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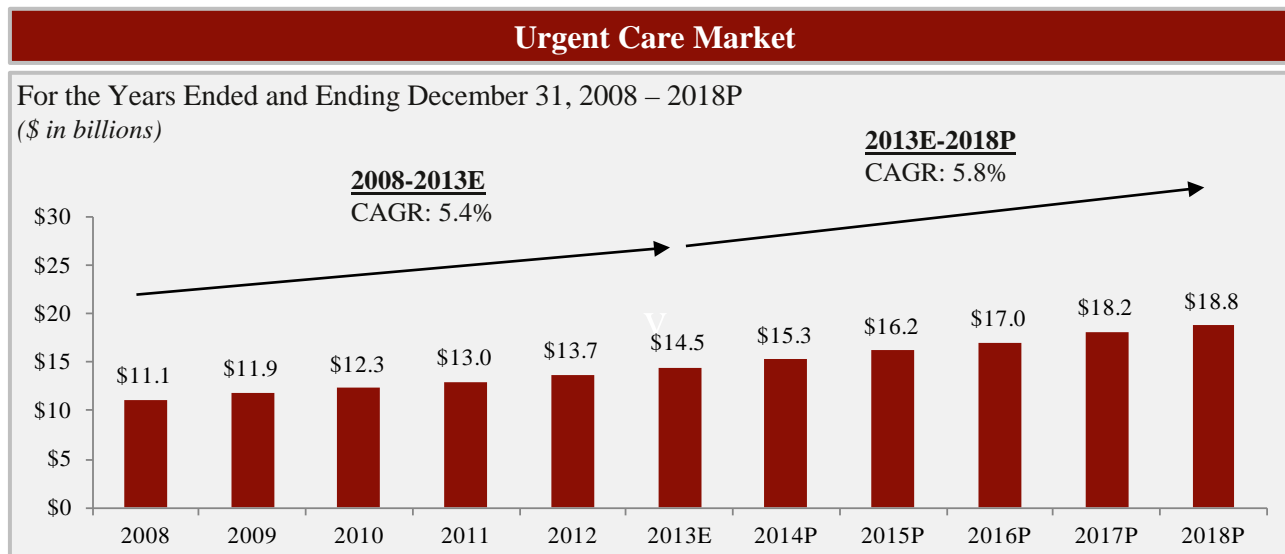
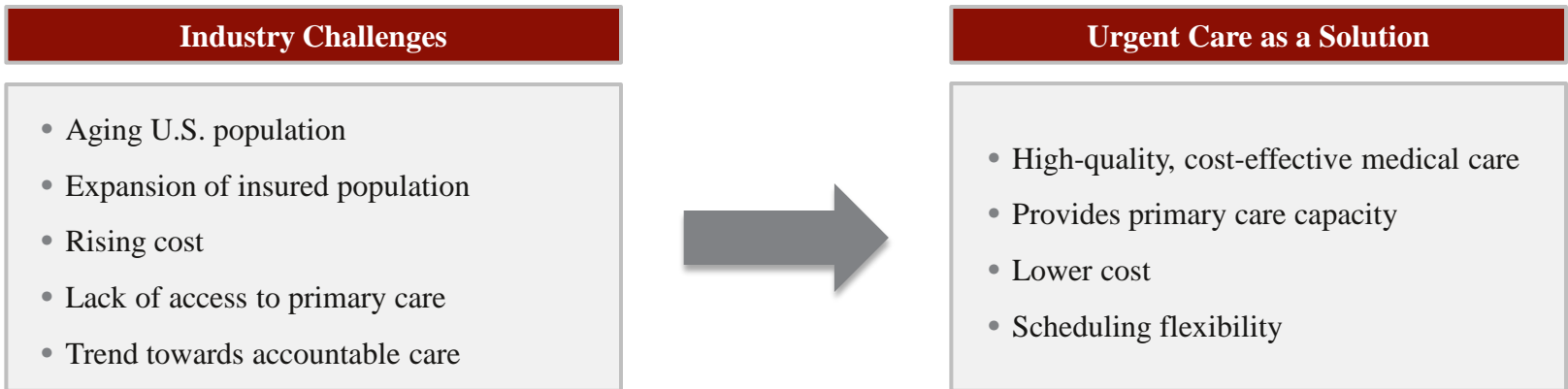
Urgent Care Industry Overview

September 2013

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The \$14.5 billion urgent care industry is expected to grow 5.8% annually through 2018P.

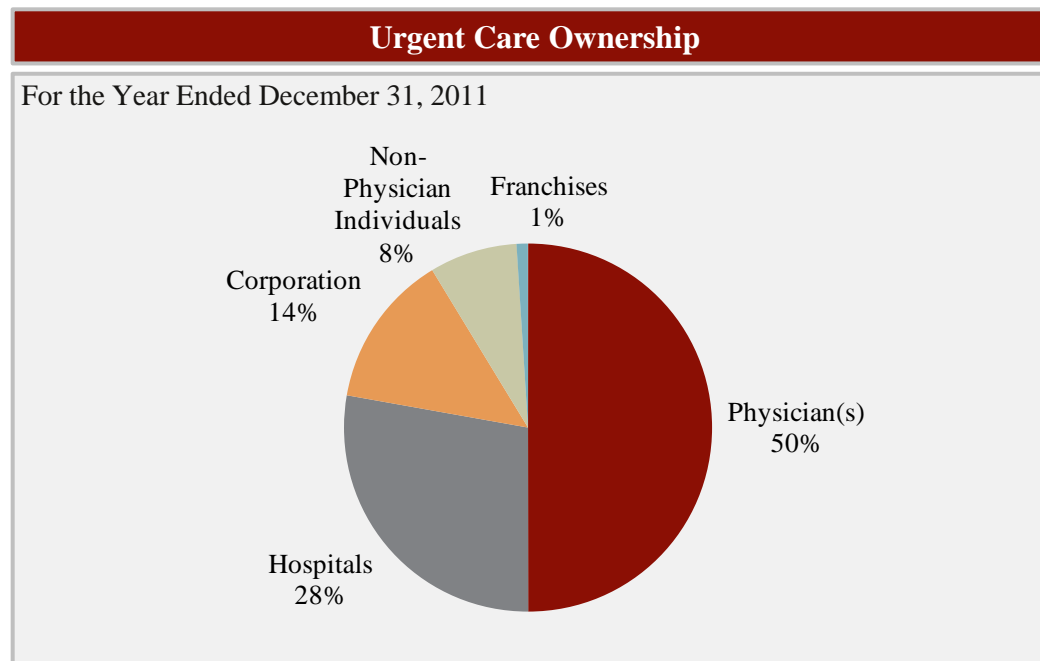
- The U.S. healthcare system is facing numerous systemic challenges, positioning urgent care for growth.



Source: IBISWorld.

The urgent care industry is heavily fragmented with the large urgent care chains comprising less than 1% of the total market.

- The industry consists of approximately 9,900 total urgent care centers.
- Traditionally competes with:
 - Primary care
 - Hospital and free-standing emergency rooms
 - Pure-play occupational health clinics
 - Retail medical clinics
 - After-hour pediatrics

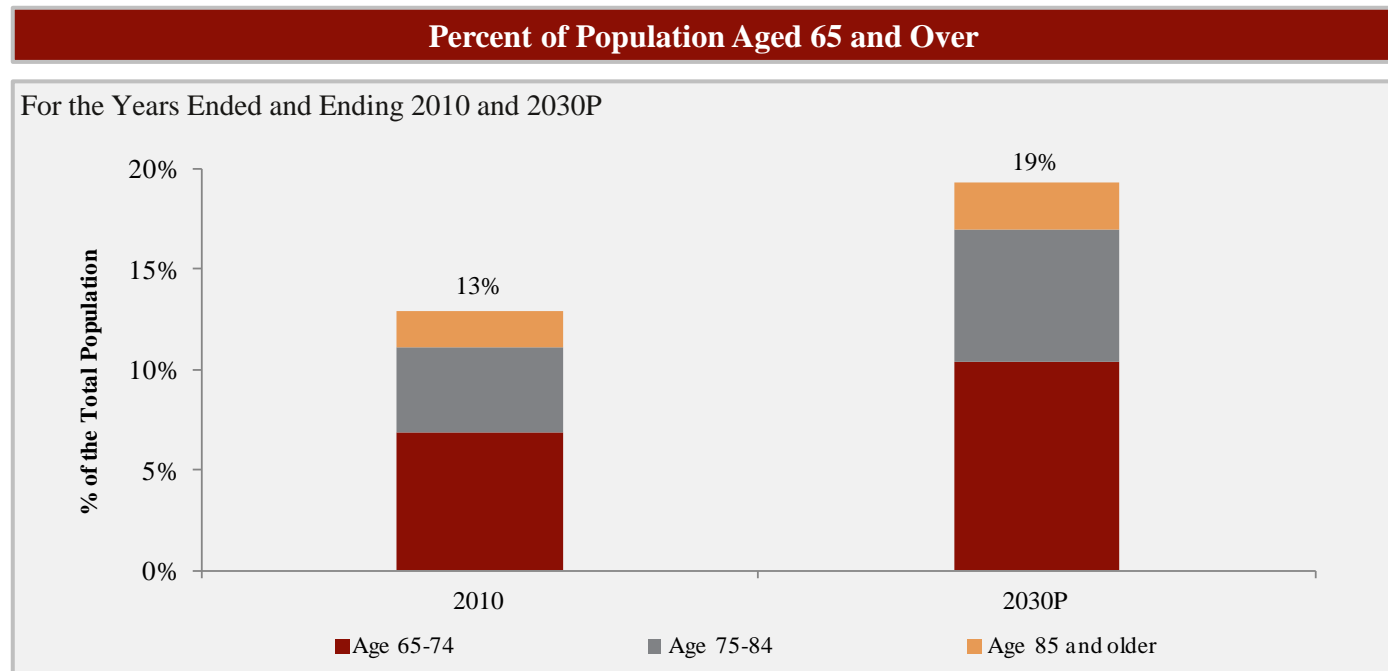


Sources: CapitalIQ, IBISWorld, and Urgent Care Association of America.

Industry Growth Drivers: *Aging U.S. Population*

Growth in urgent care patient volume will be driven by favorable demographic trends.

- From 2005 to 2025, the population of individuals over age 65 will double to approximately 80 million.
 - Increases utilization of healthcare services
- 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



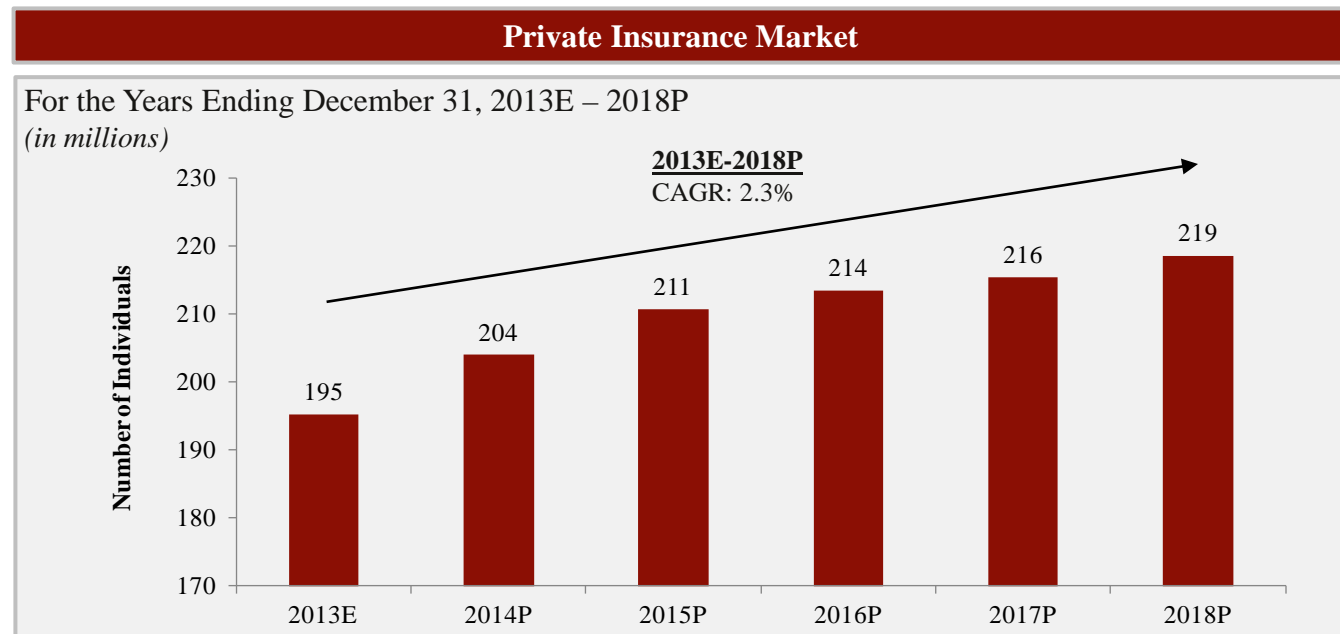
Sources: Department of Health and Human Services and the National Ambulatory Medical Care Survey.

Industry Growth Drivers: *Expansion of Government-Sponsored Private Insurance Coverage*

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The expansion of private insurance coverage in the U.S. presents a sustainable tailwind for growth in the urgent care industry.

- Approximately 55% of urgent care revenue is currently reimbursed by private insurance.
- Individuals with private insurance are more likely to seek medical treatment at an urgent care center than a hospital setting.
- Private insurance companies are more likely to contract with urgent care providers to:
 - Drive cost savings
 - Maintain high-quality medical care
- The Patient Protection and Affordable Care Act is expected to add 32 million individuals with private health insurance beginning in 2014, which will drive demand for urgent care services.

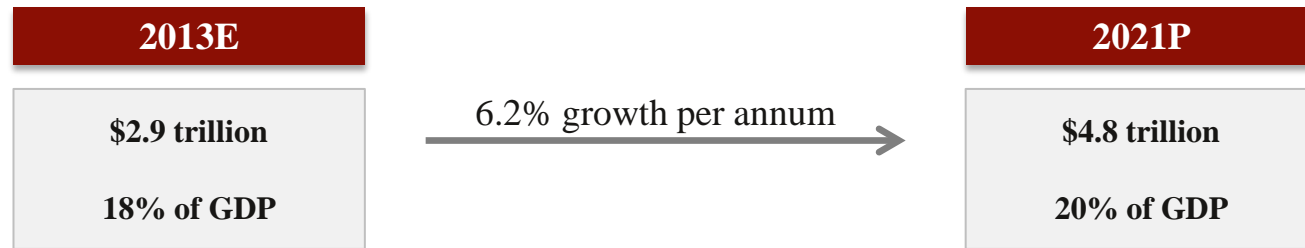


Source: IBISWorld.

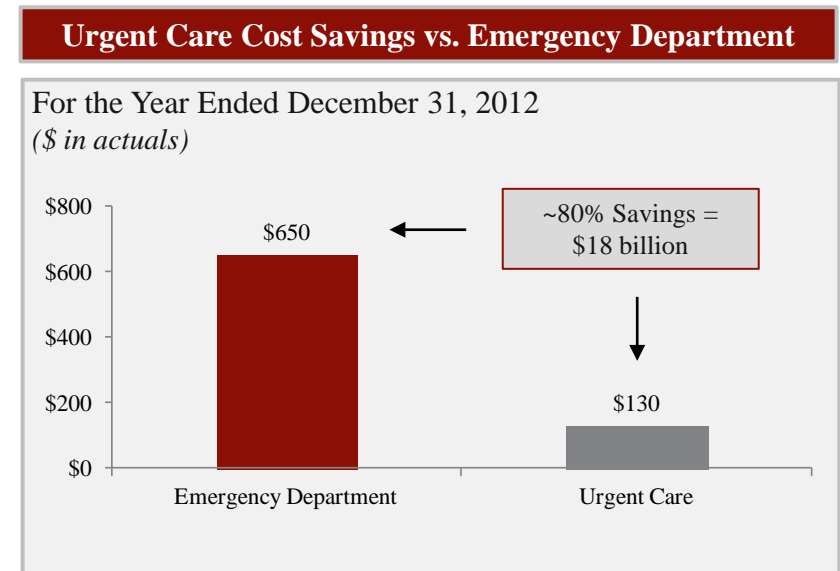
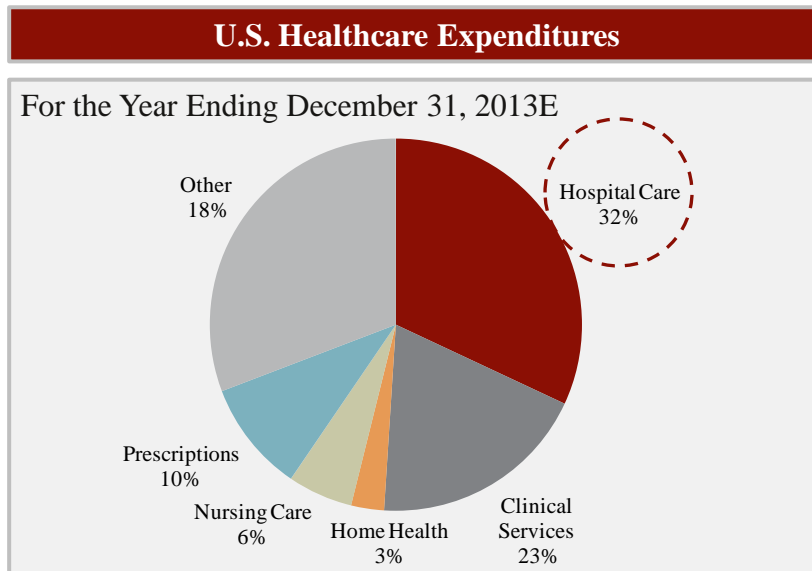
Industry Growth Drivers: *Low Cost Setting*

As the cost of healthcare treatment continues to rise, urgent care offers a compelling low cost alternative for delivering care outside the hospital.

- Total U.S. spend on healthcare is expected to grow 6.2% annually, with 32% occurring in hospital settings.



- \$18 billion in potential savings by transitioning unnecessary emergency department visits to urgent care.



Sources: Centers for Medicare and Medicaid Services and Aetna.

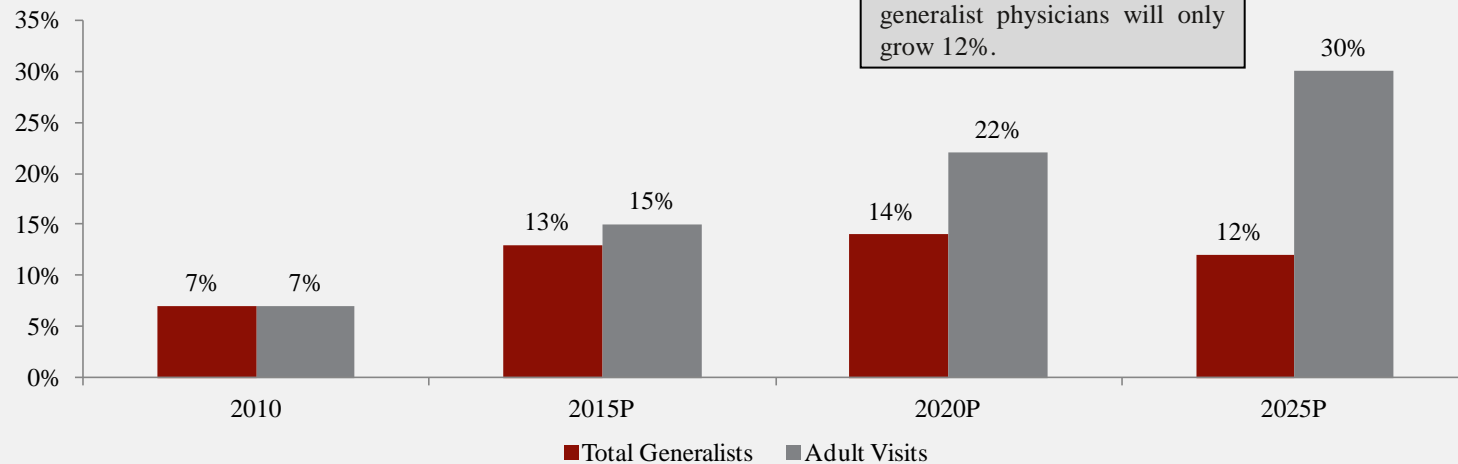
Industry Growth Drivers: *Lack of Access to Primary Care*

The growing lack of access to primary care in the U.S. is driving the heightened demand for urgent care utilization.

- Approximately 60 million individuals in the U.S. lack access to primary care, an increase from 56 million in 2007.
- The lack of access is driven by a number of factors including:
 - Inconvenient hours
 - Overcapacity at primary care physician offices
 - Stringent scheduling requirements

Change in General Physicians vs. Adult Patient Population

For the Years Ending December 31, 2005 – 2025P
(% change relative to 2005)



Source: Bureau of Health Professionals.

Industry Growth Drivers: *Trend Towards Accountable Care*

The urgent care industry is well positioned to embrace the trend towards accountable care.

- Healthcare industry is evolving to a value-based reimbursement system.
 - Urgent care will receive increased patient volume from health systems
- Health systems are becoming more involved in patient management and care delivery.
 - Drives collaboration between pre- and post-acute providers such as urgent care
 - Hospitals are financially incentivized to reduce admissions
- Payors are networking with providers that can provide high-quality, cost-effective care.

ACO Challenges

- Prevent readmissions
- Reduce costs across a patient population over time
- Ensure access to care

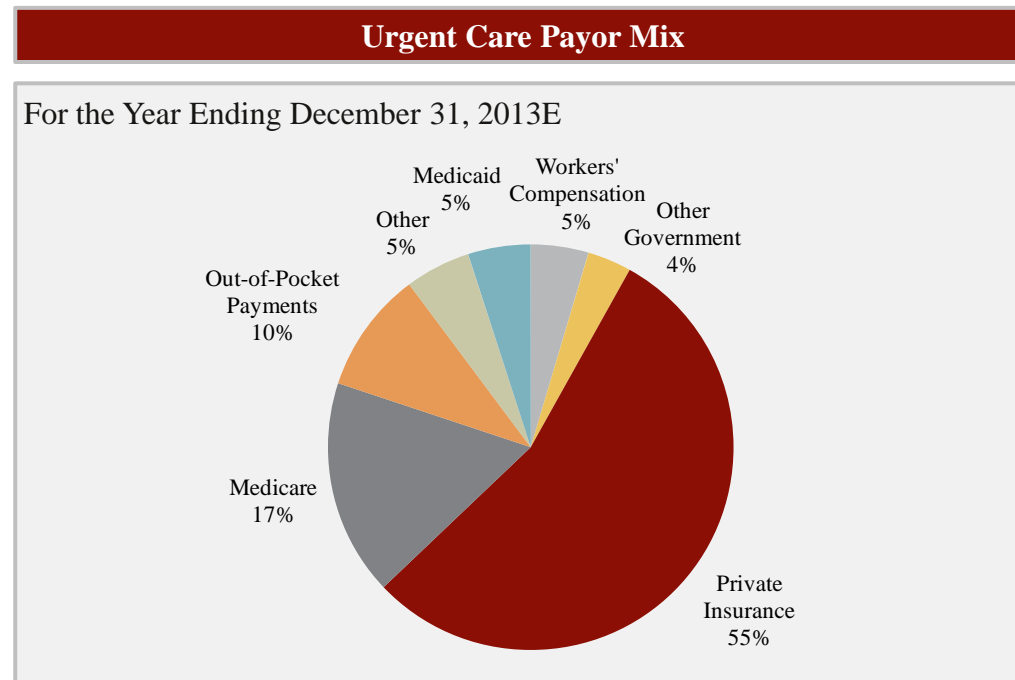
Urgent Care is the Solution

- Provide alternative to E.R. visits
- Allow primary care physicians to focus on chronic care management
- Hospital avoidances
- More flexible operating times and ease of access

Overview of Reimbursement in Urgent Care

The urgent care industry benefits from an attractive payor mix.

- Private insurance is the largest payor for urgent care services.
 - Accounts for approximately 55% of urgent care revenue
- Medicare and Medicaid account for 17% and 5%, respectively, of reimbursement for urgent care.
- Approximately 10% of the industry's payor mix is self-pay.
 - Payors have shifted a greater percent of the cost burden to individuals, increasing demand for lower-cost urgent care services



Source: IBISWorld.