



CONNECTICUT
HOSPITAL
ASSOCIATION

**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
Thursday, September 26, 2013**

**Hospital Emergency Department Use and Its Impact
on the State Medicaid Budget**

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony in support of the study, *Hospital Emergency Department Use and Its Impact on the State Medicaid Budget*. CHA is pleased to assist the Committee in its efforts to examine emergency department utilization by patients, including those enrolled in the Medicaid program and those who require emergency medical care because of behavioral health or substance use disorders.

We were grateful for the opportunity to facilitate visits by Committee staff to several emergency departments, engage the providers of emergency medical care in conversations about these important issues, understand the various challenges facing hospitals around the state, and learn more about the steps being taken by hospitals and other healthcare and social service providers to address these challenges.

Each year, Connecticut hospitals treat more than 1.6 million patients in their emergency departments. Hospitals provide this care to all people, 24 hours a day, regardless of their ability to pay. Emergency departments are filled with individuals who cannot find a physician to care for them because they are uninsured or underinsured – or because they are Medicaid beneficiaries and few physicians or urgent care centers will accept the low rates paid by Medicaid. Throughout Connecticut, our emergency rooms are treating both those who have delayed seeking treatment because of inadequate or no coverage, and those who have no other place to receive care. Connecticut hospitals are the ultimate safety net providers.

Connecticut hospitals are absolutely committed to initiatives that improve access to high quality care, expand the availability of insurance coverage, and reduce healthcare costs. We stand ready to partner on Medicaid system reform and innovation to create effective solutions that lead to a healthcare system through which coverage is affordable and sustainable, and access to care is guaranteed.

CHA acknowledges that an examination of emergency department utilization is an essential element of this enterprise. Between FY 2007 and FY 2012, all other hospital patient settings experienced relatively little growth or declined in volume, with the exception of emergency departments. During this time, both emergency department non-admissions (i.e., patients treated and released, known as ED Non-Admissions) and admissions for inpatient care (ED Admissions) have substantially increased. In FY 2012, ED Non-Admissions made up more than 63% of all hospital encounters, increasing by 12% from FY 2007. ED Admissions represented 65% of all inpatient discharges in FY 2012, having increased by 4% from FY 2007. Clearly, more people are relying on emergency departments for their medical care.

Connecticut hospitals also experienced increases in both ED Non-Admissions and ED Admissions related to substance abuse and behavioral health disorders during this period. From FY 2007-2012, ED Non-Admissions with a substance abuse or behavioral health disorder as a principal diagnosis increased by 25%. Similarly, among ED Admissions, there was an 18% increase in patient encounters with a principal diagnosis of substance abuse or behavioral health disorder.

We recognize the state's interest in developing a deeper understanding of the trends in the use of emergency departments by Medicaid patients. From FY 2007-2012, the greatest increase in ED Non-Admissions occurred among Medicaid encounters, which increased by 50%. In addition, there was a 42% increase Medicaid ED Non-Admissions with a substance abuse or behavioral health disorder as a principal diagnosis. Medicare encounters increased by 20%, while encounters among privately insured and uninsured patients dropped by 12% and 5% respectively. Similarly, ED Admissions during this period rose 28% for Medicaid patients overall, and by 33% for Medicaid ED Admissions with a principal diagnosis of substance abuse or behavioral health disorder. Medicare encounters increased by 5%, while the number of privately insured and uninsured encounters dropped by 11% and 28% respectively. These statewide numbers confirm a trend of increasing utilization of hospital emergency department services by Medicaid and Medicare patients.

Programs that target ED "super-utilizers" (i.e., patients with complex, unaddressed health issues and a history of frequent encounters with emergency departments) demonstrate early promise of realizing the development of innovative care delivery models with the potential to improve care, improve health, and reduce costs.

CHA supports efforts to identify the ED super-utilizer subpopulations within the state, the factors that drive high utilization among these patients, and the feasibility of eliminating unnecessary utilization through a set of targeted interventions addressing the factors identified in each particular community. We believe that the state may play a key role by promoting and facilitating the discussion among healthcare and social service providers in each community to address their unique needs, and by investing in care coordination resources that will bridge the healthcare and social services continuum.

CHA looks forward to continuing to work with Committee staff, and to view the Committee's recommendations. We hope the recommendations will incent and encourage collaboration among state government, hospitals, and other healthcare and social service providers to achieve improved healthcare outcomes for all patients, and to better manage Medicaid costs.

For additional information, contact CHA Government Relations at (203) 294-7310.