



Will Healthcare Reform Alter the Landscape of the Emergency Department?



To Our Healthcare Clients and Friends:

This issue of *IMA Insights* explores the impact of healthcare reform on patients accessing hospital emergency departments (EDs). With an ever-increasing percent of inpatient admissions coming through their EDs, hospitals must understand the affect that healthcare reform may have and if reform will add to the congestion and backlog experienced by EDs across the country.



BACKGROUND



The signing into law of the Patient Protection and Affordable Care Act on March 23, 2010 represents a landmark event in United States healthcare. Regardless of one's political leanings, no one can deny that the enactment of this legislation represents a meaningful shift in the healthcare landscape.

A key provision of the legislation makes health insurance available to the 32 million uninsured across the country. Will the expanded healthcare coverage of the uninsured patients open unfettered access to the nation's EDs? Or, will access to EDs continue in its current state? The debate continues.

CHALLENGES

On average, more than 325,000 patients per hour seek care through the nation's EDs, exceeding 119 million annually. The trend of increasing ED usage has continued unabated for the last 15 years. From 1993 through 2006, the compound annual growth rate of ED visits was 3.6 percent. The increasing numbers of visits strains the system.

Compound this increasing demand by decreasing supply. In the past decade, the number of EDs and hospital beds has decreased. Landmark institutions have either closed their doors completely or eliminated ED services. Deaconess Hospital (Cincinnati), St. Vincent (New York), and United Medical Center (Washington, DC) represent but a few examples. The closures forced others in the marketplace to provide the care needed.

More than 13 percent of the ED patient visits will result in inpatient admissions. Hospitals report increasing proportions of their inpatient admissions coming through their EDs. In our working with client hospitals, we have witnessed those increases. Where some clients had previously experienced 40 to 45 percent of their inpatient admissions arriving through the ED, those percentages rose to 55 to 60 percent. We have seen that percentage exceed 70 percent in more than one instance. ED patients who await inpatient placement experience longer ED lengths of stay and contribute to the congestion and chaos so many EDs feel.

Conventional wisdom and anecdote have held out the uninsured ED patients as the primary cause for ED overcrowding and excessive lengths of stay. The thinking holds that the uninsured patients do not see primary care physicians or delay care to the point at which the ED provides the only alternative. When seen in the ED, their diagnostic course is more complex and time consuming, hence the longer length of visits. With the barrier to personal cost removed from those patients by the passage of healthcare reform legislation, some fear an onslaught of new visits.

A study by University of Michigan researchers, published in the Journal of the American Medical Association, refutes some of this conventional wisdom. The extensive review of 127 medical research papers and supportive direct research sought to identify reasons for ED overcrowding. Researchers found the percent of uninsured patients seen in the ED mirrors the percent of uninsured people in the general population, about 17 percent. The researchers concluded that other reasons contribute more significantly to ED overcrowding than do uninsured patients. Those reasons included an aging population, continued increases in chronic diseases, and limited availability of primary care.



INSIGHTS

The national perspective provides an informative backdrop against which to consider the impact of healthcare reform on the hospital's ED. And, the impact will occur differently in different communities. With increasing reliance on the ED as a primary access point, how can hospitals determine if the healthcare reform act will have a significant impact on the numbers of patients accessing the ED?

- Know the demographics of the community the hospital serves.

Typically, the delving into community demographics occurs during the hospital's periodic strategic planning cycles, when planning staff present information about the composition of the community served. A detailed understanding of the patients who demand ED services requires a deeper and timelier understanding of their demographics if one is to determine the possible impact of coverage of the uninsured. This requires a more granular level of data and analysis. Based upon these analyses, one can forecast future demand with consideration of more factors.

- Evaluate the availability of primary care or urgent care services.

Since many patients seek ED services due to the lack of primary care service availability, one can assess that availability to determine gaps. State and local planning agencies can often provide data to assist in this effort. While not a situation easily remedied, one can work with the hospital's medical staff and community to build support and provide education to address the issues, should they exist.

- Assess ED capacity to serve an increase in patient visits.

Based upon the demographic analysis and projected ED usage, one can evaluate the current operation to determine its capability to meet forecasted demand. Should the current capacity fall short, strategic options other than construction or major renovation may exist. Consideration of alternative site services may provide an opportunity to capture additional market share. Provision of lesser acute services in alternative setting may provide the opportunity to move patients with those needs to settings outside the main ED.

- Monitor the status of other EDs in the community.

Bellevue Hospital (New York) announced that it anticipates an additional 20,000 ambulance visits due to the closure of St. Vincent Hospital's ED. As hospitals continue to face difficult financial times, service closure can represent significant opportunities for redesign. While the closure of an ED seems draconian, it appears to happen with increasing regularity. One must understand the competitive landscape and develop plans to address contingencies.

- Identify the occurrences of ED crowding and delays and their underlying causes.

Should uninsured patients not represent a significant proportion of patient visits, or if the community analysis does not lead one to expect an influx of patients, one can turn one's attention to occurrences of crowding and delays in the ED. Since the ED represents an important access point for outpatients and, increasingly, inpatients, one must assure that input, throughput, and output processes flow smoothly. Understanding the occurrences of crowding and delays will provide a roadmap to their elimination.



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SUMMARY

While the expansion of coverage to the uninsured may not have the massive impact some anticipate, hospitals will feel the affect differently across communities. Analysis of possible affect can help hospitals anticipate it and prepare to meet it.

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We are pleased to have had this opportunity to provide this information to you. If you have any comments or questions about this issue of *Insights*, please call me at 484-356-6486.

Truly yours,

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