

The Dallas Morning News

Baylor Scott & White expands in Texas with joint ownership of 41 urgent care clinics

Baylor's partner in the venture, NextCare, will continue to manage the clinics

By [Marin Wolf](#)
12:00 PM on Jul 6, 2023

Baylor Scott & White Health will invest in and jointly own more than 40 urgent care centers across the state as part of a new partnership with Tempe, Arizona-based urgent care company [NextCare](#), Texas' largest not-for-profit hospital system announced Thursday.

The investment in the rapidly-growing urgent care market will expand Baylor's presence into regions beyond North and Central Texas, including Houston, Abilene and San Antonio, while adding facilities in the Dallas-Fort Worth area. Of the 41 NextCare urgent cares in Texas, 14 are in D-FW, and another facility is planned for Terrell.

Baylor already offers round-the-clock virtual care for the entire state and urgent care clinics in some areas, but lacks physical locations in large swaths of Texas. The NextCare urgent cares will serve as entry points into the Baylor system for people in South and West Texas while answering patient requests for more convenient care options, said Baylor CEO Pete McCanna.

"Because of our digital platform, we not only can deliver this partnership to the 41 sites to provide access for urgent care needs, but we can also connect those patients and customers to follow-up care at more than 800 clinical sites or follow-up care virtually or follow-up care in the home," McCanna said.



Baylor and NextCare declined to share financial details of the partnership, including the percentage of ownership each company has in the existing facilities.

Urgent care growth has exploded in recent years as a way to lessen patient burdens on hospitals while decreasing costs for insurance companies for treating minor illnesses and injuries, like ear infections, strep throat or cuts that require stitches. There are nearly 14,400 urgent care centers in the U.S., compared to about 9,600 in late 2019, according to the [trade group Urgent Care Association](#).

Health systems are increasingly investing in such facilities to attract patients who will hopefully utilize other system services later.

Other major industry players in North Texas have also invested in medical facilities not attached to hospitals, like free-standing emergency rooms and surgery centers. Dallas-based Tenet Healthcare's ambulatory business segment had interests in 445 ambulatory surgery centers as of March 31, according to the company's [first quarter earnings](#).

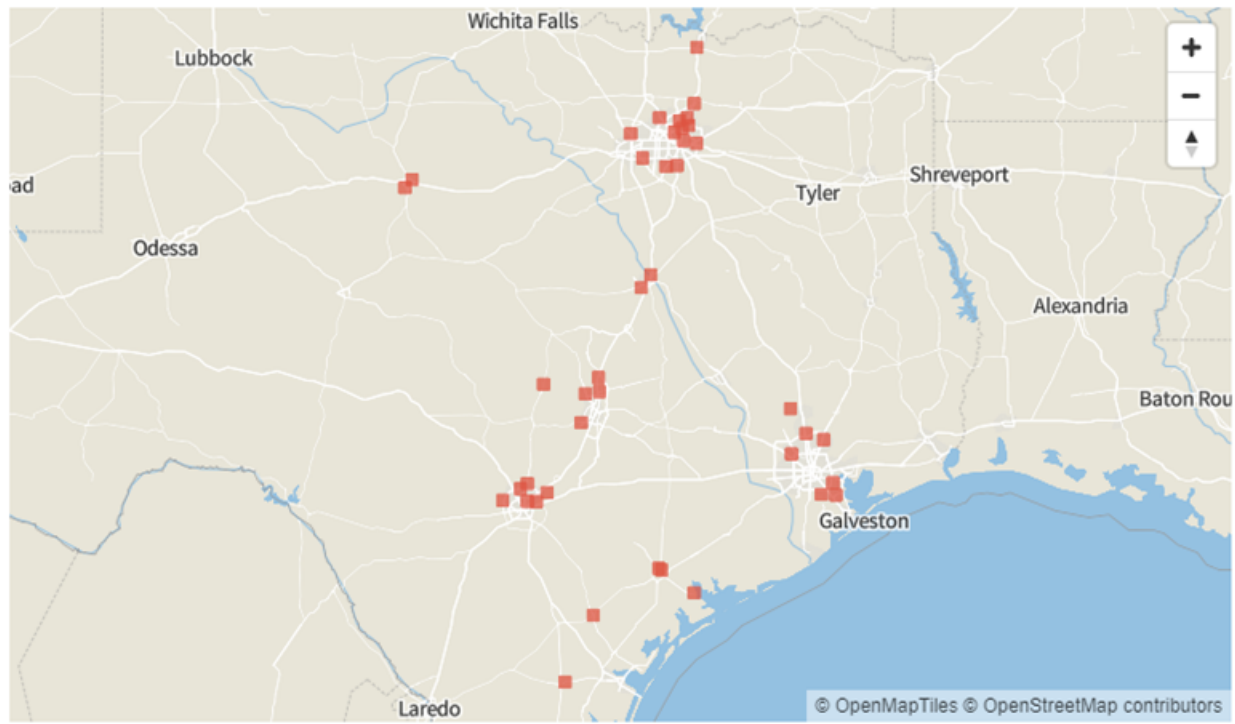
Medical City's parent company, HCA Healthcare, agreed to [acquire 41 urgent care centers in Texas](#) from FastMed in May, expanding the for-profit care network's urgent care business to nearly 270 clinics.

"[Health companies] have to do this. And, if they're not doing this, then they're behind and they're gonna get woefully behind. They'll probably get acquired by somebody else," said Daniel Karnuta, director of the Professional Program in Healthcare Management at UT Dallas' Naveen Jindal School of Management.

NextCare locations in Texas

Baylor Scott & White now jointly own the urgent care clinics.

Zoom in or click and drag to explore the map. Click markers for more information.



SOURCE: NextCare
MAP: Mel Fronczek

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Urgent cares can vary in profitability depending on the volume of patients in the area, Karnuta said. Facilities in densely-populated cities may find more success than those in rural regions with fewer patients.

But, for large health systems, such clinics aren't just about the number of patients urgent care providers can see.

"The end game really isn't the urgent care patient," Karnuta said. "It's getting that urgent care patient to become a loyal Baylor Scott & White patient in the grand scheme of all Baylor Scott & White facilities."

Partnering with an existing health system is a new endeavor for NextCare, which operates more than 170 clinics across 12 states. Urgent cares provide convenient care for problems that need immediate attention, but they don't always have options for follow-up care, said NextCare CEO Derek Newell.

"Unfortunately, that's the answer of most urgent cares. 'We wish we could help you, but we can't,'" Newell said.

Integration of NextCare clinics into the Baylor system will help physicians answer the question of what patients need to do after their urgent medical needs are met, Newell

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said. It'll also make it possible for providers at both NextCare and Baylor to access full patient histories.

Not much else will change for NextCare's Texas sites and their patients, as NextCare will continue to staff and manage the facilities. The 41 sites employ 371 people and receive about 500,000 patient visits per year. Branding of the sites will shift in coming months to mark the Baylor and NextCare partnership.

Baylor and NextCare are already looking to open more urgent cares in high-need areas, although the specifics of those future sites are still under development.

"We're basically going to be splitting the costs of that expansion so NextCare theoretically could expand twice as fast as they would have been able to had they not had this partnership," said Mike Sanborn, Baylor's chief growth officer.

Baylor also plans to use the urgent care setting to evaluate what additional types of care patients may need in the future.