex cases that historically would have presented at the hospital

If consumers continue to postpone care and associate hospitals with Covid-19 infections, UCCs may see more patients with complex, acute care needs presenting at their doors, rather than at emergency departments. To manage these cases, UCCs will need to have sufficient physician support and access to advanced imaging capabilities. UCCs affiliated with health systems will have the greatest advantage in these respects, but only if their UCCs are well-integrated with the rest of their system.

38%

Of surveyed consumers will seek care normally after restrictions are lifted

Source: "Consumer Preferences Report Part 3" Revive Health, April 2020, <https://www.thinkrevivehealth.com/covid-19>; "Covid-19", American Academy of Emergency Physicians, April 2020, <https://www.emergencyphysicians.org/globalassets/emphysicians/all-pdfs/acep-mc-covid19-april-poll-analysis.pdf>; Market Innovation Center interviews and analysis.

MEDIUM-TERM IMPACTS

UCCs are poised to serve as antibody testing sites

As states begin to reopen, many individuals will be eager to receive antibody tests, which can indicate prior infection or exposure to Covid-19. Urgent care centers are best positioned to administer these tests since they have already implemented triage and safety protocols for Covid-19 testing. However, they will need to successfully navigate concerns over antibody testing quality and reliability.

For UCCs affiliated with health systems, antibody testing capabilities could prove a critical asset. By sending all patients to a UCC for Covid-19 or antibody testing, the system may be better able to facilitate the partitioning or zoning of patients and minimize infection risk. Additionally, antibody tests may enable the UCC to offset a portion of their volume losses. Under the CARES Act, payers must cover reimbursement for these tests under two new CPT codes.

Another potential advantage for any UCC offering widespread Covid-19 and antibody testing is the ability to cater specifically to employers eager to get their employees back to work. GoHealth and AFC Urgent Care are marketing “return to work” offerings, which include antibody testing along with other occupational health services such as physical exams, immunizations, and customized employee health programs.

Source: “GoHealth Urgent Care to Offer COVID-19 Antibody Testing to the Public From Coast to Coast”, PR Newswire, May 2020, <https://www.prnewswire.com/news-releases/gohealth-urgent-care-to-offer-covid-19-antibody-testing-to-the-public-from-coast-to-coast-301052531.html>; “Leave COVID-19 behind! Back to Work COVID-19 Testing”, AFC Urgent Care, April 2020, <https://www.afcurgentcare.com/richmond/about/blog/2020/april/leave-covid-19-behind-back-to-work-covid-19-test/>; Market Innovation Center interviews and analysis.

Projected longer-term impacts on UCC landscape

Some UCCs will consolidate, while others will turn to tighter health system integration

Many independent urgent care operators will not have the financial resources to withstand a 50% decrease in volume, let alone closure extending beyond a month. The smallest entities will likely have to close their doors completely, consolidate with other local providers, or seek buy-outs from national chains or health systems. This will likely drive consolidation, with regional players becoming super-regional, and super-regional players becoming national.

Additionally, we anticipate increased partnerships between health systems and UCCs that enable UCCs to better triage and share patients and manage both primary care needs and higher-acuity conditions. Specifically, tighter alignment between primary care offices and UCC providers offers opportunities for increased collaboration and care continuity, while mitigating traditional competitive pressures. Coordination with specialists and sub-specialists will also increase the number of services UCCs can provide, thus offering UCCs better protection from seasonality.

UCCs will take one of several paths toward specialization

UCCs have long been trending toward increased specialization to differentiate themselves, and we anticipate that Covid-19 will accelerate that shift. Here are several paths that specialization might take:

1

Expand to offer in-person and virtual primary care

2

Cater to specific age segments

3

Specialize in a specific service line

Several paths toward specialization

Path 1: Expand to offer in-person and virtual primary care

One model we expect to see more often is UCCs offering ongoing primary care services. The two factors driving this shift are closures in primary care practices as a result of Covid-19 and changing consumer preferences.

According to a late-March survey of more than 700 PCPs, three in five reported uncertainty about their ability to remain open over the next month and 20% of practices predict temporary or permanent closure by June. If many of these sites never reopen, there will likely be a shortage of PCPs in some areas. UCCs will be able to capture business that would have historically presented at these practices.

Additionally, UCCs already attract patients who do not have a usual primary care provider (68% of all UCC users). If UCC operators can expand the scope of their offerings to provide ongoing chronic disease management services, wellness care, and low-acuity behavioral health support, they would be poised to serve these patients on a more permanent basis. Many of these services—as well as their most common pre-Covid concerns—can be provided via telehealth, enabling UCCs to scale their telehealth capabilities.

Path 2: Cater to specific age segments

Another option is to specialize in serving consumers of a specific age. Older adults are especially vulnerable to Covid-19 infection and are concerned about where they can receive care safely. According to a survey by the American College of Emergency Physicians, 81% of Boomers have concerns about using the ED due to infection risk. If UCCs are able to tailor their service offerings to an older age cohort and clearly communicate their safety protocols, they could capture substantial volumes.

81%

Of Boomers have concerns about using the ED due to infection risk

Source: "Primary care & COVID-19: Week 3 survey," the Primary Care Collaborative, April 2020, <https://www.whec.com/coronavirus/primary-care-doctors-revenue-down-70-percent-worry-some-offices-may-close/5695318/>; "Covid-19", American Academy of Emergency Physicians, April 2020, <https://www.emergencyphysicians.org/globalassets/emphysicians/all-pdfs/acep-mc-covid19-april-poll-analysis.pdf>; Market Innovation Center interviews and analysis.

Several paths toward specialization

Path 3: Specialize in a specific service line

A third option for specialization is to offer a more focused set of services aligned with a specific service line, such as behavioral health or orthopedics. In some cases, specialization may be a continuation of a pre-Covid-19 strategy; in others, it may be a response to new market demand.

For example, in direct response to Covid-19 and an uptick in behavioral health concerns, Bozeman Health partnered with Western Montana Mental Health Center and the Help Center to open a Behavioral Health Urgent Care Center. The facility offers crisis interventions, psychiatric evaluations and clinical assessments, on-demand counseling, and medication management services for those who need a higher level of care, but do not need to go to an ED.

Other organizations, in contrast, have simply accelerated efforts to increase specialization. Crystal Clinic Orthopaedic Center, for example, expanded their QuickCare service to five more locations in April in order to meet unmet demand and help patients bypass overwhelmed EDs during Covid-19 demand surges.

Regardless of specialty, we would expect to see specialization in markets where demand for certain services outpaces current supply or the need for competitive differentiation is high.

Source: "Bozeman Health, other organizations open mental health urgent care center", Bozeman Daily Chronicle, April 2020: https://www.bozemandailychronicle.com/news/business/bozeman-health-other-organizations-open-mental-health-urgent-care-center/article_12c82e21-ac2e-5112-a83f-814d5e091c68.html; "Crystal Clinic Expands Its Orthopaedic Quickcare Locations As An Alternative To The Emergency Room", PR Newswire, April 2020: <https://www.prnewswire.com/news-releases/crystal-clinic-expands-its-orthopaedic-quickcare-locations-as-an-alternative-to-the-emergency-room-301042769.html>; Market Innovation Center interviews and analysis.

Guidance for health systems

Strategy 1: Revisit strategy and offerings to ensure a competitive edge

- Invest in scaling telehealth infrastructure to serve patients unwilling to seek in-person care
- Develop a reliable antibody testing process and market directly to consumers and to employers as the economy reopens
- Consider adding specialty physicians or additional ancillary services to existing UCCs to take on higher-acuity cases
- Establish referral partnerships with primary care providers, specialists, and/or or health systems to improve coordination
- For system-affiliated UCCs, offer in-clinic virtual specialist consultations to prevent patient leakage
- Assess how care needs and preferences will change as a result of Covid-19 to pinpoint gaps in offerings (e.g., behavioral health consultations) and opportunities for specialization








Strategy 2: Adjust operations to improve safety and efficiency

- Establish long-term Covid-19 testing and triage protocols to ensure patient and staff safety
- Adjust care processes and facility layouts to allow for appropriate social distancing
- Train staff on new safety protocols
- Educate providers and consumers about benefits of telehealth, when it can be used, and how to get the most out of a visit
- Review data sharing capabilities to ensure providers can easily transfer and access patient information across care sites
- Plan for Covid-19 testing and triage alongside normal seasonal spikes, such as the flu

Strategy 3: Address patient fears and financial concerns

- Proactively communicate new safety protocols to consumers
- Identify patients with unmet preventive care needs and tailor outreach to their needs
- Offer transparent payment options for consumers
- Consider offering bundled services for employers and specific age cohorts

Related resources

-  EXECUTIVE RESEARCH BRIEFING
Answers to your urgent care questions
<https://www.advisory.com/research/service-line-strategy-advisor/research-briefs/2018/answers-to-your-urgent-care-questions>
-  RESOURCE
3 Imperatives to leverage telehealth against Covid-19
<https://www.advisory.com/research/health-care-it-advisor/resources/2020/3-imperatives-to-leverage-telehealth-against-covid-19>
-  RESEARCH
Retail and urgent care clinic strategy
<https://www.advisory.com/research/medical-group-strategy-council/white-papers/2014/retail-and-urgent-care-clinic-strategy>
-  CALCULATOR AND FORECASTER
Urgent care center pro forma
<https://www.advisory.com/research/market-innovation-center/tools/2017/urgent-care-center-pro-forma>
-  RESEARCH
What consumers really want from urgent care
<https://www.advisory.com/research/market-innovation-center/research-reports/2019/urgent-care-preferences>
-  BLOG
3 reasons why your virtual urgent care program isn't achieving ROI—and what you can do about it
<https://www.advisory.com/research/market-innovation-center/the-growth-channel/2019/04/virtual-urgent>
-  EXECUTIVE RESEARCH BRIEFING
Key considerations for investing in orthopedic urgent care
<https://www.advisory.com/research/service-line-strategy-advisor/research-briefs/key-considerations-for-investing-in-orthopedic-urgent-care>

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