Reducing Emergency Department Overuse: A $38 Billion Opportunity

Opportunity

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

Solutions

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

Drivers for Change

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

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. 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.

Who uses the ED for non-urgent care?

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

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.
- 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.
- Telephone Consultation: 24-hour access to a physician telephone service reduced avoidable ED use from 41 percent of visits to 8 percent of visits.

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 $400,000.7

**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.8
- **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.9
- **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.10

**Specialized Services for Vulnerable Populations**

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

**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.12

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.

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Notes

**Opportunity**


**Solutions**


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