

# **Reducing Unnecessary Use of the ED by the Uninsured**

**A Study for the Pacific Hospital PDA**

## **SUMMARY OF WORK COMPLETED**

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## **Executive Summary**

The Pacific Hospital Preservation & Development Authority (PHPDA) has a mission to champion effective health care for the vulnerable and disadvantaged in our community. It aims to bridge gaps in healthcare access, particularly specialty access. To that end, the PHPDA sponsored this two-part research project examining reductions in emergency department use by the uninsured through increased access to specialists.

The purpose of the research project was to conduct a feasibility study focusing on three aspects of this issue; and then, based on those findings, assemble data about emergency department costs, charges and usage for hospitals in King County. The consolidated information from both phases of the study was then used to begin discussions with several local hospital leaders about ways to reduce unnecessary use of emergency departments by the uninsured.

The PHPDA believes this information will assist specialty care programs for the uninsured, such as King County Project Access (KCPA), in developing a long-term funding strategy with hospitals that benefit from the reduced use of hospital emergency departments. KCPA helps provide specialty services to eligible low-income uninsured and under-insured patients.

### **Phase 1 Findings**

The literature is consistent that uninsured persons often use the emergency department (ED) as their principal source of primary care when they need medical care, and overall per person use rates for the uninsured as a whole can be about twice as high as the rate for insured populations. Nationally, ED use for the uninsured ranges from about 0.16 ED visits per person annually to 0.71 visits (depending on the geographic area), compared to 0.20 to 0.33 for insured persons under 65. Medicaid ED rates run higher, from about 0.33 to 0.91 visits per person annually. These overall use rates for the uninsured are much lower than the Project Access use rates reported from other cities, reflecting the fact that Project Access enrollees comprise a sicker subset of the overall uninsured population and therefore need more medical care. See diagram, top of page 6.

Reductions in emergency department use have been formally measured in seven Project Access programs in other parts of the country, and in all there have been significant reductions in emergency department use over time by Project Access enrollees. The general range for uninsured persons enrolled in Project Access has been a 40% to 60% reduction, although one location had a much higher reduction (82%). Before

enrolling in Project Access, ED use for these persons ranged from 1.10 to 2.15 visits annually per person, and this was reduced in all programs, to a range of 0.3 to 0.9 visits. This is clear evidence that better access to specialists reduces ED use for Project Access enrollees.

## **Phase 2 Findings**

Year-end financial filing data for 13 King County hospitals were extracted from the online Department of Health (DoH) database. Over \$10 billion in charge are generated annually for all patients in these King County hospitals, of which about 20 percent (\$215 million) are generated for services in the emergency department. About a quarter of the total hospital charges were for charity care (\$239 million), of which slightly over half (\$120 million) occurred at a single hospital, Harborview Medical Center. These financial data were then used to estimate the volume of services and charges for care delivered to low-income, uninsured adults in King County, and emergency department volumes and charges for the low-income uninsured were also estimated.

In total, about 14,300 emergency room visits by low-income, uninsured persons in King County are estimated to occur annually, resulting in about \$19.5 million in ED charges. The distribution of charity care cases across the hospitals in King County varies considerably. As expected, Harborview Medical Center treats far more of the uninsured than does any other hospital in the county and nearly ten percent of all charges generated at Harborview are for charity care patients.

Analyses of CHARS data done by WSHA staff gave results that were very consistent with the DoH financial summary data findings presented above. A relatively large percentage of each hospital's total uninsured patients (about 70 percent on average) are admitted via the emergency department. These findings are further evidence that uninsured persons often have difficulty getting access to needed medical care until it becomes an emergency.

## **Results to Date:**

The Phase 1 findings and Phase 2 analyses were then used to target hospitals for on-site visits by project staff to discuss helping more uninsured adults get earlier access to specialty care and thereby reduce use of the ED. Three local hospitals have been involved in these conversations to date (Evergreen, Virginia Mason, and Overlake). While these initial discussions have been positive and encouraging, there have been no firm commitments so far from these hospitals to expand their efforts to treat the uninsured in non-emergent settings. It has also taken much longer to engage local hospital leaders in these issues than

expected, in part due to the current turmoil in the safety net health care system from significant State budget reductions in 2009 (which are also expected for 2010), as well as the uncertainty caused by federal efforts at national health reform. The project has therefore been put on hold until early 2010.