MERRITT HAWKINS
an AMN Healthcare company

White Paper Series

Examining topics affecting the recruitment and retention of physicians and advanced practice professionals

Convenient Care: Growth and Staffing Trends in Urgent Care, Retail Medicine, and Free-Standing Emergency Centers

A resource provided by Merritt Hawkins, the nation's leading physician search and consulting firm and a company of AMN Healthcare (NYSE: AMN), the largest healthcare workforce solutions company in the United States.

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Introduction

Increased access to medical service -- the idea that success in healthcare delivery depends on "being everywhere, all the time" -- is a part of a growing trend in which healthcare organizations are evolving away from a transactional model of care and toward an "experiential" model characterized by customer service, price transparency, provider ratings, and ease of use. With the understanding that consumers punish complexity and reward simplicity, healthcare is shifting to a convenient care/outpatient model with a wider menu of niche providers to suit varying customer preferences.

In order to capture consumer preferences for convenient care, hospitals, large medical groups, health corporations and other organizations are developing outpatient sites of service and amenities, including urgent care centers, retail clinics, free-standing emergency centers, telehealth services, healthcare monitoring apps and home health devices, even an updated version of the classic house call. Providing convenient care services is no longer a secondary consideration filled by "moonlighting" primary care physicians – it is a distinct growth service line likely to capture more of the projected $5.4 trillion to be spent on healthcare by 2024.

Consider this excerpt from an August 8, 2015 article in The Boston Globe (*Walk-In Clinics Force Big Medicine to Reconsider*, Priyanka Daval McCluskey and Taryn Luna):

"Consumers…are increasingly looking for faster and more convenient options to get basic medical care, and retailers like CVS are filling the gap with walk-in clinics and other services. That's forcing traditional health care providers, from small doctors' offices to big hospitals, to react.

"At Atrius Health, a large medical group, more doctors are leaving their doors open until 8 p.m. Tufts Medical Center is taking online appointments for its emergency room. Several hospital networks are building walk-in clinics for urgent care. Doctors have started seeing patients through video chats. And apps are being built that will let consumers make appointments and view medical information from their phones, the way consumers already access so many other services.

"Partners Healthcare, Lahey Health, Steward Health Care System, Beth Israel Deaconess Medical Center, UMass Memorial Health Care an others are all building urgent care sites or partnering with companies that run urgent care clinics. The clinics are staffed by physicians and other health care workers.

"'This represents a huge paradigm shift in healthcare,' said Normand E. Deschene, chief executive of Wellforce, the parent company of Tufts Medical Center and Lowell General Hospital. 'The systems that are going to succeed are those that are going to embrace it because this is what the consumers want. Most industries follow what their consumers want. Health care should be no different.'"

Dr. Ateev Mehrota, an associate professor in the Department of Health Care Policy at Harvard Medical School and an adjunct analyst at the RAND Corporation was quoted by *The New York Times* as follows: "We expect our banking 24 hours a day, seven days a week, and to shop 24/7. So now we want our health care to be 24/7" (see *Race is on to profit from urgent care centers."* Julie Creswell, *New York Times*, July 9, 2014).

Primary Care Physician Office Visits Declining

According to a November, 2018 report from the Health Care Cost Institute (HCCI), office visits to primary care physicians dropped 18% from 2012 to 2016 (see *Healthleaders*, November 11, 2018)

One of the three key reasons for this decline cited in the report is the shortage of primary care physicians, which is leading consumers to seek appointments with other types of physicians, particularly nurse practitioners and physician assistants, who often are more accessible than doctors.

According to the report, the decline in visits to primary care physicians was partially offset by a 129% increase in office visits to NPs and PAs. Many of these encounters take place in the "convenient care" settings discussed below.

In this white paper, Merritt Hawkins examines the development of convenient care, with an emphasis on urgent care centers, retail clinics, and free-standing emergency centers, examining their purpose, growth and clinical staffing requirements.

Urgent Care Centers and Retail Clinics

Convenient care clinics began to appear approximately 18 years ago to offer consumers convenient, affordable, and timely access to a limited scope of medical services on a walk-in basis. In the early stages, convenient care clinics saw very few patients and only accepted cash payments.

After a few years of limited growth, major retailers and healthcare systems began to aggressively acquire or build these sites of service to provide patients lower cost options and more efficient access to physicians and other healthcare professionals.

Convenient care clinics are split into two rapidly expanding sites of service: urgent care centers and retail

clinics. Urgent care centers offer high-quality care for common illnesses and non-life threatening procedures such as sprains, broken bones, flu, colds, infections, cuts, and other common illnesses or injuries. They typically are staffed by primary care physicians and advanced practice professionals such as nurse practitioners (NPs) and physician assistants (PAs).

Urgent care centers have an advantage over hospital emergency departments as they can choose patients by payer type and may elect not to see Medicaid or uninsured patients if these patients are not able to pay upfront. Hospital emergency departments, by contrast, are obligated by law to see all comers. While some states require urgent care centers to be licensed, most do not.

Typically, urgent care centers are open seven days a week with evening and weekend hours. According to *Becker's Hospital Review*, 85% of urgent care centers are open seven days a week with 95% closing after 7 p.m. The average cost of treatment is $150, and most participate with major insurance plans.

Retail clinics provide slightly less advanced medical procedures than urgent care centers and are usually located in high-traffic retail outlets associated with pharmacies such as Walgreen's or CVS. CVS has the largest presence with a goal of opening 1,500 clinics by the end of 2017, followed by Walgreens and Kroger.

Typically, retail clinic patients have been children, whose parents value convenience, and young adults, who are not as connected with primary care physicians as they have been in the past, as the data from HCCI cited above suggests. There is "a relatively high rate of return visits for people using retail clinics, suggesting user satisfaction, and people using retail clinics are less likely to return to primary physicians for subsequent visits, raising continuity of care concerns" (*Retail Clinics are Still Here. Now What?* AJMC. March 30, 2017).

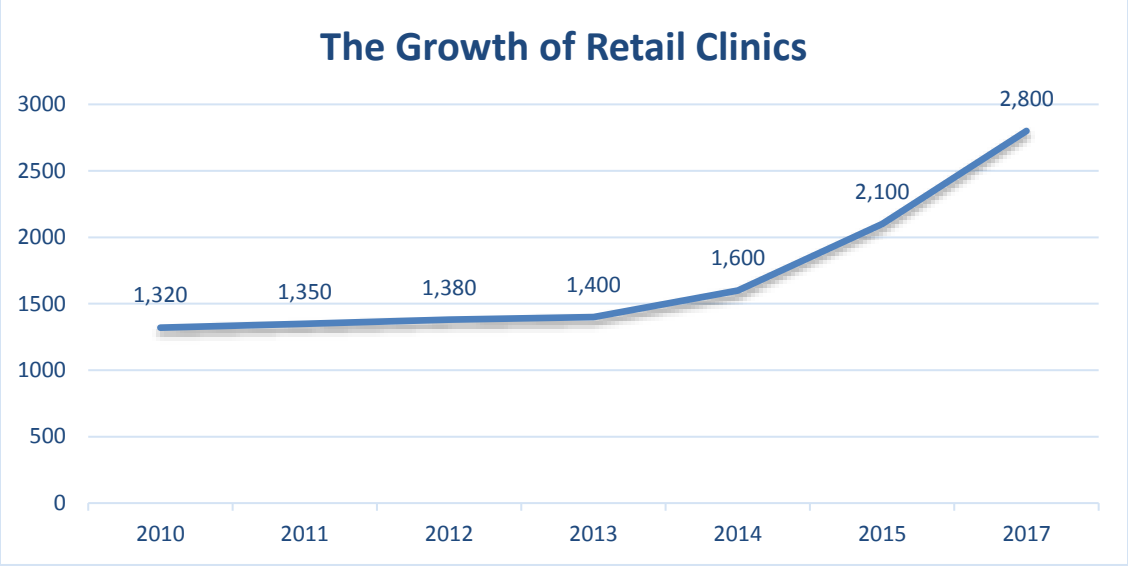
Retail clinics offer a variety of patient services, including treatment for minor ailments such as sore throat, ear infections, and colds; preventive services such as flu shots and vaccinations; and screening for conditions such as hypertension and high cholesterol.

Retail clinics generally are open seven days a week, usually from around 8 am to about 8 pm, with more limited hours on weekends. No appointments are required and consumers report a high rate of satisfaction provided by retail clinics (93 percent for convenience) and 90 percent for quality of care.

While less than 4% of patients need to be transferred to the emergency department, patients who have conditions outside the clinics' scope of practice or who need ongoing care are referred to a local physician.

Growing in Growing Areas

The popularity of retail clinics has grown substantially over the last decade. The first retail clinic opened in a grocery store in Minneapolis/St. Paul in 2000. By 2010 they numbered just over 1,300, according to the Convenient Care Association, and by the end of 2017 there were projected to be approximately 2,800 (*Retail Clinics 2017.* Research and Markets. May 23, 2017).



Source: Convenient Care Association/AJMC

Retail clinics appear to popping up on every corner, much like Starbucks. In fact, one health system has taken the Starbucks approach as its model. According to *Modern Healthcare*, MedStar Health selects locations previously leveraged by major retailers for optimal placement, following the coffee retailer's example.

Most strategies for establishing new retail clinics seem to mirror the MedStar approach. Clinic developers focus on empty storefronts in retail areas where conversion costs are lower and the construction can be completed in a few months. Typical conversions include vacant video rental stores and vacated restaurants, which have an open floor plan that is easily modified.

The typical retail clinician "occupies about 400 to 600 square feet, which often includes a reception desk, a waiting area and two exam rooms. Prices are displayed prominently. It is estimated that 30 patients a day are needed for clinics to break even financially, considering only the medical care they provide. Retail clinics deliver about one percent of the number of visits patients make to physician offices, but up to 7% for 11 common, simple acute conditions." (*Retail Clinics Are Still Here. Now What"* AJMC March 30, 2017).

In 2013, there were approximately 6,400 urgent care centers in the U.S., according to the Urgent Care of Association of America 2014 Benchmarking Survey. By the end of 2017, that number had grown to 7,639, up from 7,271 in 2016 and up from 6,946 in 2015, and urgent care now is a $18 billion a year industry (*Urgent Care Industry Hits $18 Billion.* Bruce Japsen, Forbes, February 23, 2018). The industry was projected to grow by about 6% in 2018, according to Forbes, with major players including Concentra, Med Express (owned by United Health/Optum), CityMD, GoHealth, Fast Pace, Premier, MD Now and others. According to the Urgent Care Association of America, urgent care center locations include:

Shopping centers/strip malls	38%
Freestanding buildings	32%
Medical offices	20%
Mixed use buildings	9%

Geographically, growth of retail clinics and urgent care centers has mostly occurred in Midwestern and Sun Belt states and largely in suburban growth areas, according to Alan Ayers, vice president of market

development for Concentra, the nation's largest urgent care chain. Suburban areas constitute 82% of urgent care center locations, up from 45 percent in 2009, while urban and rural areas make up 11% and 8%, respectively (see "*2014 Urgent Care Benchmarking Survey Results", Urgent Care Association of America*).

Currently, about 30% of the U.S. population lives within a ten-minute drive of a retail clinic, but estimates project the number will continue to increase. Convenient care providers have additional room for growth if they can find a way to turn a profit in underserved areas. Expanding into rural communities and urban markets seems like the next logical step. Rural markets represent an enormous opportunity for new urgent care center and retail start-ups. These communities have been without healthcare resources for years and welcome entrepreneurs with quality services. The number of highly urban markets are limited, but convenient care centers focused on meeting the needs of urban dwellers could find success in these locations.

Free-Standing Emergency Centers

According to an October 4, 2016 article in *Modern Healthcare*, there now are approximately 400 free-standing emergency centers (FECs) spread over 32 states. Texas, which in 2009 was the first state to enact a law allowing private, for-profit entities to provide emergency services, has a proportionately high number of FECS. Approximately half of all FECs are located in the state.

FECs typically are owned and managed by either hospitals, independent, for-profit groups or joint ventures between the two. For example, the largest operator of FECs, Adeptus Health, has a joint-venture agreement in Texas with the Texas Health Resources (THR) health system. Over 54% of all FECs nationally are hospital-owned or hospital-affiliated while over 45% are independent, according to an August 2, 2016 article in the *Dallas Morning News*. Citing a study in *Health Affairs, Modern Healthcare* projects there could be 800 to 1,600 additional FECs in the future.

How FECs operate and the rules governing them are still in flux. Of the 32 states with FECs, 17 have established specific policy requirements, according to *Modern Healthcare,* with "15 of 32 states requiring a physician to be on-site during all hours of operation and 11 requiring certified emergency physicians to be on-site at all times. Eighteen states with FECs have rules comparable to the federal Emergency Medical Treatment and Labor Act (EMTALA), requiring the facilities to accept all patients for treatment and stabilization regardless of insurance status." Texas is one such state that does have an EMTALA-like requirement. It should be noted that hospital-owned FECs must have accept all patients for screening and stabilization because they come under the federal EMTALA law.

One factor limiting the ability of FEC expansion, particularly into traditionally underserved areas, is that Medicare and Medicaid generally will not pay for their services. In addition, FECs generally don't have the depth of services of hospital emergency departments and may have to transfer patients to hospital emergency after stabilization.

FECs do offer convenience, however, and generally shorter wait times than hospital emergency departments. They appear to meet a consumer need and therefore can be expected to proliferate.

Limited Access Promotes Rapid Growth

Limited access to physicians remains a key issue for patients today. The Association of American Medical Colleges indicates there is a shortage of 21,800 physicians today, and projects the number could grow to over 121,000 by 2030. As a result, patients are finding it increasingly difficult to schedule an appointment with a physician. According to Merritt Hawkins' 2017 *Survey of Physician Appointment Wait Times*, the average cumulative wait time to see a physician is 24.1 days, up from 18.5 days in 2014, a 30% increase over three

years. According to a 2018 survey of approximately 9,000 physicians conducted by Merritt Hawkins on behalf of The Physicians Foundation (www.physiciansfoundation.org), 80% of physicians describe themselves as at capacity or overextended and unable to take on new duties.

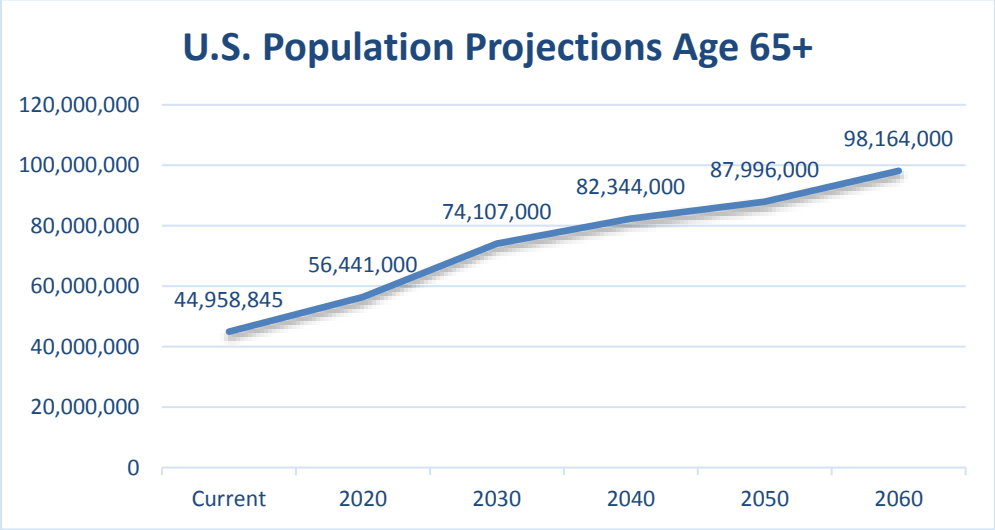
Most patients cannot wait or are unwilling to wait weeks to see a physician. Visiting a convenient care clinic offers an alternative that more easily fits the schedule of the patient. Convenient care clinics also offer greater access to family practice and internal medicine physicians, two specialties in particularly short supply. Convenient care clinics are growing rapidly in number because they offer a solution to these problems with shorter wait times, fast service, and extended hours for patients:

- 90% of urgent care centers reported a patient wait time of 30 minutes or less to see a provider
- 84% reported a patient throughput time of 60 minutes or less
- The great majority are open 7 days per week
- 80% of convenient care clinics reported offering walk-in, after-hours, and weekend access
- Urgent care providers average 4.5 patients per hour and can go up to 6 to 8 patients per hour
  Source: Urgent Care Association of America

While the physician shortage is creating physician access challenges, the problem is compounded by rising patient demand.

1. Patient volume will continue to grow based upon demographic trends
   - From 2005 to 2035, the population of individuals over age 65 will double to approximately 80 million
   - Seniors 65 years and older represent 13% of the U.S. population, but account for:
     - 26% of physician hospital visits
     - 35% of hospital stays
     - 38% of emergency medical responses
     - 47% of diagnostic treatments/tests
     - 37.4% of inpatient procedures

       Source: Center for Disease Control and Prevention
   - Florida ranks as the oldest state on average, with close to 19 percent of the population 65 or older. By 2030, the U.S. Census Bureau projects that the entire nation will be as old on average as Florida is now



Source: U.S. Census Bureau

2. The expansion of healthcare coverage in the United States
   - ❖ Through the Affordable Care Act, 11.4 million people have enrolled in insurance plans who were not previously enrolled in private insurance plans
   - ❖ An additional five million Americans have enrolled in Medicaid since 2012
   - ❖ The percentage of Americans without health insurance dropped from 20.3% two years ago to 13.2% today

Older patients are more likely to have a regular healthcare provider, require treatment for chronic conditions, undergo surgical procedures or diagnostic testing, and access Medicare as a form of insurance coverage than are younger people, to a highly significant degree. Furthermore, the Affordable Care Act significantly increased the amount of patients enrolled in health insurance plans, putting increased pressure on hospitals and other healthcare facilities that already struggled to meet demand.

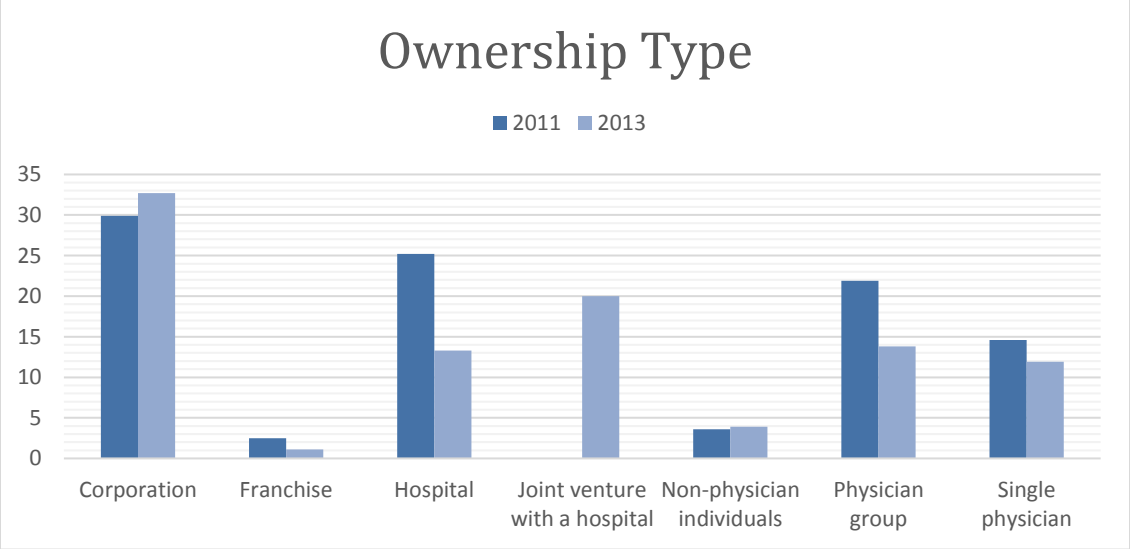
Convenient care clinics offer hospitals and other healthcare organizations a "safety valve" to help relieve the rising pressure on the system to provide accessible care.

Over the next few years, roughly 88% of urgent care centers expect patient visits to increase and plan to expand to an additional location. Additionally, the urgent care market is expected to grow 6% a year through 2018, according to IBIS World. Retail clinics are projected to grow 25% to 30% annually. As a result, retail clinics and urgent care settings expect to provide significant help to address capacity constraints at hospitals and primary care offices (see *Retail Medical Clinics: From Foe to Friend?* Accenture).

Growth is expected to continue at a rapid pace and there is significant room to expand within current retail locations. For example, CVS minute clinics are only in 10.3% of their stores.

Adopting a Convenient Care Strategy

The urgent care industry is heavily fragmented. Ownership varies from large urgent care chains (i.e. Concentra, MedExpress, Nextcare) to hospitals and non-physician investors. The chart below breaks down urgent care ownership by type:



Source: Urgent Care Association of America

Hospital ownership of urgent care centers (along with joint venture with a hospital) in 2013 made up the greatest portion of the market at 33.3%, up from 25.2% in 2011.

As of March, 2014, the 10 hospital systems that own the most urgent care centers are as follows:

Dignity (San Francisco): 152 clinics
Aurora Health (Milwaukee, Wis.): 30
Intermountain Healthcare (Salt Lake City): 28
Carolinas HealthCare (Charlotte, N.C.): 24
Centra Care (Orlando, Fla.): 23
HealthPartners (St. Louis Park, Minn.): 23
Providence Health & Services (Renton, Wash.): 21
Sutter Urgent Care, part of Sutter Medical Foundation (Sacramento, Calif.): 19
Baptist South Florida (Coral Gables): 17
St. John Providence Health System (Warren, Mich.): 17

Source: Becker's Hospital Review, 20 Things to Know About Urgent Care Centers, June 23, 2015

According to health system executives, urgent care centers act as a funnel into an integrated health system by referring a patient from the center to an affiliated provider. Hospitals are increasingly including urgent care as an integral component of their ambulatory care strategy not only to meet patient demand but also to create new revenue, increase annual savings, and bring in new patients.

Many people who visit urgent care clinics do not have a primary care physician. Hospitals can connect these patients with a physician within their network to leverage provider relationships. A joint venture between a hospital and urgent care facility helps to diversify the organization and create an additional revenue stream. Additionally, opening an urgent care center costs less than launching a new primary care group practice and it provides an added bonus of establishing a seamless transition with electronic health records.

Urgent care clinics do not only provide additional revenue for hospital systems. They also provide substantial cost savings. Emergency room visits can be an expensive proposition. As the cost of healthcare treatment continues to rise, convenient care offers a compelling low cost alternative for delivering care outside the hospital.

Cost for an urgent care visit	$150
Cost for a physician office visit	$166
Cost for an emergency department visit	$1,354

Source: Becker's Hospital Review

Cost to treat acute bronchitis, UC	$122
Cost to treat acute bronchitis, ER	$812
Cost to treat middle ear infection, UC	$100
Cost to treat middle ear infection, ER	$500

Source: New York Times/CareFirst Blue Cross Blue Shield, July 9, 2014

About half of all emergency room visits were non-emergent in nature or otherwise treatable in primary care settings. Industry estimates suggest that 13.7% – 27.1% of all emergency department visits could take place

in an urgent care clinic generating $4.4 billion in savings annually (see *Many Emergency Department Visits Could Be Managed At Urgent Care Centers And Retail Clinic*", Health Affairs). Urgent care not only offers financial savings. It offers time savings as well. The wait time to see a provider at an urgent care clinic is typically half an hour or less, compared to a multi-hour wait time in many emergency departments. As a result, patients can get back to their daily lives sooner instead of spending half the day in the emergency department.

Corporate entities, such as private investors and insurers, rank second as urgent care owners, with 32.7% of market share. Data from Thomson Reuters show that private equity firms invested nearly $4 billion in health and medical services in 2012, up from less than $1 billion in 2009. In the last few years, many insurers have bought or launched urgent care clinics. Insurers are motivated to keep patients out of the emergency department due to the high costs outlined above. Consequently, Humana completed the first big urgent care acquisition with the purchase of Concentra, the largest walk-in clinic chain, for $806 million, in 2010. WellPoint followed their lead in 2012 when they invested an undisclosed amount in Physicians Immediate Care, a 20-clinic chain in Chicago. Corporations may continue to make acquisitions in the market as the outpatient delivery model expands.

Urgent Care Franchise	Number of Clinics
Concentra	330
US HealthWorks	145
MedExpress	137
Nextcare	108
FastMed	76
AFC Doctors Express	71
CareSpot	64
Patient First	52
Doctors Care	52
Aurora Health Care	39

Source: VMG Research

While urgent care ownership is distributed among a variety of entities, retail clinic ownership is more consolidated. As of 2018, six organizations – CVS, Walgreens, Kroger, Target, RiteAid, and Walmart – operated 90% of retail clinics. The retailers retain full ownership and control of their clinic. They staff the clinic, retain all revenues, and bear all financial risk.

In addition, clinical affiliations are beginning to emerge. In this model, retailers affiliate with health care providers to provide some level of clinical support while the retailer maintains control and financial risk. Currently, more than 100 partnerships between retail clinics and health systems exist. CVS leads the way with 40 clinical affiliation agreements across the country. Retail clinic affiliations with hospitals include:

- *CVS Caremark*: UCLA Health System, Sharp HealthCare, Dignity Health, Cleveland Clinic, Emory Healthcare
- *Walgreens*: Johns Hopkins Medicine, The Valley Health System, Memorial Health, LSU Healthcare Network
- *Target Clinics*: Duke University Medical Center

Source: Convenient Care Association

CVS is taking its affiliations one step further now. In August 2015, CVS announced it will work with three

leading telehealth companies to expand patients' access to doctors (CNBC, August 27, 2015). American Well, Teladoc, and Doctor on Demand will begin receiving referred CVS customers, as well as referring their own customers to 150 CVS walk-in clinics, in six states. Affiliations between convenient care clinics and health systems continue to spur the growth of the convenient care industry. Improved relations between clinics and insurers have also provided expansion impetus.

Physician and Advanced Practitioner Staffing in Convenient Care

Approximately 20,000 physicians practice urgent care medicine, according to the American Academy of Urgent Care Medicine. Of the physicians that staff urgent care centers, 47.8% are in family medicine, 30.1% are emergency medicine physicians and 7.6% are internal medicine practitioners (see "*2012 Urgent Care Benchmarking Survey Results", Urgent Care Association of America*). Some urgent care centers employ an orthopedic surgeon, but that is not common.

Urgent care clinics are largely physician-led facilities, with 94% of urgent care clinics employing at least one full-time physician. However, staffing models can vary depending on the needs of the particular clinic. Smaller urgent care clinics may be able to get by with a just one full-time physician, while busier clinics may employ multiple full-time physicians.

It is also common for urgent care clinics to employ several part-time physicians to staff their facility. In most cases, these providers have other positions in hospitals or private practices in the area and will "moonlight", or pick up extra shifts, at the clinic.

Urgent care clinics may also use temporary (locum tenens) physicians to staff their facilities. Urgent care clinics often use locum tenens physicians to fill gaps in their schedules and to ensure they can stay open nights and weekends. Others use locum tenens to ramp up their staff during busy periods such as flu season.

Many physicians choose to work in an urgent care settings because, unlike working in the emergency department where shifts may vary day by day, working in an urgent care center allows for scheduling stability and steady hours. A career in urgent care can provide the work-life balance physicians seek.

Urgent care also provides variety in the patients treated. From infants to teens to adults to seniors, working as an urgent care physician allows doctors to see a broad range of patients and treat a broad range of ailments from the common cold, broken bones and lacerations to performing physicals and administering vaccinations.

The urgent care staffing model also includes the regular use of advanced practitioners, including nurse practitioners and physician assistants. According to VMG Research, 59% of urgent care clinics use either nurse practitioners or physician assistants. In retail medicine, nurse practitioners and physician assistants provide the great majority of care.

NPs and PAs find retail medicine attractive because it offers:

- Clinical training sites with access to most illnesses/conditions seen in primary care offices
- Exposure to a patient-centric model with advanced practice leadership
- Opportunity to provide care in an evidence-based practice environment
- Opportunity to collaborate with interprofessional care teams
- Exposure to a career path that includes leadership opportunities

Source: Convenient Care Association

Retail medicine also presents the opportunity for nurse practitioners to practice autonomously, as NPs in some states may practice without the supervision of a physician. Scope of practice regulations, including clinical autonomy, prescribing level, responsibilities and medical treatments and other considerations afforded to NPs vary based on state regulations. For additional information on nurse practitioners and physician assistant supply and demand, scope of practice and related matters, see Merritt Hawkins' White Paper *"Nurse Practitioners and Physician Assistants: Supply, Distribution, and Scope of Practice Considerations"*.

Recruiting Considerations

Urgent care centers face considerable recruiting challenges as they are recruiting from the same limited pool of primary care physicians being sought by a growing number of service sites. These include:

- Major healthcare systems
- Large medical groups
- Physician owned specialty hospitals
- Free standing emergency departments
- Community Health Centers
- Indian Health Service
- Concierge medicine
- Employers
- Insurance companies

Much like convenient care facilities are a "pressure reliever" for the healthcare system, they too are a "pressure reliever" for physicians. Convenient care offers what many doctors seek today:

- An employed setting
- A set schedule
- Reduced administrative duties
- Reduced malpractice worries
- 40 hours or less
- Favorable shifts
- Competitive base, achievable bonus
- Path to partner
- "Reasonable" patient load
- Suburban location

The growth in demand for physicians practicing in urgent care settings can be seen in Merritt Hawkins' 2018 *Review of Physician and Advanced Practitioner Recruiting Incentives*, in which urgent care was listed among our top 20 most requested search assignments for the third time. Physicians working in urgent care centers also have seen increases in average salaries, according to Merritt Hawkins' data.

URGENT CARE	LOW	AVERAGE	HIGH
2017/2018	$155,000	$234,000	$290,000
2016/2017	$140,000	$219,000	$300,000
2015/2016	$195,000	$221,000	$275,000
2014/2015	$175,000	$210,000	$254,000
2013/2014	$190,000	$204,000	$210,000
2012/2013	$185,000	$203,000	$225,000
2011/2012	$170,000	$185,000	$200,000

Source: Merritt Hawkins 2018 Review of Physician and Advanced Practitioner Recruiting Incentives

Merritt Hawkins 2018 *Review* also indicates that family physicians, the primary recruiting target of urgent care centers, were Merritt Hawkins most requested physician search for the twelfth year in a row, while internal medicine physicians, also sought by urgent care centers, were third. The ideal candidate for urgent care centers typically is an FP who has practiced a broad range of medicine, possibly in a rural location, or one who has ER experience. Internal medicine physicians who are comfortable with pediatrics also are prized candidates. Urgent care centers are happy to employ emergency medicine physicians, but often the cost of doing so is prohibitive, or candidates are scarce since they can earn considerably more working in an ER.

FPs and IMs who fit the parameters referenced above are increasingly difficult to recruit. Urgent care centers therefore are broadening their parameters to include physicians who may not have experience with certain procedures (such as sutures) but who have the interest and temperament to work in a shift setting similar to an ER. Such candidates can then obtain additional training as needed.

The recruiting advantage offered by urgent care centers is a flexible schedule, which may mirror the seven on, seven off model typical of emergency medicine. In addition, compensation models usually are comparatively straight-forward, with a well-defined production formula. Due to the competitive nature of recruiting primary care physicians, compensation levels must stay current with a shifting market. As in emergency medicine, turnover is often high in urgent care settings, as physicians may move for a relatively minor increase in hourly compensation. Retention incentives should therefore be considered when structuring contracts.

PAs and NPs, who fill most provider positions in retail clinics, also are being recruited more aggressively. Neither PAs nor NPs among Merritt Hawkins top 20 most requested recruiting assignments six or seven years ago. In 2018, combined they represented our third most requested assignment. Competition for PAs and NPs will increase with the implementation of the team-based delivery model in which a variety of clinicians will care for patients a large population groups (for most on this topic, see Merritt Hawkins' White Paper *Population Health Management and Physician Staffing)*.

A True One-Stop Shop – Wave of the Future?

After years of anticipation, Walgreen's unveiled their 22,603 square foot, three-level flagship store in Washington D.C. in March 2013. A 24-hour location, the store is defined by Walgreens' offerings on the main floor, health one floor below and beauty one floor above.

While the store offers premier amenities such as a juice bar and specially trained beauty advisers, the real star of the show is the retail clinic. The lower level is designed to encourage greater interaction between pharmacists and patients. An iPad-equipped health guide navigates pharmacy customers through health-and-wellness products, and identifies available services and resources, including immunizations and health tests. The pharmacy also features an "Ask Your Pharmacist" desk, consultation rooms, and Express Rx kiosks for swift checkout. A Take Care Clinic offering a wide range of healthcare services is adjacent to the pharmacy.

Walgreens also announced a new SightSense online and in-store patient education program — an initiative to heighten eye health awareness and encourage consumers to take proactive steps to protect and preserve their sight. The program features a special eye health section on Walgreens.com that provides tools, information and resources to help consumers become informed and proactive in their eye health. The website also provides an eye care professional locator for consumers to find an eye doctor near them, as well as a list of upcoming in-store events.

The new store is seen as the future of retail medicine. With 24 hour access, interactive consultation, and a fully-functional pharmacy, Walgreen's flagship retail clinic offers the definition of convenient care.

An Uber for Healthcare

An August 11, 2015 article in *The Wall Street Journal ("Startups Vie to Build an Uber for Healthcare," Melinda Beck)* provides an additional look at where the convenient care model is going. The article discusses an app called Heal, which will summon a physician to the patient's home:

"Heal is one of several startups putting a high-tech spin on old-fashioned house calls-or 'in-person visits,' since they can take place anywhere. The services provide a range of nonemergency medical care – from giving flu shots to treating strep throats and stitching lacerations – much like mobile urgent care clinics.

"The companies use slightly different models. Pager, in New York City, dispatches doctors or nurse practitioners via Uber, for $200. Heal, in Los Angeles, San Francisco and Orange, Calif., promises to 'get a doctor to your sofa in under an hour' for $99. RetraceHealth, in Minneapolis, has a nurse practitioner consult with patients via video (for $50), and only comes to their homes if hands-on care like a throat swab or blood draw is necessary.

"Atlanta-based MedZed sends a nurse to a patient's home to do a preliminary exam. Then the nurse connects via laptop with a doctor who provides a treatment plan remotely. Several Atlanta practices use MedZed as a way to offer patients extended hours without having to keep their offices open."

These and others innovations can be expected to radically alter traditional models of care delivery.

About Merritt Hawkins

Established in 1987, Merritt Hawkins is the leading physician search and consulting firm in the United States and is a company of AMN Healthcare (NYSE: AHS), the largest healthcare workforce solutions organization in the nation. Merritt Hawkins' provides physician and advanced practitioner services to hospitals, medical groups, community health centers, **telehealth providers** and many other types of entities nationwide.

The thought leader in our industry, Merritt Hawkins produces a series of surveys, white papers, books, and speaking presentations internally and also produces research and thought leadership for third parties. Organizations for which Merritt Hawkins has completed research and analysis projects include **The Physicians Foundation, the Indian Health Service, Trinity University, the American Academy of Physician Assistants, the Maryland State Medical Society, the Society for Vascular Surgery, and the North Texas Regional Extension Center.**

This is one in a series of Merritt Hawkins white papers examining a variety of topics directly or indirectly affecting the recruitment and retention of physicians and advanced practice professionals, including physician (PAs) and nurse practitioner (NPs).

Additional Merritt Hawkins' white papers include:

- Psychiatry: "The Silent Shortage"
- Physician Supply Comparisons: Physicians by Select Specialties Practicing in Each State and Licensed in Each State but Practicing Elsewhere
- The Aging Physician Workforce: A Demographic Dilemma
- Nurse Practitioners and Physician Assistants: Supply, Distribution, and Scope of Practice Considerations
- The Physician Shortage: Data Points and State Rankings
- Physician Supply Considerations: The Emerging Shortage of Medical Specialists
- RVU FAQ: Understanding RVU Compensation in Physician Employment Agreements
- The Economic Impact of Physicians
- Ten Keys to Physician Retention
- Trends in Incentive-Based Physician Compensation

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