MASSACHUSETTS
HEALTH POLICY COMMISSION

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HPC DATAPOINTS

Update on trends in urgent care centers and retail clinics

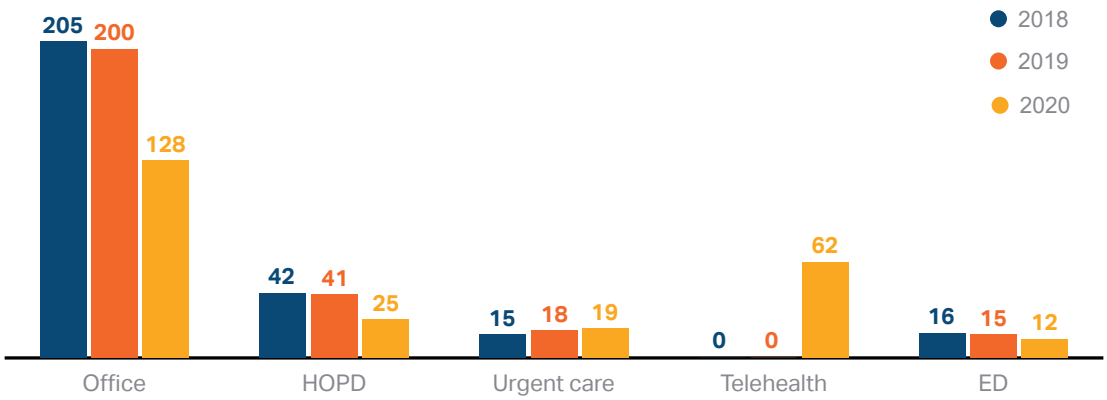
PART 2: SHIFTS IN SITE OF CARE DELIVERY AND SPENDING BY SITE OF CARE

The HPC is issuing a two-part DataPoints issue on trends in urgent care centers and retail clinics in Massachusetts. Part 1 focused on the recent landscape of these alternative care sites, including trends in the number of sites; location by region and community income; and services, hours, and electronic health record systems used. Part 2 focuses on shifts in site of care delivery in recent years and on spending and out-of-pocket spending by site of care, comparing urgent care centers, retail clinics, physician offices, hospital outpatient departments (HOPDs), and emergency departments (EDs). This DataPoints also describes urgent care center billing practices and use of facility fees.

SHIFTS IN SITE OF CARE

Significant changes in care delivery trends occurred during the pandemic, with implications for alternative sites of care. The next graph shows the number of evaluation and management (E&M) visits per 1,000 member months by site of service for commercially-insured patients. Although telehealth emerged as a major service delivery platform in 2020, E&M visits dropped overall. Between 2019 and 2020, in-person visits dropped by 36% to physician offices, 39% to hospital outpatient departments (HOPDs), and 20% to EDs, while visits to urgent care centers rose by 6%.

Number of evaluation and management (E&M) visits per 1,000 member months by site type and year for commercially-insured patients, 2018-2020



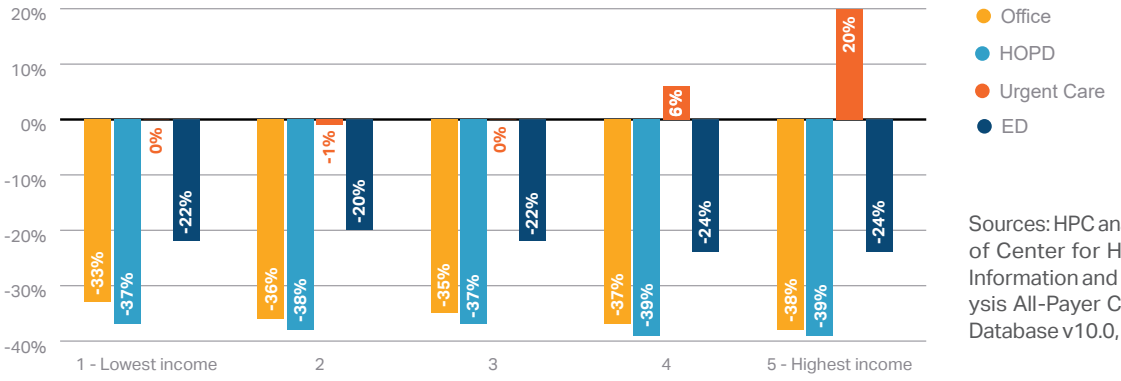
Sources: HPC analysis of Center for Health Information and Analysis All-Payer Claims Database v10.0, 2018-2020
Notes: Population includes commercially-insured individuals with full coverage. Behavioral health, therapy, and counseling-related evaluation and management visits were excluded. Evaluation and management codes include: 99201-99205, 99211-99215, 99281-99285 (ED visits).

Between 2019 and 2020, visits to urgent care centers **rose by 6%**, while **declining** at other care sites. But **visit growth** was concentrated among residents living in **high income areas.**

The increase in visits to urgent centers was not evenly distributed across areas. From 2019 to 2020, the growth in use of urgent care centers for E&M visits was concentrated among residents living in areas with the highest incomes in the state, increasing 6% among residents in the fourth highest income

quintile and 20% among residents in the highest income quintile. Visit rates in 2019 were similar in areas with the lowest and highest incomes (15 vs 16 visits per 1,000 member months), while visit rates in the highest income quintile increased to 19 visits per 1,000 members months in 2020.

Percent change in the number of evaluation and management (E&M) visits per 1,000 member months for commercially-insured patients by zip-income quintile, 2019 to 2020



Sources: HPC analysis of Center for Health Information and Analysis All-Payer Claims Database v10.0, 2020

More research is needed to understand the drivers of the income differential in increased urgent care center use in 2020. In previous research, the HPC found that residents with lower incomes were more likely to report choosing the ED over an urgent care center due to uncertainty that care would be covered. Furthermore, since urgent care centers were disproportionately located in areas with higher incomes, there may have been greater capacity (e.g., shorter wait times) in these areas when office visits were less available or less appealing to patients in 2020.

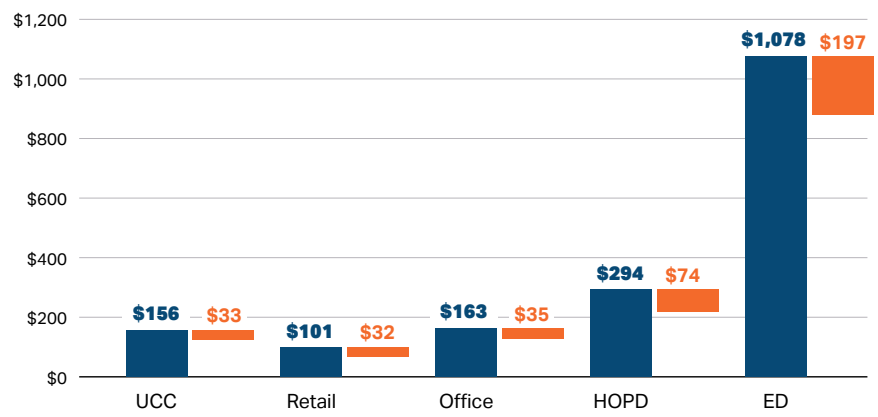
Starting January 1, 2021, MassHealth removed the requirement that patients need a primary care provider referral to go to an urgent care center. While the trends presented here only include commercially-insured patients, this MassHealth policy change may result in increased utilization of urgent care centers by patients with lower incomes.

Average spending for a low-acuity visit in an ED was **seven times higher** than in an **urgent care center** and more than **10 times higher** than in a **retail clinic**.

COMMERCIAL SPENDING AND OUT-OF-POCKET COSTS BY SITE OF CARE

The next graph shows average commercial spending and patient cost-sharing per low-acuity visit by site of care, including urgent care center, retail clinic, office, hospital outpatient department, and ED. Average spending for a low-acuity visit in an ED was seven times higher than in an urgent care center and more than 10 times higher than in a retail clinic. Cost-sharing in an ED was six times higher than in an urgent care center or a retail clinic. ED spending per visit grew 34% between 2018 and 2020, the highest increase among the sites of care, followed by HOPD spending per visit at 16% growth.

Mean spending and cost-sharing per low-acuity visit, by site of service, 2020



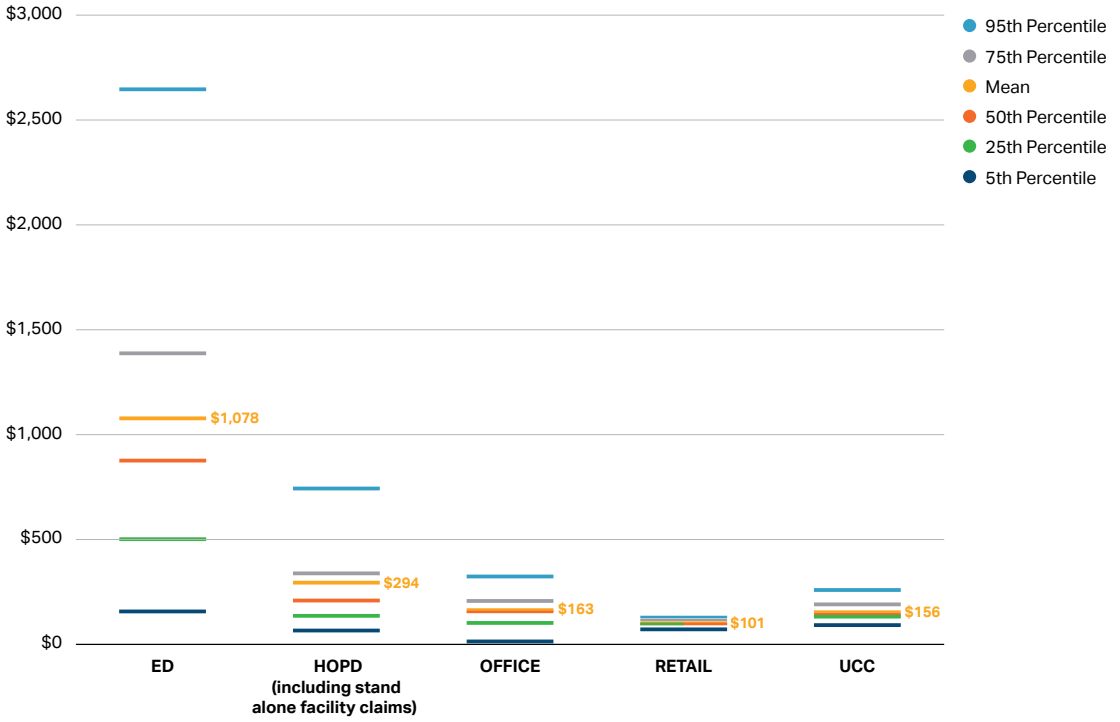
Notes: HOPD and ED figures include professional and facility spending. UCC, retail and office figures include professional spending only. Claim lines for the same patient on the same day were combined into one visit.
Sources: HPC analysis of Center for Health Information and Analysis All-Payer Claims Database v10.0, 2020

Cost-sharing in an ED was **six times higher** than in an **urgent care center** or a **retail clinic**.

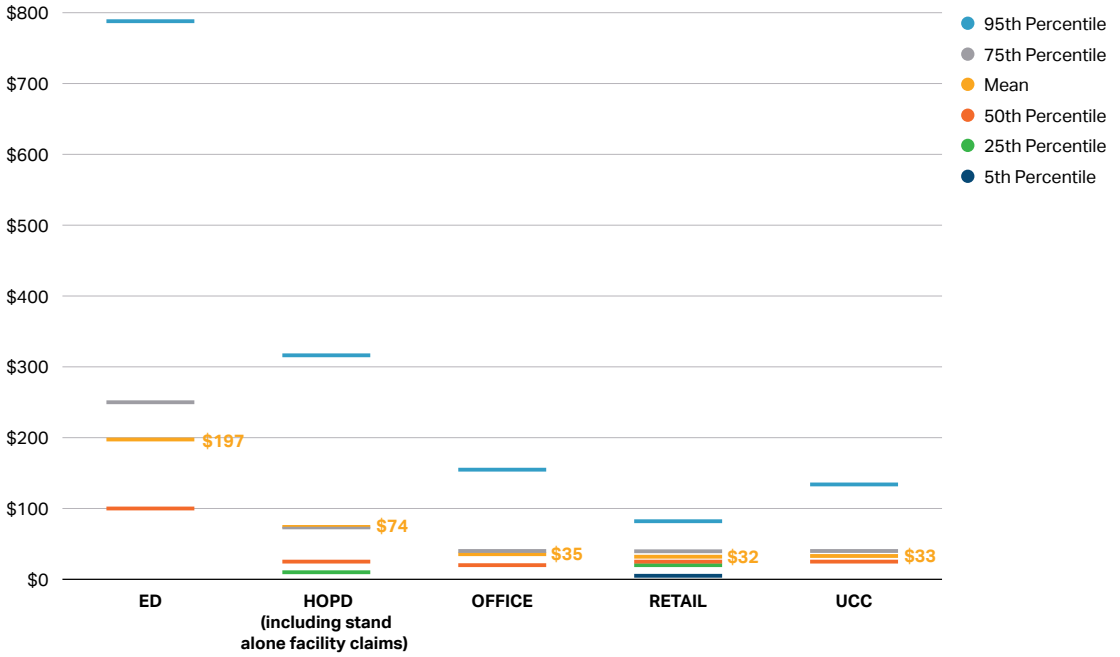
Spending and **cost-sharing** for low-acuity visits **varied far more** in the **ED** than in other care sites.

Furthermore, the variation in spending and cost-sharing for low-acuity visits in the ED was much larger than in other sites of care, as shown in the below graphs.

Distribution of spending per low-acuity visit by site of service, 2020



Distribution of cost-sharing per low-acuity visit by site of service, 2020



Sources: HPC analysis of Center for Health Information and Analysis All-Payer Claims Database v10.0, 2020
Notes: HOPD and ED figures include professional and facility spending. UCC, retail and office figures include professional spending only. Claim lines for the same patient on the same day were combined into one visit. Definitions of low-acuity conditions were based on Poon SJ, Schuur JD, Mehrotra A. Trends in Visits to Acute Care Venues for Treatment of Low-Acuity Conditions in the United States From 2008 to 2015. JAMA Intern Med. 2018 Oct 1;178(10):1342-1349

The Massachusetts Health Policy Commission (HPC) is an independent state agency charged with monitoring health care spending growth in Massachusetts and providing data-driven policy recommendations regarding health care delivery and payment system reform. The HPC's mission is to advance a more transparent, accountable, and equitable health care system through its independent policy leadership and innovative investment programs.

HPC DataPoints is a series of online briefs that spotlight new research and data findings relevant to the HPC's mission to drive down the cost of health care. It showcases brief overviews and interactive graphics on relevant health policy topics. The analysis underlying these briefs is conducted by HPC staff. To view all HPC DataPoints, visit our website.

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URGENT CARE CENTER BILLING AND USE OF FACILITY FEES

How urgent care centers are licensed can impact how they bill and receive payment from commercial payers, which, along with payer rules governing coverage and billing, impact the total cost of the visit and patient cost-sharing. In particular, some urgent care centers that are part of major health systems and are licensed as hospital satellites may bill a visit as a HOPD or an ED. This means that a patient who visits one of these urgent care centers may receive a bill for a HOPD or ED visit, including professional and facility fees. The costs for these visits may therefore be substantially higher, as presented in the graphs above. It is difficult for the HPC to definitively identify these instances in insurance claims data, since in many cases where the urgent care center is licensed as a hospital satellite, all claims for the visit appear as claims for a HOPD or ED visit. Beyond creating difficulty for researchers, the lack of a standard licensure for urgent care centers that are part of major health systems, as well as different payer/provider billing and payment rules, results in a lack of transparency – and potentially unforeseen costs – for patients.[i]

Overall, urgent care centers and retail clinics offer patients alternatives to traditional settings that can improve access to care, with lower spending and lower cost-sharing than the ED. It is important to increase transparency regarding the availability and cost of these settings and ensure access to alternative sites of care for all residents of the Commonwealth.

Some **urgent care centers** that are part of major health systems and are licensed as hospital satellites **may bill a visit** as a HOPD or an ED, resulting in a **lack of transparency** and potentially **unforeseen costs** for patients.

i Not all urgent care centers are individually licensed by the Massachusetts Department of Public Health. For example, independent physician-owned and operated facilities may be licensed under the physician's medical license. Additionally, urgent care centers may be satellites of a hospital.