

Why your local ER may get a lot less crowded

Entrepreneurs, retailers join docs and hospitals in fast health-care business.



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Less than a decade ago, most people in need of immediate medical attention — after breaking an arm playing football or suffering an asthma attack in the night or, perhaps, burning themselves on the stove — headed straight to a hospital emergency room.

It's what people did, but times have changed.

While the area's 50-plus emergency departments are still an option, so are scores of urgent-care centers and health clinics at retail outlets such as pharmacies, supermarkets and malls.

An exact number of such health centers is difficult to nail down, but the region's largest health insurer, **Independence Blue Cross (IBC)**, lists 116 urgent-care centers and health clinics in southeastern Pennsylvania, South Jersey and northern Delaware.

The two most active retail pharmacy chains with health clinics in their stores, CVS and Walgreens (through its Conshohocken-based subsidiary Take Care Health Systems), operate 30 locally.

The urgent-care centers are owned by a mix of physicians, health systems and entrepreneurs.

Expansion plans by operators of urgent-care centers and retail-based health clinics should give the region more than 150 centers in a few years. During that provisions of the Affordable Care Act are expected to result in more than 30 million previously uninsured people nationwide having health coverage — driving up the demand for primary-care services.

“In other parts of the country, urgent-care centers are a much bigger part of the health-care landscape,” said Dr. [Eric R. Mankin](#), the CEO of Temple Physicians who is also leading **Temple University Health System's** group of ReadyCare centers.

Mankin said the Philadelphia area was slower to catch on to the trend because health insurers, most notably IBC, were not quick to embrace urgent-care centers.

It wasn't until last year that IBC added coverage for treatment at urgent-care centers and retail health clinics to its network.

The math made the decision easy.

ERs that contract with IBC, according to the company, generally charge \$550 to \$750 to treat strep throat, compared with an average of \$110 to \$130 at urgent-care centers and at retail health clinics. Members can save out-of-pocket expenses because ER co-payments average around \$100, compared with \$20 to \$70 co-payments for retail-based health clinics and urgent-care centers.

A study by the national Blue Cross Blue Shield Association found 27 percent of hospital ER visits are not for emergencies, which adds \$4 billion a year to U.S. health-care spending.

Brian Lobley, senior vice president for marketing and consumer business at IBC, said the company added urgent-care centers and retail health clinics to its plans' provider networks last year.

"Consumers are looking for the most convenient access to care," Lobley said. "As these centers became more available across the region, we moved to add them to our network."

Last year, IBC members accounted for 10,000 visits at urgent-care centers and another 20,000 visits at retail health clinics.

Room for hyper-growth?

[Alan Zuckerman](#), president of Philadelphia-based Health Strategies & Solutions Inc., believes the region could easily support "hundreds" of urgent-care centers.

"What you have is a shortage of primary-care physicians and clogged ERs," Zuckerman said. "There's a nice, big space between those two that urgent-care centers can fill."

Zuckerman said health systems are adding such centers because policy changes by insurers are coming that will put more limits on the type of care delivered in the ER that is eligible for reimbursement. "Hospitals aren't going to get away with taking care of the sniffles in their ERs," he said.

While area health systems say they are not seeing dips in emergency department visits as a result of competition from retail health clinics and urgent-care centers, that isn't stopping them from getting into the service line. Some examples:

[Jeffrey Brown](#), founder and CEO of Brown's Super Stores Inc. in Westville, Gloucester County, has set his sights on opening 15 supermarket-based health clinics in the region. He opened his first one last year at his Cheltenham ShopRite in a partnership with the Einstein Healthcare Network.

4Pennsylvania Real Estate Investment Trust last year joined forces with Mercy Health System to open an ambulatory-care facility, with an urgent-care component, at the Plymouth Meeting Mall. In February, PREIT said it is working with Main Line Health to open a second ambulatory-care facility at another PREIT-owned complex — the Exton Square Mall in Chester County.

4Temple Health System opened its third ReadyCare Center this week in Jenkintown.

4In South Jersey, Virtua operates urgent-care centers — under the Virtua Express name — within the walls of its health and fitness centers in Washington Township and Moorestown. The health system also opened a nurse practitioner-staffed health center at its William G. Rohrer Center for HealthFitness in Voorhees about four months ago.

“We have plans on the horizon to open more in the next two to four years,” said [Alfred Campanella](#), Virtua’s executive vice president of strategic business growth and analytics. “It’s possible we may add more [urgent-care centers] as stand-alone facilities as we move forward.”

Campanella, noting New Jersey’s shortage of family practitioners, said the centers were initially established to provide people with improved access to primary-care. The urgent-care centers in Washington Township and Moorestown are providing care to a combined 3,000 patients a month — most often treating conditions such as colds and flu, ear infections, minor strains and pains.

“I think it’s clear some of these patients would have ended up in one of our emergency rooms,” said [Michael S. Kotzen](#), executive vice president for population health management at Virtua.

Hospital officials say they are helping prevent ER capacity problems from worsening. During the past five years, ER visits at Virtua’s hospitals have climbed 11 percent to 217,098 last year from 196,605 in 2008.

“If you had those 30,000 patients a year [from urgent-care centers] going to the emergency department, you’d have even more overcrowding,” Kotzen said.

Public Health Management Corp., a Philadelphia nonprofit dedicated to improving community health, found in its annual household health survey that about 235,000 people in southeastern Pennsylvania received health-care services from a retail clinic in the past year. The data gathered by the PHMC’s Center for Data Innovation found the insured, at 7.5 percent, were almost equally likely to have visited a retail clinic in the past year as the uninsured at 8.1 percent.

Among those who visited a retail clinic, 20.9 percent — or nearly 50,000 people — said they would have otherwise gone to a hospital ER.

Strategy not universal

But not all health systems are jumping on the urgent-care or retail clinic bandwagon.

Abington Health officials said their focus with respect to access is on building a strong primary-care physician practice network in its service area.

“We are aware of the proliferation of urgent-care centers and retail clinics in the eight-county area,” said [Linda Millevoi](#), a hospital spokeswoman. “We are always monitoring activity in the market and evaluating our options, but there are no specific plans at this time to open urgent-care centers or retail clinics.”

Privately owned Patient First, an operator of 44 urgent-care clinics in three states, opened its first local center late last year, in Montgomeryville. It has plans to open seven more at locales including East Norriton, Feasterville and Downingtown.

In an illustration of just how competitive this market is getting, Patient First’s Montgomeryville site opened a few hundred feet from an urgent-care center run by Advanced Urgent Care, another privately owned chain, along Route 309.

Temple Health System’s Mankin doesn’t believe all of the urgent-care centers popping up will survive.

“There will,” he said, “be winners and losers in the market.”