Mind the Gap

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It's believed that Urgent Care (UC) was born early in the 1980s, likely as the brainchild of Bruce Irwin, MD. He was an emergency room physician who saw "many people were coming to the emergency room with problems that could have been cared for in a less expensive and more convenient manner."[1] He opened a facility to do just that, which became American Family Care, the nation's largest Urgent Care provider. Bruce Irwin passed away in 2023, but his insights on why Urgent Care was needed at that time still ring true.

Yet, 42 years later, many people continue to wrestle with Urgent Care's place in the healthcare ecosystem. There is ongoing debate about whether Urgent Care centers should focus on growing primary care access or stick with higher acuity and the pluses and minuses of both. Economics is a huge factor in these discussions, unfortunately. There are so many dollars flowing into the primary (and chronic) care spaces that it's hard to resist. Consequently, all kinds of new actors have been rushing into the fringes of our space. From new insurance models to mobile apps, to connected devices, to a wide assortment of open access attempts by very big names, we've seen a tsunami of companies trying to revolutionize primary care.

All these efforts are geared toward creating disruptive innovation. Coined in 1997 by Clayton Christensen in the book "The Innovator's Dilemma," "disruptive innovation" occurs when a new market is created at the bottom of an existing market that eventually displaces the established market-leading firms. This is essentially what Urgent Care did: We came in at the bottom of the emergency department (ED) "market" and were able to see a segment of the patients who traditionally went to the ED but for less cost and more pleasant access. We did a few other things right, but disruptive innovation was at the core of our initial success.

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Primary care appears to be ripe for disruptive innovation. It seems to have low-hanging fruit on the accessibility and affordability branches, so if someone created networks that took advantage of scale and were able to gain enough negotiating power with the folks that hold the reimbursement purse strings, it could eventually become a low cost model that is financially viable. The trouble with disruptive innovation is that the new model has to be inherently more affordable—not simply because it's being propped up by investor dollars. Primary care is fairly low cost already, so finding a lower cost way to deliver those services is a real challenge. And if you can't solve that problem, creating more access is not going to create disruptive innovation. It seems a few checkboxes were missed, and that may help explain why almost none of the latest primary care disruption attempts have succeeded.

Through it all, I have seen almost no one trying to disrupt Urgent Care, but as time goes on, that is what keeps me up at night. Investment in Urgent Care remains strong, which is a good sign that we are doing many things right (still), but if we fully abandon the top tier of what we do well so that we can pursue primary care and high throughput, are we abandoning the essentials of what made our success possible so far? We took the low-hanging fruit off of emergency departments and did it for less cost and with better access—that's disruptive innovation. If we abandon higher acuity, is that gap newly ripe for someone else to come in and fill it behind us? Especially when we achieve payment reform, might not all of those venture capital dollars go into creating a "new model" of "ED-lite" since we're not in that space anymore? That's an irony I could do without witnessing.

Each of you will need to decide what this means for your practice, your center, and your company. For the Urgent Care Association's part, we are going to stay focused on ensuring your advancement and long-term success and partnering with you to figure out exactly what that means in the years to come.

Reference

1. AL.com Website. On the record: Bruce Irwin, founder/CEO of American Family Care says health reform should address supply side. February 20, 2011. Accessed at: https://www.al.com/businessnews/2011/02/on_the_record_bruce_irwin_foun.html