

Executive Brief: Proposal of New Economic Opportunity

Learner's Name

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The primary objective of Whilborne Medical Center (WMC) has always been to deliver high-quality health care to the community. The medical center can take a step further in that direction by setting up a new urgent care center (UCC) within its premises. A UCC is a health care facility that provides immediate care, without a scheduled appointment, for injuries and illnesses that are not life-threatening and do not require admission to the emergency department (ED). The key characteristics of a UCC are reduced wait times, increased service hours, reduced costs, and quick service (Chang, Brundage, & Chokshi, 2015).

WMC is located in an area that has around 3,000 locals whose urgent care needs may be met by the UCC. Additionally, WMC, being located near Maxima Industrial Park, receives a lot of cases of work-related injuries (e.g., minor burns, sprains, cuts, and abrasions) and other minor illnesses (e.g., fever, headache, ear infection, abdominal pain, and respiratory illnesses) that require immediate attention. Currently, such cases are handled by the medical center's ED, which leads to overcrowding and reduced efficiency. Once the UCC is set up, such cases can be diverted to the UCC to ease the burden on the ED at the medical center.

Outcomes of Starting an Urgent Care Center

WMC has always strived to focus on the six areas of health care quality—timeliness, safety, patient-centeredness, efficiency, equity, and effectiveness—stated by the Institute of Medicine (IOM). Setting up a UCC will help the medical center achieve its vision of improving community health and delivering superior health care, irrespective of patients' cultural background, age, gender, and socioeconomic status (Agency for Healthcare Research and Quality, 2016).

The new line of service will be convenient for patients with noncritical conditions that require immediate attention. They will not have to wait for several hours as they do at the medical center's ED. They will be able to walk in without an appointment and avail after-hours health care services on all days of the week. Setting up a UCC will help the ED concentrate on critical, life-threatening medical cases; it will also improve the efficiency of the ED and the quality of care provided to patients (Qin, Prybutok, Prybutok, & Wang, 2015).

Expenses on technology and infrastructure are comparatively low for setting up the UCC. Consequently, the cost of health care services provided at the UCC will be low in comparison to the cost of health care services at the ED of the medical center. Moreover, a UCC is an affordable means of availing health care services for noncritical ailments (Qin et al., 2015). This makes it an economically viable health care solution for the neighborhood. With its services, the UCC will generate additional revenue for the medical center.

Although setting up a UCC has several positive outcomes, it has some negative outcomes, too. One of the drawbacks of getting treated at a UCC is that patients are likely to get care from different physicians every time they visit the UCC. This may result in the physicians not knowing their patients' personal or family health history, and the patients may not receive the same quality of care they receive at their primary care physician's office. In addition, although wait times at UCCs are shorter than at EDs, patients could end up waiting longer than when they would see their primary care physician with an appointment on days that the UCCs have high footfall. Also, more staff may have to be hired at the UCC, which will entail additional costs for the medical center.

Factors Influencing the Setting up of an Urgent Care Center

A UCC is a volume-driven business that is dependent on many economic and environmental factors. Environmental data suggests that WMC is a reputed medical center in the area and there are few health clinics in the vicinity. The walk-in facility at the UCC and its proximity to Maxima Industrial Park will make it a preferred option for employees working at the industrial park. As the industrial park consists mainly of manufacturing units, there is a high possibility of work-related injuries. Therefore, the UCC can expect a high number of visits from these employees. Also, most employees at these companies work in shifts and sometimes on weekends. This is a great opportunity for the UCC as it plans to offer health care services even in the evenings and on weekends.

The capital cost of the project is estimated to be \$350,000. It will include the cost of construction, equipment, and furniture. There will be no land cost because the UCC will be built within WMC's premises. One half of the required funds will be procured through a bank loan; the other half will be funded using the medical center's reserves. It is assumed that an average of 357 patients will visit the UCC every week and the consultation fee for each patient will be around \$156 (AMN Healthcare, 2015; Yakobi, 2017). Calculations suggest that the UCC will record a cash surplus in the first five years. This illustrates that starting a UCC will be an economically viable opportunity for the medical center.

Analysis of Supply and Demand for the Urgent Care Center

Aside from the 3,000 locals in the area who might benefit from the UCC at WMC, there is a large client base at the industrial park located near the center. Maxima Industrial Park comprises 10 companies, each having an employee strength of 2,000–3,000 individuals. In all, about 30,000 employees work here. There are just two primary health clinics and a retail health clinic around the industrial park, and WMC is the only multispecialty medical center located

within a 5-mile radius. Therefore, there are not enough facilities in the vicinity to cater to the medical needs of employees working in the industrial park, creating a supply–demand gap.

Being the only multispecialty medical center near the industrial park, WMC receives a lot of cases pertaining to work-related injuries and minor illnesses that require immediate attention. This overloads the ED of the medical center with noncritical cases and hinders it from being able to focus on patients admitted for treatment of critical, life-threatening diseases. Establishing a UCC within WMC’s premises will contribute toward bridging the supply–demand gap without compromising on the quality of health care delivered.

While analyzing the data pertaining to the supply and demand for the proposed UCC, areas of uncertainty have been identified. The successful implementation of this proposal would depend on receiving timely approval of the planned bank loan and approval from the board of directors of the medical center to allocate funds to support this proposal. Another area of uncertainty is the level of awareness of UCCs in the neighborhood. Therefore, there may be a need to create awareness of the functions and necessity of a UCC. Patients may not want to avail services at the UCC because of their lack of awareness, and this might negatively impact revenue estimates.

Conclusion

Setting up a UCC will reduce the burden on the ED at WMC, making it more efficient. Patients will receive accessible, high-quality, affordable care without a scheduled appointment, and they will benefit from the after-hours care. Also, the UCC will bring in additional revenue for the medical center and help acquire new patients. Therefore, setting up a UCC within WMC’s premises will be a lucrative economic opportunity.

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