



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

Background

In June 2013, the PRI committee authorized a study to examine hospital emergency department use by Medicaid recipients and the impact of that use on the state Medicaid budget.

According to the Connecticut Department of Social Services (DSS), in May 2013 there were more than 640,000 Medicaid recipients enrolled in the state's Medicaid program. In FY 13, annual Medicaid expenditures were approximately \$6 billion before any federal reimbursement, about one-quarter of the state's budget.

Overall in 2012 there were 37 visits to the ED for every 100 persons in CT, while there were 97 visits for every 100 people in the Medicaid population.

There are many reasons why Medicaid clients may use EDs at higher rates, but one area of particular concern is whether capacity for primary and/or specialty health care exists in community settings. In addition, Medicaid clients in need of behavioral health services are frequent users of emergency departments. Several initiatives are underway to target certain populations in order to better coordinate care and ensure services are received.

In 1986, the federal Emergency Medical Treatment and Active Labor Act (EMTALA), was enacted. The law applies to any hospital that accepts Medicare, and requires that any person who presents on a hospital campus must be screened and if a medical emergency exists, be treated and/or stabilized before being discharged or transferred. This is required of the hospital regardless of a patient's insurance or ability to pay.

The federal Affordable Care Act (ACA) includes provisions aimed at increasing access to primary care and improving quality through reimbursement increases, as well as financial enhancements for practices that participate in model programs.

Main Points

Connecticut has 29 acute care hospitals, each providing 24-hour emergency room care at the hospital location. There are also 6 satellite hospital emergency departments. There were **1.76 million** emergency department visits in FFY 12, an **11 percent increase from 1.58 million** visits in FFY 08.

Most people who visit the ED are treated and discharged. **Less than 15 percent of all ED visits result in an inpatient admission.** The percentage is less for Medicaid clients, with about 7.5 percent of Medicaid ED visits resulting in an inpatient admission.

Overall, the number of ED visits by clients with commercial insurance has been declining from a high point in 2007. Further, the percentage of total **visits by clients with private insurance has declined from 41.5 percent in 2006 to 31.8 percent in 2012.**

There were 607,045 visits to the ED made by Medicaid clients in 2012 (not including those resulting in an inpatient admission or clients who are eligible for both Medicaid and Medicare). However, many Medicaid recipients made repeated visits, so the total number of patients was less than half the number of visits at 268,862.

Total ED costs for Medicaid recipients that were treated and discharged, including ancillary costs except ambulance services, were almost \$208 million in 2012, representing about 3.5 percent of the total Medicaid budget. **The average cost per ED visit (not including ambulance) was \$342 and the average cost per patient was \$773.**

Currently, Connecticut has a fee-for-service model for all its Medicaid programs. However, the health care for the state's Medicaid population is being overseen by a number of administrative services organizations (ASOs). Working with DSS and, in some cases, the Department of Mental Health and Addiction Services, the ASOs are under contract to improve access to care for Medicaid clients, identify gaps in services, and help manage care for clients with complex needs.

One of the primary ways Medicaid clients receive health care in the community is through the federally qualified health centers (FQHCs). **There are 14 FQHCs in Connecticut; about 60 percent of their clients are covered by Medicaid.**

Next Steps

1. Focus on frequent users of emergency departments – reasons they are coming to the ED; if and how they are determined for intensive case management, and how those services and programs are coordinated and monitored.
2. Examine availability (and capacity) to serve Medicaid clients in other settings.