EMERGENCY DEPARTMENT UTILIZATION

VISUALIZING GEOGRAPHIC PATTERNS & ANTICIPATING FUTURE TRENDS

Most hospital administrators question the future impact of the ACA on emergency department (ED) visits and resulting treatment space need. Will volumes continue to grow in spite of ACA reforms?

Nationwide ED volumes grew 16% in the past twelve years. Round-the-clock access, inexpensive co-pays, diagnostic convenience, and medical home scarcity contributed to this growth rate. The ACA incentivizes providers to manage care in lower cost sites to counteract these factors. Hypothetically, if providers improve access to after-hours clinics located within primary care practices, patients will refrain from expensive, non-urgent ED visits.

Many wonder how long it will take for utilization patterns to shift to the degree that ED visits and overall healthcare costs decline.

IMPACT OF NON-URGENT ED VISITS ON PER CAPITA HEALTHCARE COSTS

Nationwide ED Use Rates (ED visits per 1000 people) have grown from 366.5 in 2000 to 424.4 in 2012. This trend correlates to the pervasive use of ED services to manage all illnesses, regardless of severity. In some markets, non-urgent visits equate to 10% of total healthcare expenditures in any given year. If left unchecked, healthcare costs per capita become untenable for American families.

REVERSING THE TREND

Although from relatively small samples, recent evidence suggests a short-term increase in ED visits. Statewide healthcare reforms enacted in Massachusetts led to an increase in ED utilization. Utilization in Oregon also increased among individuals who gained Medicaid coverage in a lottery system.

Changing course is a significant uphill challenge given the many variables that affect ED visits. Patient education, national and state financial reform, provider infrastructure and access, and personal health preferences/conveniences must be addressed for change to occur.

In the next three to five years, we anticipate ED visits will continue to climb, as they did in Massachusetts and Oregon, until state and local markets can align these factors. Ultimately, providing the right care, for the right patient, in the right location has the potential to lower overall per capita expenditures.

REGIONAL UTILIZATION TRENDS

Utilization rates vary by region. As an example, Southeastern state use rates are higher than Western state use rates. Regional demographic and socioeconomic differences such as Age, Race/Ethnicity, multiple chronic conditions, poverty, and access to healthy foods correlate to more frequent ED use.

Just as there are significant variations in use rates across the country, there are also differences throughout each state. Urban areas tend to have higher use rates due to an increased density of Medicare and Medicaid recipients who frequent the ED.

We project future volumes at both the state and local levels in order to quantify future utilization rates. Our analysis is based upon individual market factors adjusted by the expected rate of market readiness and implementation of ACA reforms.
In some markets, it could take ten years for the healthcare infrastructure to mature to sufficiently depress the ED visit growth rate.

**INCREASED UTILIZATION LEADS TO OVERCROWDED EDs**

Many EDs across the country are severely overcrowded due to increased usage frequency combined with significant population growth over the last decade.

Overcrowding is apparent in frequent hallway bed use, long wait times, increasing rates of patient dissatisfaction, and high staff turnover. In addition, overcrowding significantly impacts patient care, and studies have shown it may contribute to a higher death rate. ED use must not only be managed to lower healthcare costs, but also because it is in the best interest of patients long-term.

**VISUALIZING THE POTENTIAL FOR AT-RISK EDs**

FreemanWhite created a visualization tool (see below) to help our clients understand the differences in utilization by state and how ED use rates have increased at the state level over the past ten years.

This tool helps state policy makers and national payors identify potential “hot spots” for ED overcrowding as compared to other local regions or other states. It also highlights the potential demographic and socioeconomic factors that influence preferred treatment locations.

How does this tool work? When a state on the map is highlighted, the chart on the right displays how use rates have changed over the past ten years. The summary charts at the bottom provide a comparison of all states in a number of different categories – ED Growth %, 2012 ED Use Rates, 65+ Population, Median Household Income and % Poverty. These are some of the key demographic variables that may have an impact on ED utilization.

We have found presenting large quantities of data quickly in a visual format enables key decision makers to reach consensus quickly.