



Urgent care and payers face off

By Joe Cantlupe | May 4, 2017

In an era of rising healthcare costs and a growing emphasis on patient access, the urgent care industry has billed itself as a panacea – a quick, simple way to treat coughs and twisted ankles and meet patients' demand for evening and weekend care.

But as urgent care centers look to expand, they're facing challenges – most notably, friction with insurers over rules, restrictions, and reimbursements.

Some insurers require that urgent care centers have full-time or emergency department-certified physicians onsite. Some require urgent care centers in their networks to obtain accreditation certificates, which many lack.

And some insurers are shutting out urgent care centers altogether, operators complain, by restricting them from networks in locations the payers believe may be saturated with healthcare facilities.

"A lot of urgent care providers are facing a narrowing of networks," says Laurel Stoimenoff, CEO of the Urgent Care Association of America, which represents 2,700 urgent care centers in the U.S. and abroad.

Those rules hamstring "the entrepreneur who wants to build an urgent care center right now," Stoimenoff says. "You may have spent a million dollars on the place, even before applying for a contract. Then you apply to one of the major payers and they say, 'sorry, we're not accepting more urgent care clients. We have enough of them in our network.'"

Insurance industry officials stand by their requirements, saying they're intended to keep healthcare affordable and safe. Rules around staffing and accreditation "ensure both quality and access," says Cathryn Donaldson, a spokeswoman for America's Health Insurance Plans, a major lobbying group on behalf of insurers.

And Donaldson says the building of networks is a complicated process that depends on state populations, local market dynamics, and the contracts themselves – as well as regulatory requirements from states and counties.

"States know best regarding their constituents in terms of coverage and care," she says.

Hire a doctor

Currently, there are about 7,357 urgent care centers in the U.S., an increase from 6,707 in 2015, according to the Urgent Care Association's 2016 Benchmarking Report. The industry is projected to increase 5.8 percent each year through 2018, according to a report from IBIS World.

Narrow insurance networks could limit that expansion, says Franz Ritucci, M.D., President of the American Academy of Urgent Care Medicine.

So could staffing burdens. Some urgent care centers say they're struggling financially under insurers' contractual demands, such as requirements that they maintain full-time physicians on staff.

For a small business, finding a full-time physician for every location isn't easy, says Megan Lawlor, director of Austin, Texas-based Benchmark Urgent & Family Care.

"It's been a struggle in our Sacramento market, where we're trying to find a physician and staff our urgent care," Lawlor says. "The result has been a lot of part-time doctors."

Stoimenoff of the Urgent Care Association of America says demand for full-time physicians is unreasonable.

"At an urgent care center, you are looking at aches and pink eyes, and you have to have a physician 100 percent of the time?" she says. "It's like we are going back to the 1950s with different standards."

And some urgent care operators complain about the need to duplicate physician work. Graig Straus, MSN, a nurse practitioner and president of Rockland Urgent Care in West Haverstraw, New York, says insurers required him to hire a licensed medical doctor to oversee his dedicated x-ray suite, even though he has radiologists on contract to do that work.

"So he might be a gynecologist, but it's OK for him to sign off on the x-ray equipment," Strauss says with a laugh. He hired a supervising physician.

Bridging the divide

Some urgent care operations have improved relationships with insurers by expanding their services. In Vienna, Virginia, Stephen Chang, M.D., and his colleagues term their business, Synergy Immediate Care, a "hybrid clinic" because it includes primary care and urgent care. By offering both services, he says, some insurers have been receptive to signing contracts.

"Some are more willing than others," he says. "We want to see both types of patients. Our aim is to take care of the whole patient, for whatever condition. Just having urgent care, that would not work."

The urgent care industry is also taking steps to make available more accreditation programs, to demonstrate to insurers that the quality of care they're delivering is high, says Stoimenoff, the UCAA head.

"In order to cover all my bases," notes Straus of Rockland Urgent Care, "I credentialed myself as an urgent care center and am certified by the Urgent Care Association."

What's ahead

Urgent care facilities may face more rules and regulations in the years ahead, says Jesse Pines, M.D., director of the George Washington University School of Medicine & Health Sciences and principal investigator for Urgent Matters, a program that evaluates best practices in emergency care.

"I think you are going to see a continued creep of rules in urgent care settings, more rules about expertise and capabilities," Pines says. And from the government, he says, there may be "more quality measures in the coming years, and some of them could apply to urgent care centers, or they may increasingly apply to them. That's a big question."

But Stoimenoff predicts that urgent care centers will continue to thrive because they deliver less expensive care compared to freestanding or emergency care facilities.

“I think of the line from ‘Apollo 13,’ that this can be ‘our finest moment,’” she says. “With the right strategy line, this could be an explosive time for urgent care.”

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Illustrations by David Barbor.



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