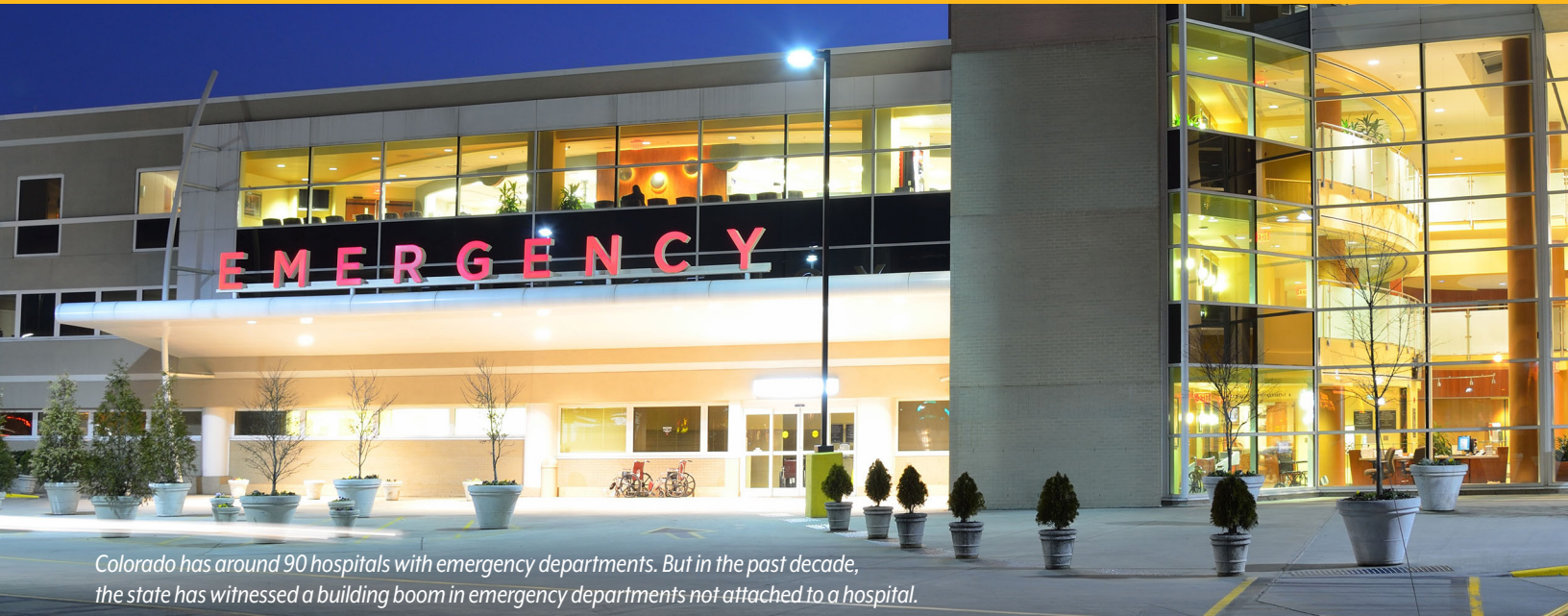


# Targeted Growth

## Freestanding EDs Cluster in Wealthiest Neighborhoods

MARCH 2018



*Colorado has around 90 hospitals with emergency departments. But in the past decade, the state has witnessed a building boom in emergency departments not attached to a hospital.*

**Shoppers at Aurora's Southlands development can browse at popular chain stores like H&M or White House Black Market, grab a quick bite at Noodles & Company or sit down for lunch at P.F. Chang's. Choices abound.**

The neighborhood also has plenty of choices in emergency medical care. Four emergency rooms are located within a 15-minute drive of Southlands — two of them just across the street from the shops.

This is Colorado's best example of freestanding emergency department clusters — a phenomenon the Colorado Health Institute (CHI) quantified through a mapping analysis.

Freestanding emergency departments have proliferated along the Front Range the past five years. But they are not distributed evenly. All the clusters are in well-to-do neighborhoods, where the median household income is more than \$100,000 a year. In contrast, the median income in Front Range neighborhoods without a freestanding emergency department is \$71,000.

This new CHI analysis examines the locations of Colorado's 50 freestanding emergency departments.

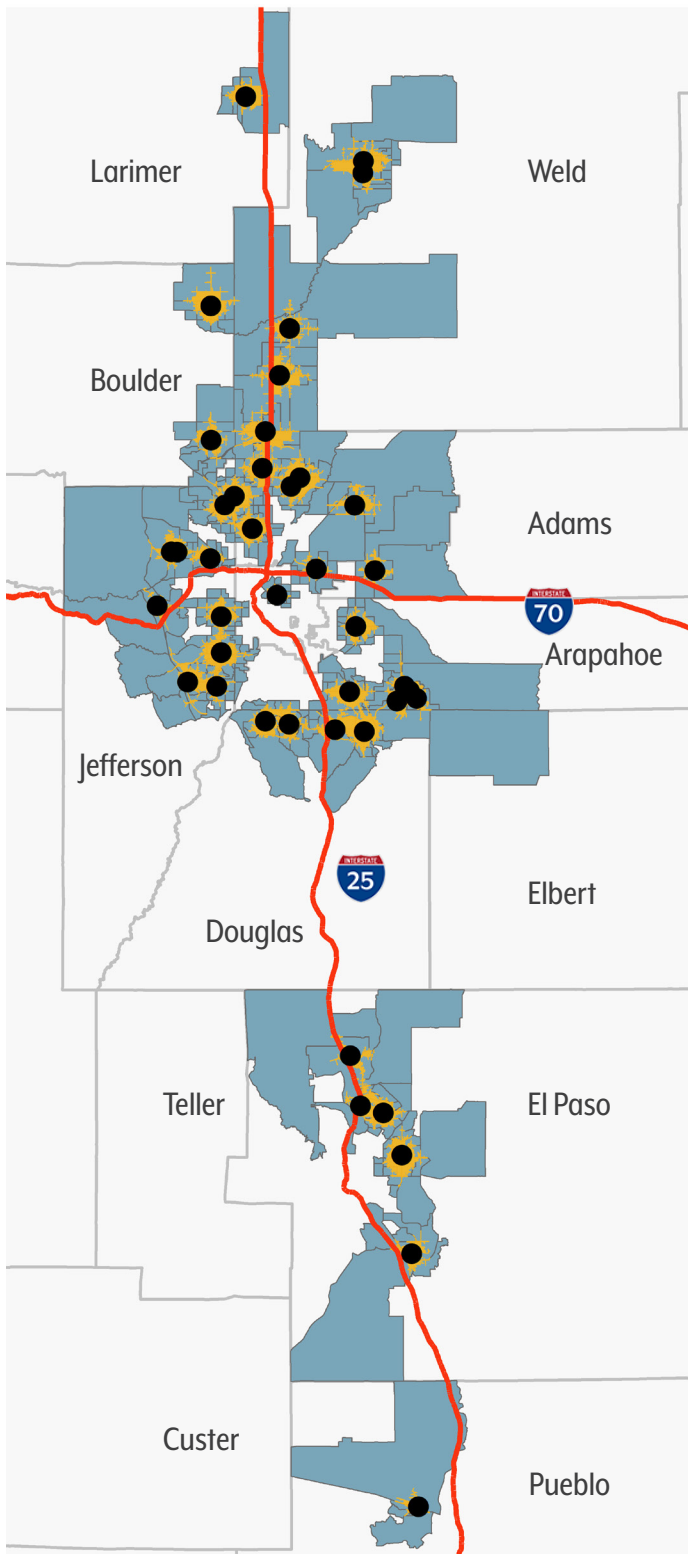
Among the findings:

- Neighborhoods with at least one freestanding emergency department have slightly higher median incomes than those without.
- Communities with three or more such facilities have very high median incomes.
- More than 2.3 million residents of Colorado's Front Range — nearly half the area's population — live in a Census tract that is within a five-minute drive of a freestanding emergency department.
- The only freestanding emergency departments in rural Colorado are in ski resort towns.

**Map 1. Front Range Freestanding EDs**

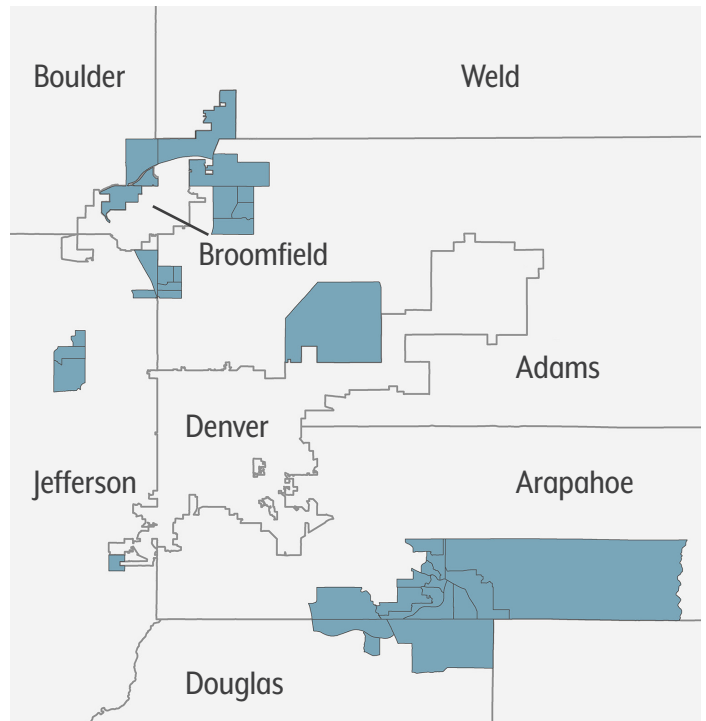
● Freestanding ED    ■ Five-Minute Drive Radius

■ Census Tracts Within Five-Minute Radius of One or More Freestanding EDs



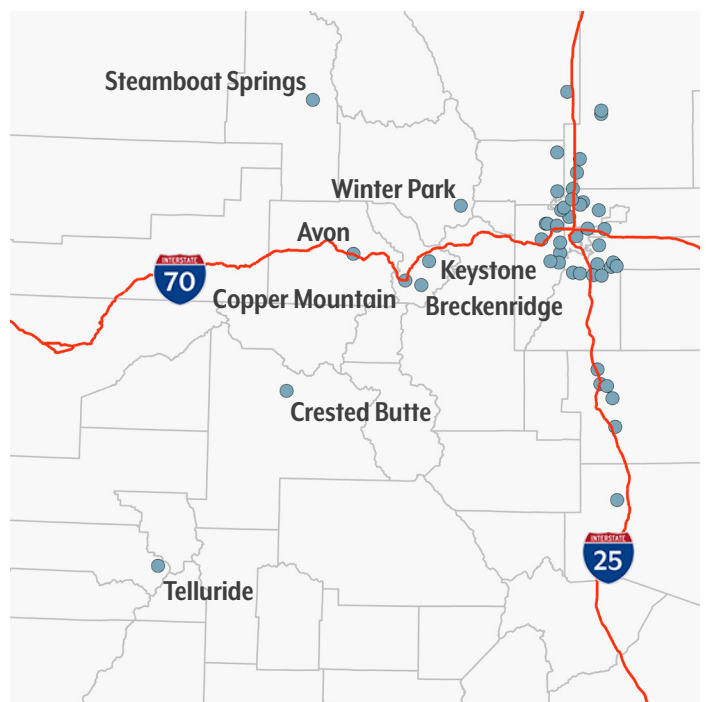
**Map 2. Freestanding ED Clusters**

■ Census Tracts Within Five-Minute Radius of Three or More Freestanding EDs



**Map 3. Freestanding EDs Statewide**

● Freestanding EDs    Note: None on Eastern Plains



## Background

Freestanding emergency departments provide emergency medical care but are structurally separate from a hospital.<sup>1</sup> Some are satellites of local hospitals, while others are owned by non-hospital companies. They are different from urgent care centers, which treat lower acuity cases and charge less.

Texas, Arizona, Ohio and Colorado are the top states in the freestanding emergency department building boom.<sup>2,3</sup> The majority of facilities nationwide have been built since 2010.<sup>4</sup> None of these states have a Certificate of Need law, which requires facilities to demonstrate to state regulators that they will operate in an area that needs access to emergency care.

Advocates say these facilities increase access to quality emergency care. Critics say they often treat non-emergency conditions at expensive emergency room prices — often by choosing to locate in affluent neighborhoods, where patients are more likely to have private insurance, which pays providers at higher rates than Medicaid and Medicare.<sup>5</sup>

Previous analysis by the Center for Improving Value in Health Care found that seven of the top 10 conditions treated in Colorado freestanding emergency departments in 2014 might have been handled in a lower-level, less expensive setting.<sup>6</sup>

Colorado legislators are considering bills in the 2018 session requiring more disclosure of potential costs, more detailed data on prices and procedures, and licensing and fee limitations for freestanding emergency departments.

## CHI's Mapping Analysis

Freestanding emergency departments cluster in well-to-do neighborhoods on the Front Range, particularly the Denver metro area.

CHI used mapping software and Census data to locate every freestanding emergency department in Colorado as of January 2018 and analyze the demographics of their neighborhoods.

We identified every Census tract that is at least partially within a five-minute drive time of a freestanding emergency department. We narrowed our analysis to the counties of Weld, Larimer, Boulder, Broomfield, Adams, Arapahoe, Denver, Jefferson, Douglas, El Paso and Pueblo, because they have the most facilities. Rural Colorado has only eight freestanding emergency departments, all in ski resort towns. (See Table 2 for a list of Colorado facilities).

CHI then performed the same drive-time analysis for traditional hospitals.

**Table 1. Demographics of Front Range Census Tracts Close to Freestanding EDs and Hospitals**

Facilities within a five-minute drive	Population of all tracts in this category	Below poverty	White (non-Hispanic)	Hispanic/Latino	Jobless rate	Median household income
<b>Freestanding Emergency Departments</b>						
0	2,405,334	10%	66%	23%	6%	\$71,218
1	1,616,692	8%	64%	24%	5%	\$78,770
2	525,092	4%	75%	16%	4%	\$96,913
3+	179,768	4%	73%	14%	4%	\$101,313
<b>Hospitals</b>						
0	2,961,767	8%	68%	21%	5%	\$82,500
1	1,378,799	10%	65%	24%	6%	\$68,576
2	303,634	12%	65%	23%	7%	\$71,706
3+	82,686	9%	70%	15%	4%	\$69,420

**Sources:** Colorado Department of Public Health and Environment, U.S. Census Bureau, CHI Analysis

**Table 2. Colorado Freestanding Emergency Departments as of March 2018**

Name	Address	City	Zip
Banner North Colorado Emergency Care	2000 70th Avenue	Greeley	80634
Centennial Medical Plaza	14200 East Arapahoe Road	Centennial	80112
Centura Health Emergency & Urgent Care	16320 West 64th Street	Arvada	80007
Centura Health Emergency & Urgent Care	760 Warner Drive	Golden	80401
Centura Health Emergency & Urgent Care	9205 South Broadway	Highlands Ranch	80129
Centura Health Emergency & Urgent Care	4943 Hwy 52 Suite 100	Frederick	80530
Centura Health Emergency & Urgent Care	3280 S. Wadsworth Blvd.	Lakewood	80227
Centura Health Emergency & Urgent Care-Avon	50 Buck Creek Road, Suite 100	Avon	81620
Centura Health Emergency & Urgent Care	9949 S Oswego Street Suite 100	Parker	80134
Centura 84th Ave. Neighborhood Health Center	2551 W. 84th Avenue	Westminster	80031
Children's Hospital Colorado North Campus	469 W State Highway 7 Suite 1	Broomfield	80023
Children's Hospital Colorado Urgent Care	1830 Franklin St., Suite 100	Denver	80218
Church Ranch Emergency Room	7233 Church Ranch Blvd .Suite 175	Westminster	80021
Community Medical Center ED	1000 W. South Boulder Road	Lafayette	80026
Complete Emergency Care Colorado Springs	8115 Voyager Parkway	Colo Springs	80920
Denver Health East Grand Community Clinic And Emergency Center	145 Parsenn Road	Winter Park	80482
Greeley Emergency Center	6906 10th Street	Greeley	80634
Gunnison Valley Health Mountain Clinic	12 Snowmass Road, # 101B	Crested Butte	81224
North Suburban Medical Center Northeast ER	12793 Holly Street	Thornton	80602
North Suburban Medical Center-Northwest ER	11230 N. Benton Street	Westminster	80020
Parkview Emergency Services at Pueblo West	899 E. Industrial Boulevard	Pueblo	81007
Rose Medical Center Stapleton ER	4930 N. Wabash Street	Denver	80238
Saddle Rock Emergency Room	22500 E. Dry Creek Road	Aurora	80016
SCL Health Emergency Center Aurora	23770 E. Smoky Hill Road, Suite 100	Aurora	80016
Southlands ER Parker Adventist Centura Health	6159 S. Southlands Parkway	Aurora	80016
St Anthony Breckenridge Community Clinic	555 South Park Avenue Plaza II	Breckenridge	80424
St Anthony Copper Mountain Clinic	860 Copper Road	Copper Mtn	80443
St Anthony Keystone Medical Clinic	1252 Road 8	Keystone	80435
Steamboat ER LLC	1600 Mid Valley Drive	Steamboat Spgs	80487
Swedish Medical Center Belmar ER	260 S. Wadsworth Blvd.	Lakewood	80226
Swedish Southwest ER	6196 South Ammon Way	Littleton	80123
Telluride Regional Medical Center	500 W. Pacific Avenue	Telluride	81435
UCHealth ER	875 W. 136th Avenue	Broomfield	80023

*Continued on next page*



## Findings

Front Range Census tracts with one freestanding emergency department within a five-minute drive have a median annual income of \$79,000 compared with a median income of \$71,000 a year for those with no nearby stand-alone emergency room. The Census tracts with a nearby freestanding emergency room have a poverty rate of 8 percent, lower than the 10 percent of Census tracts without a facility.

But Census tracts with three or more freestanding emergency departments within a five-minute drive have much higher incomes and much lower poverty rates. The median household income in these areas is \$101,000, and the poverty rate is just 4 percent.

Traditional hospitals, on the other hand, have the opposite results in CHI's demographic analysis. The more hospitals within a five-minute drive, the higher the poverty rate and the lower the income.

Census tracts close to three or more hospitals have a median household income of \$69,000 and a poverty

rate of 9 percent compared with a median income of \$83,000 and a poverty rate of 8 percent for tracts with no hospital within a five-minute drive. This likely reflects the density of hospitals in central Denver and Aurora, where incomes are lower than many suburbs.

## Conclusion

This analysis shows that freestanding emergency departments cluster in high-income areas, where people are more likely to have private insurance and less likely to have Medicaid, which pays lower rates to providers than commercial carriers. Critics would say the finding supports their position that the facilities are positioned to make the most money, and that they are less likely to expand access to medical care for vulnerable populations.

The analysis is consistent with other studies done around the country that show freestanding emergency departments disproportionately locate in affluent areas and those with high rates of employer-sponsored insurance.<sup>7,8</sup>

**Table 2 (continued). Colorado Freestanding Emergency Departments as of March 2018**

UCHealth ER	15100 E. 104th Avenue	Commerce City	80022
UCHealth ER	12020 Colorado Blvd	Thornton	80241
UCHealth ER	15300 E. Mississippi Avenue	Aurora	80017
UCHealth ER	25551 E. Smoky Hill Road	Aurora	80016
UCHealth ER	13351 W. Bowles Avenue	Littleton	80127
UCHealth ER	2101 Main Street	Longmont	80501
UCHealth ER	18610 Green Valley Ranch Blvd.	Denver	80249
UCHealth ER	9475 S. University Blvd.	Highlands Ranch	80126
UCHealth ER	16990 Village Center Drive East	Parker	80134
UCHealth ER	3790 E. Woodmen Road	Colo Springs	80920
UCHealth ER	13510 Meadow Grass Drive	Colo Springs	80921
UCHealth ER	2770 N. Powers Blvd.	Colo Springs	80922
UCHealth ER	7890 Fountain Mesa Road	Fountain	80817
UCHealth ER	15240 W. 64th Avenue	Arvada	80007
UCHealth ER	9505 Ralston Road	Arvada	80002
UCHealth ER	5965 Firestone Blvd.	Firestone	80504
UCHealth Harmony Road ER	4630 Snow Mesa Drive	Fort Collins	80528

Source: Colorado Department of Public Health and Environment

## Endnotes

- <sup>1</sup> American College of Emergency Physicians. (2014). "Freestanding Emergency Departments." <https://www.acep.org/Clinical---Practice-Management/Freestanding-Emergency-Departments/#sm.0017tflnjnmeifr2llhu2mzbxg6k8p>.
- <sup>2</sup> Harish, N.J., et al. "How the Freestanding Emergency Department Boom Can Help Patients." (2016). *NEJM Catalyst*, February 18, 2016. <https://catalyst.nejm.org/how-the-freestanding-emergency-department-boom-can-help-patients/>.
- <sup>3</sup> Schurr, J.D., et al. (2017). "Where Do Freestanding Emergency Departments Choose to Locate? A National Inventory and Geographic Analysis in Three States." *Annals of Emergency Medicine*. 69(4):383-392.e5. <https://scholar.harvard.edu/files/cutler/files/1-s2.0-S0196064416301998-main.pdf>
- <sup>4</sup> Medicare Payment Advisory Commission. (2017). "Report to the Congress: Medicare and the Health Care Delivery System." [http://www.medpac.gov/docs/default-source/reports/jun17\\_ch8.pdf?sfvrsn=0](http://www.medpac.gov/docs/default-source/reports/jun17_ch8.pdf?sfvrsn=0).
- <sup>5</sup> Harish, N.J., et al.
- <sup>6</sup> Center for Improving Value in Health Care. (2016). "Utilization Spot Analysis: Free Standing Emergency Departments." <http://www.civhc.org/wp-content/uploads/2017/07/Spot-Analysis-FSED-July-2016.pdf>.
- <sup>7</sup> Schurr, J.D., et al. (2017).
- <sup>8</sup> Medicare Payment Advisory Commission. (2017).

## CHI staff who contributed to this report:

- Joe Hanel, lead author
- Chrissy Esposito, mapping
- Cliff Foster
- Deborah Goeken
- Emily Johnson
- Ian Pelto
- Edmond Toy



The Colorado Health Institute is a trusted source of independent and objective health information, data and analysis for the state's health care leaders. The Colorado Health Institute is funded by the Caring for Colorado Foundation, Rose Community Foundation, The Colorado Trust and the Colorado Health Foundation.

303 E. 17th Ave., Suite 930, Denver, CO 80203 • 303.831.4200  
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