

# Reducing Emergency Department Overuse: A \$38 Billion Opportunity

## Opportunity

Emergency department overuse: \$38 billion in wasteful health care spending



An increasing number of people are using hospital emergency departments (ED) for non-urgent care and for conditions that could have been treated in a primary care setting. Nationally, 56 percent, or roughly 67 million visits, are potentially avoidable.<sup>2</sup> Reducing this trend represents a significant opportunity to improve quality and lower costs in health care.

### Significant Savings

- The average cost of an ED visit is \$580 more than the cost of an office health care visit.<sup>3</sup>

### Who uses the ED for non-urgent care?

- All payer and age groups.
- Insured patients with a usual source of primary care.

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## Solutions

**67** million, or more than half of the 120 million annual emergency visits, are potentially avoidable

Increasing access to primary care services can reduce emergency department overuse by up to 56 percent. A number of tested measures already exist, including offering alternative approaches to primary care, specialized services for vulnerable populations, and effective chronic disease management.

### Quality Improvements

#### Improved Access to Primary Care Services

- **Patient-Centered Health Care Home:** Early data from health care home pilots have observed a 37 percent reduction in ED use.<sup>4</sup>
- **Weekend Hours:** Patients receiving care from a primary care practice offering weekend hours use the ED 20 percent less than patients from practices that do not.<sup>5</sup>
- **Telephone Consultation:** 24-hour access to a physician telephone service reduced avoidable ED use from 41 percent of visits to 8 percent of visits.<sup>6</sup>

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## Drivers for Change

- Payment Reform for Providers
- Financial Incentives for Patients
- Improved Data on Emergency Department Utilization

Reducing the overuse of emergency department services requires policy actions that involve providers, payers, and patients.

### Action Steps

#### Payment Reform for Providers

- Adopt payment approaches to enable providers to invest in primary care improvements such as extended hours, increased contact with patients via telephone and e-mail, health information technology, and additional staff for care teams.
- Implement performance-based payment systems that use patient ED utilization or appointment wait times as quality metrics to reward health care professionals who reduce ED overuse.

#### Financial Incentives for Patients

- Reduce co-payments for patients who use urgent care clinics.
- Increase patient co-payments for non-urgent ED visits.

#### Improved Data on ED Utilization

In order to report accurate and up-to-date information to providers on their patients'

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## Opportunity continued

### Why Is This Happening?

- One-third of ED visits are made during regular business hours when primary care offices are open.

### Primary Care: A System in Crisis

- **Long Waits:** Lack of timely appointments and after-hours care drive patients to the ED.
- **Poor Care Coordination:** Without access to primary care, the chronically ill often end up in the ED.
- **Health Care Professionals' Orders:** Primary care practices often instruct patients to seek care in the ED.

### Emergency Services: An Enticing Alternative

- **An Open Door:** Patients can receive ED care anytime regardless of the severity of their condition.
- **Reassurance:** The ED provides patients with immediate feedback about their condition.
- **One-Stop Shopping:** A wide range of services are readily available in the ED.

## Solutions continued

- **Telephone Triage Lines:** Nurse-operated telephone triage programs that provide patients with prompt medical advice reduced ED utilization by 4.3 percent and produced annual net savings of nearly \$400,000.<sup>7</sup>

### Alternative Approaches to Primary Care

- **Urgent Care:** Free-standing hospital-based urgent care clinics have the potential to reduce ED use by nearly 48 percent.<sup>8</sup>
- **Telehealth:** Patients who had Internet-based, interactive "virtual visits" with clinicians to diagnose and treat routine childhood symptoms used the ED 22 percent less than patients who did not use these services.<sup>9</sup>
- **Retail Clinics:** Retail clinics provide convenient medical care for simple, acute medical conditions without an appointment. Retail clinic visits cost one-fifth of ED visits, and 10 percent of ED patient visits might have been cared for adequately by retail clinic staff.<sup>10</sup>

### Specialized Services for Vulnerable Populations

- **Services for the Homeless:** A housing and case management program for homeless adults reduced ED use by 24 percent.<sup>11</sup>

### Effective Chronic Disease Management

- **Group Visits:** Chronically ill adults who participated in group visits with other patients with similar diseases used the ED 17 percent less than patients without such access.<sup>12</sup>

## Drivers for Change continued

ED overuse:

- Provide health plan claims data to health care professionals on the ED utilization of their patient populations.
- Provide hospital utilization data on avoidable ED visits to patients' primary care providers.

This series was produced in collaboration with NEHI ([www.nehi.net](http://www.nehi.net))

## Notes

### Opportunity

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