Opening Your Urgent Care While Contracted as a Primary Care Practice

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Over the past 2 decades, urgent care has been on the forefront of consumerism. Increasingly, healthcare consumers are realizing how much they are contributing to the cost of healthcare delivery through taxes and payroll premium deductions, and therefore, they're more motivated than ever to attain the full value of the benefits they've paid for. Urgent care has remained focused on the consumers' sense of value by appealing directly to patients as clinics market their convenient locations, diagnostic capabilities, and extended night/weekend hours.

However, regardless of their reasons for preferring an urgent care center, patients simply will not choose a provider that requires them to pay out-of-pocket for what they believe is a covered benefit under their health insurance plan. Given that the vast majority of healthcare is paid by third parties, it's not surprising that patients in the United States generally don't elect to pay directly for healthcare services and therefore will seek in-network providers aligned with their health insurance plan.

Opening an urgent care center with an out-of-network status—even if just for a few weeks until the ink is dry on the payer contracts—could result in financial ruin when patient volume fails to reach reasonable business targets. Volume will suffer if too many patients balk at direct-pay-only situations and walk out or if they are turned away because the center cannot bill their insurance. Long-term, the patient may continue to believe the center is out-of-network, even after the network status is secured.

Contracting as Primary Care

To avoid a disappointing launch, a center should commit to opening with in-network status from at least some of the larger payers in the market. In a highly concentrated area, substantial coverage may be achieved with as few as 2 or 3 major payers. The largest commercial payers in most markets are usually Blue Cross and Blue Shield plans, United Healthcare, Cigna, Elevance (Anthem), and Aetna CVS. Many of the largest commercial payers also operate Medicare Advantage and managed care Medicaid plans. In some cases, urgent care operators have gained access to payer networks—even closed networks—as a result of an acquisition of an in-network provider organization. However, the roll-up process once the transaction is complete takes months, and the ability to add more locations to an existing payer relationship is never guaranteed.

Another option to gain in-network status is to contract with payers as a primary care practice rather than an urgent care practice. However, the business case for doing so must consider some of the challenges in opting for a primary care contract, such as the following.

- **Credentialing:** If the urgent care has hired emergency medicine physicians, for example, there may be limitations on the physician's ability to credential as a primary care provider (PCP).
- **Clinical Workflows:** Primary care contracts often do reimburse for wellness services, physicals, and vaccinations, which are not universally reimbursed in urgent care contracts, thus enabling new revenue streams for the practice. But the services also require clinical workflows that are different from the typical urgent care workflow.
- **Services:** Being listed in insurance directories as "primary care" does set an expectation among members that the center will provide primary care services—which the center may not realistically be able to deliver—such as chronic care management.
- **Inventory:** Supply inventory—especially medication inventory—can change substantially and lead to significant waste when an urgent care takes on primary care services.

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Table 1. National Distribution of Urgent Care Visits by Place of Service

Description	Percent of Visits	Average Net Revenue per Visit
Urgent Care Center	83%	$145
Physician's Office	15%	$133
Rural Health Clinic	2%	$123

Source: Experity EMR Data, 2023. Includes all revenue from insurance-reimbursed visits which include an evaluation and management code.

- **Revenue:** Lower co-pays for primary care office visits offer a marketing advantage versus the higher out-of-pocket responsibility for the patient for urgent care visits, but the lower price point may also result in less revenue.
- **Revenue cycle management:** Whereas urgent care contracts often pay a case rate or fixed fee per visit, in primary care, providers may be in value-based payment contracts or fee-for-service structures, causing less predictable payment and revenue expectations alongside more complex revenue cycle management—including the much larger code sets used in primary care.

Adding Primary Care to Urgent Care

When pursuing primary care contracts as an additional business line for an urgent care center, the simultaneous delivery of services can present unique challenges, such as the following.

- **Visit flow:** Primary care services, especially annual wellness exams, can take longer than expected, interrupting the steady flow of urgent care patients, making wait times longer for walk-ins.
- **Throughput:** Patients presenting in primary care are likely to have multiple complaints to address, which require additional time and expertise to manage and can slow down throughput—often benchmarked at approximately 4 patients per hour for urgent care.
- **Referrals:** Primary care calls for a greater number and variety of referral relationships compared to urgent care, and running both lines of business at the same time can turn the referral process into a heavy lift.

Conclusion

Patients expect their local urgent care to accept their network health benefits. As a consumer-focused healthcare delivery channel, it's nearly impossible for an urgent care to succeed long-term without contracting with the leading health plans in its market from day one.

To mitigate a potentially risky start-up phase, urgent care clinic operators should consider engaging experts to accurately assess the payer landscape, prioritize payers, present contracting alternatives, and devise a workplan that coordinates contracting and credentialing activities to coincide with a timely opening. Leveraging experienced guidance can save time and money. ■