

Emergency Department Utilization: Trends and Management

In this month's piece we briefly describe the reasons for rising utilization of emergency department (ED) services in the U.S., and strategies and techniques that insurers and providers are using to manage this utilization.

Utilization Trends

Emergency room (ER) overcrowding stems from both demand- and supply-side problems. After a decline in ED use in the early 1990s that resulted mainly from greater enrollment in managed care plans with their reliance on primary care physicians and utilization controls, ED visits are now on the rise. Between 1992 and 1999, emergency department utilization in the United States increased 14%, from 89.8 million to 102.8 million visits, or about 38 visits per 100 persons, according to the 1999 National Hospital Ambulatory Medical Care Survey (NHAMCS). A report by the Center for Studying Health System Change (Brewster, 2001) on increased patient demand for ER services cited three main factors for the increase:

- less restrictive management practices by managed care organizations (MCOs) due to consumer backlash and prudent layperson laws in more than 40 states; these laws require health plans to pay Emergency Department bills if the patient is in great pain or believes that he or she is in a medical emergency;
- stricter enforcement of the federal Emergency Medical Treatment and Labor Act (EMTALA), requiring hospitals that receive Medicare reimbursement to provide screening for an emergency

condition, necessary stabilizing treatment, and appropriate transfers for patients, regardless of a patient's ability to pay; and

- an increase in ED use among patients without insurance.

A substantial proportion of the total ED visits are not true emergencies. Many patients seek ED care for conditions that could have been treated in a primary care setting. In one study involving 56 emergency departments nationwide, admitting triage nurses classified 37% of all ED visits as having a nonurgent condition (Young GP et al, 1996). Another study found that nearly 75% of the patients who walked into hospital emergency departments in NYC in 1998 were either non-emergencies or treatable in a primary care setting (Billings et al, 2000). The National Hospital Ambulatory Medical Care Survey found a change in case mix between 1992 and 1999, with a greater percent of visits presenting with illness rather than injury conditions.

The increase in demand and utilization affects not only the insurers and delivery systems that are responsible for the care and costs of their enrolled populations, but also the hospitals that provide this service. These facilities are having trouble keeping up with the demand. On the supply-side, the number of operating emergency departments has decreased 8.1% from 4,547 in 1994 to 4,177 in 1999 (American Hospital Association, 1994 and 1999). Many hospitals that kept their ERs open reduced their backup capacity and staffing levels. Compounding the ED problem is the downsizing of hospitals'

inpatient capacity, so that fewer beds are available for admitting ER patients and avoiding a backlog of patients. In 1999, 13 percent of all ED visits ended in hospital admission (NHAMCS).

Utilization Management Strategies

A fundamental goal of managed care has always been the delivery of care at the right time in the right setting. Emergency department visits should occur only when truly needed. Avoiding unnecessary ED utilization is important for both cost and quality reasons. ER visits make up 7% of health plan's budgets and cost about six times more than the same care delivered in the physician's office, according to emergency physician billing firms (Page, 2001). For the patient, care is improved when the primary physician is made aware of medical needs and can respond from the vantage point of knowing the patient's history and conditions.

To reduce the number of medically nonurgent ER visits, insurers and delivery systems are adopting a number of strategies. These can be categorized generally as demand management techniques. Demand management is a collection of tools and techniques that promote high quality and cost-effective care by educating consumers and reducing unnecessary medical services (see TMCI's Topic of the Month for Dec. 2000 for more on Demand Management). Specific initiatives aimed at managing ED use include the following:

Access to office appointments: In many physician practices, visit hours are limited and schedules are filled for weeks in advance. When patients cannot schedule an appointment to be seen on the same day, they are likely to visit the ER. Strategies to improve

appointment access include new scheduling protocols to allow more same-day visits, and expanded hours on evenings and weekends. Some health plans are supporting their participating providers in these efforts. Aetna U.S. Healthcare is rewarding physicians for evening and weekend hours as one component of a bonus payment distributed as a lump sum at the end of the year. Humana is encouraging some providers during recent contract negotiations to commit to same-day scheduling.

Triage and telephone services: Patients may refrain from seeking care in the ER beyond normal practice hours if they can receive assistance through other means. A growing number of managed care organizations, delivery systems and practices are offering phone consultation with medical personnel 24 hours a day. Patients with questions ranging from how to treat a fever to reducing nausea can often receive advice over the phone from physicians, nurses or other professionals. For the patient, this helps to avoid the cost and lengthy wait time of an ER visit. Some studies on the effectiveness of telephone-based nurse triage services have found a 90% or greater patient satisfaction rating (O'Connell et al, 2001; Wahlberg AC et al, 1999) and a return of a \$1.70 in reduced ER and physician office visits for every \$1.00 invested in this service (O'Connell et al, 2001).

Patient education: Educating patients, especially demographic groups at higher-risk for emergency room utilization, may tend to reduce the number of nonurgent ER visits. Health plans can distribute educational materials to primary care providers and encourage physicians to instruct patients in disease self-management. Some recent findings on the effectiveness of patient education include the following:

- Medicaid-recipient children had 14.5% fewer nonurgent emergency department visits at Children's Hospital in Columbus, OH, after their families received information from a health professional about the importance of a primary care provider. These families had assistance for up to 3 months to eliminate barriers to appropriate utilization of a primary care provider (Grossman et al, 1998).
- Chronically ill patients at 19 physician practices in Denver, CO, who were educated by a primary care physician, nurse, and a pharmacist at a monthly group visit over the course of 2 years, averaged fewer emergency department visits than a control group (0.65 visits vs. 1.08 visits) and were less likely to have emergency department visits (34.9% vs. 52.4%). (Coleman et al, 2001).

Patient copayments: To discourage unnecessary visits to the ER, health plans have increased copayments to as much as \$50 for this service.

Contacts between PCP, health plan, and ED: A related strategy to reducing unnecessary visits is to react appropriately when patients do arrive at the ER. By establishing communication links between the ED and the patient's health plan and/or primary care physician, the attending ER physician can learn the patient's medical history and the involved parties jointly can make most appropriate treatment decisions. If the treatment decision calls for additional care, an appointment can be made at the patient's primary care physician office. The clinicians can also use this opportunity to educate patients to reduce the need for future nonurgent ER visits.

Existing literature has indicated that demand management strategies can be effective in reducing nonurgent ED visits. Health plans, delivery systems, and physician practices can employ these strategies to meet the needs of their patient populations.

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