

# SOUTH FLORIDA BUSINESS JOURNAL

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Fast-growing South Florida orthopedic urgent care franchise **OrthoNow** aims to slash health care costs. **PAGES 16-18**



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COVER STORY

Dr. Alejandro Badia's OrthoNow centers look to cut the fat from health care spending

# BARE BONES



BY CELIA AMPEL  
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**D**oral orthopedic surgeon Dr. Alejandro Badia was tired of watching patients waste money.

People would head to the emergency room with sprains, dislocations and fractures, only to wait hours, spend hundreds of dollars and inevitably be discharged with the same instructions: "Follow up with an orthopedic specialist."

Badia wants to revolutionize how these patients receive care. His solution: urgent care centers for bone injuries. He's branded it OrthoNow. After some local success, he's franchised the concept and is working to turn it into a national brand.

OrthoNow's second center just opened in Davie. Five more franchises are under contract in South Florida, and a handful of others are set to open across the country.

"It's kind of a perfect storm in health care right now for something like this," Badia said. "People don't realize the incredible cost of musculoskeletal injuries."

Work-related musculoskeletal disorders alone cost the U.S. economy about \$45 billion to \$54 billion a year, according to the Centers for Disease Control and Prevention.

And while general urgent care centers are an increasingly available option – there are nearly 10,000 in the U.S. today, according to research firm IBISWorld – their staff often lack orthopedic expertise, Badia said.

He hopes OrthoNow will carve out a niche that maximizes efficiency. It allows walk-ins to immediately be treated for minor bone injuries – with specialists available via telemedicine seven days a week.

All told, patients spend an average of 80 minutes at the center from paperwork to X-rays to treatment.

If an injury – say, a broken wrist – could require



Dr. Alejandro Badia says OrthoNow's niche focus on musculoskeletal injuries means it can better compete with general urgent care centers.

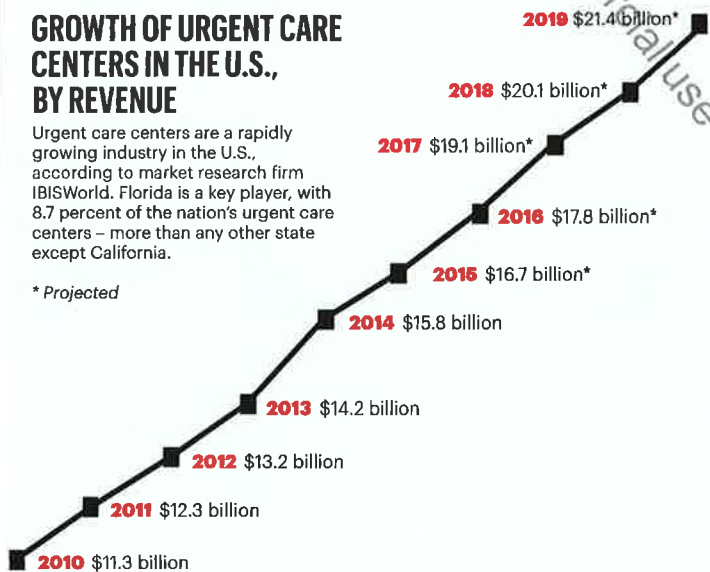
### COST COMPARISON

OrthoNow vs. the emergency room	Average insured patient cost:	Average employer cost:	Average self-pay patient cost
<b>OrthoNow</b>	<b>\$45</b>	<b>\$45</b>	<b>\$285</b>
<b>ER</b>	<b>\$200</b>	<b>\$1,800</b>	<b>\$2,500</b>

Source: OrthoNow

### GROWTH OF URGENT CARE CENTERS IN THE U.S., BY REVENUE

Urgent care centers are a rapidly growing industry in the U.S., according to market research firm IBISWorld. Florida is a key player, with 8.7 percent of the nation's urgent care centers – more than any other state except California.



Source: IBISWorld

surgery, OrthoNow sends the X-ray to a hand and wrist surgeon via smartphone. The surgeon can quickly review it and set a follow-up appointment.

"That kind of dialogue, how long does that take?" Badia said. "Seconds."

The idea wasn't an immediate success. Badia opened his surgical practice, Badia Hand to Shoulder Center, in Doral in 2008.

The following year, he became a franchisee of turnkey urgent care chain DoctorsNow.

Badia, who graduated from the New York University School of Medicine, was previously chief of hand surgery at Baptist Hospital of Miami.

"I didn't have much expertise in urgent care," he said. "I'm a busy surgeon."

Badia wanted the center to focus on minor bone injuries, but the name and marketing materials were too general. People kept showing up with the flu.

He also advertised too widely before getting the center covered by most insurance plans. Patients would see a DoctorsNow billboard, drop by and leave disappointed when the visit was out of their network.

"When that didn't go so well, I learned a lot in the process," he said. "I realized what needed to be done."

Badia closed the center for about six months, relaunching as OrthoNow LLC in 2013. He also brought on Justin Irizarry, whose business acumen came backed with an MBA from the Wharton School of the University of Pennsylvania.

Today, the clinic accepts Blue Cross and Blue Shield, Cigna, Medicare and other plans. Plus, OrthoNow's niche focus on musculoskeletal injuries means it can better compete with general urgent care centers, Badia said.

Each center has about 15 employees, including doctors, physician assistants and nurse practitioners trained in sports medicine and orthopedics. OrthoNow has partner surgeons in various specialties, including foot, spine and elbow.

The Doral center sees about 25 people a day. An insured patient's average





COVER STORY



NUMBER OF URGENT CARE CENTERS IN THE U.S.

\* Projected



Source: IBISWorld

copayment is just \$45, compared to \$200 for an emergency room visit, according to OrthoNow.

The inefficiencies in the existing health care system go beyond just cost, Badia said.

"If you go to the emergency room, you're going to wait forever," he said. "And in the end, you're seeing a doctor who, appropriately, is more concerned about taking care of somebody with chest pain. The ankle sprain is a low priority."

Also, patients often have redundant X-rays because the first set isn't transferred to their follow-up specialist, he said.

"My patients say, 'But doc, I had an X-ray,'" Badia said. "Well, unfortunately ... if I don't have it, I can't make a decision."

By seeing patients right away – even allowing them to tell staff "I'm on my way now" via a free smartphone app – OrthoNow aims to reduce that wasted time, money and effort.

The business's largest obstacle to growth? Getting people to realize it's out there, Irizarry said.

"The biggest challenge has always been and will continue to be awareness of what we provide," he said. "There's still a strong bias in health care toward the ER."

He wouldn't disclose the company's revenue, but said OrthoNow is on track to have 35 to 40 centers

**Badia hopes to prove the concept in the U.S. before taking it global. During his frequent international travels – 30 percent of his surgical patients are from abroad – he has courted potential franchisees in Brazil, Spain, Ecuador and even the United Arab Emirates.**

nationwide by January 2016. Franchises are already under contract in Boston, Los Angeles and New Jersey.

Badia hopes to prove the concept in the U.S. before taking it global. During his frequent international travels – 30 percent of his surgical patients are from abroad – he has courted potential franchisees in Brazil, Spain, Ecuador and even the United Arab Emirates.

To be sure, OrthoNow isn't the first orthopedic urgent care center in the world, or even the country.

New York City's only walk-in orthopedic clinic has been around since 1993. NYU Langone Medical Center's Hospital for Joint Diseases opened the clinic to give locals and tourists a fast way to address minor

injuries after office hours.





"People were looking for a place to go if they had an injury that they could walk on," said Dr. Gail Chorney, director of ambulatory care services for the hospital.

I-Care – short for the Samuels Orthopaedic Immediate Care Center – has become a favorite for people who want to avoid the contagions of a general urgent care center, she said.

"In the waiting room, you're not worried about getting sick from everyone else sitting around you,"

CONTINUED ON NEXT PAGE

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COVER STORY

CONTINUED FROM PREVIOUS PAGE

she said.

The center saw 7,200 patients last year, becoming so successful that it does “virtually no advertising anymore,” Chorney said.

Tampa has its own iteration, too. The Florida Orthopaedic Institute opened a walk-in clinic two and a half years ago.

Sports medicine specialist Dr. Jeff Sellman said once patients visit the clinic, they’re smitten.

“The main thing they see is somebody who’s specifically been trained and has experience in the orthopedic world,” he said. “I hear ‘Oh my gosh, I wish I knew about this before. The wait was not bad at all.’”

Badia said there are about 150 other orthopedic urgent care centers nationwide, but they’re mostly

independent. With his franchising model, he hopes to gain the brand recognition no competitor has yet achieved.

“You can make a good cup of coffee, but now that people know Starbucks, they know what they’re going to get,” he said. “They know the experience; they know the quality.”

There’s no magic pill for cost-effective, quality health care – but Badia said he believes the best solutions will come from doctors and businesspeople working together.

“I think physicians should be focused on doing what we do best,” he said. “But if what we’re doing on a day-to-day basis is completely in the control of people who do business, you lose the human part, the medical part. ... If they let us be part of the dialogue, we can save a ton of money.”

*OrthoNow’s second center recently opened in Davie. Five more franchises are under contract in South Florida, and a handful of others are set to open across the country.*



NINA LINCOFF



**BECOMING AN ORTHONOW FRANCHISEE**

Dr. Alejandro Badia’s goal is to have an OrthoNow location within 20 minutes of every South Florida residence.

Centers are open in Doral and Davie, with additional franchises under contract in Aventura, Boca Raton, Miami, Kendall and Pinecrest.

Here’s what you need to know to become a franchisee:

- ▶ **Initial fee:** \$65,000.
- ▶ **Average investment:** \$250,000 to \$500,000.
- ▶ **Support provided for franchisees includes:** access to national design and construction firm, staffing recommendations, employee training, medical billing and collections, discounts on medical supplies, assistance with accreditation and licensing.
- ▶ **For more information:** [www.orthonowcare.com](http://www.orthonowcare.com) or (855) 447-6784.

Source: OrthoNow

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