



# Food for Thought

Updates from the Safety Net Advisory Committee (SNAC)

## A Confluence of Care, Part One: Examining Medicaid and Emergency Department Use

APRIL 2014

Evidence suggests that hospital emergency department (ED) use increases when Medicaid is expanded. Colorado is one of 26 states that elected to extend eligibility for the program to more lower-income people as part of the Affordable Care Act.

This decision raises several questions about how expansion will impact emergency departments. Will EDs see an influx of new patients? What factors influence visits to EDs? What does Medicaid expansion mean for Colorado's efforts to decrease ED use through the Medicaid Accountable Care Collaborative (ACC)?

These questions and others were the focus of the Colorado Health Institute's Safety Net Advisory Committee (SNAC) Learning Lab on April 17, 2014. Participants were on hand from 20 organizations, including safety net providers, academic institutions, advocacy groups, Regional Care Collaborative Organizations (RCCOs), foundations and state government.

This report has two sections: Background information provided by the Colorado Health Institute and a summary of the SNAC Lab discussion.

### Primary Themes

- Medicaid enrollees have the highest rate of ED use, but the rate of self-reported use has declined.
- Increased use of urgent care may be influencing ED trends.
- An array of consumer and industry factors contribute to ED use.

### Background:

#### *ED Utilization – Sorting Through the Issues*

A 2013 Oregon study suggests that ED use increases when Medicaid expands. In 2008, Oregon decided to expand Medicaid, but because of budget constraints it had to cap new enrollment. Oregon decided that the fairest way to enroll people was through a lottery system. This set the stage for a natural experiment comparing new enrollees with those who weren't selected through the lottery.

Researchers found that Oregonians newly covered by Medicaid used the ED about 40 percent more than those who were not chosen through the lottery.<sup>1</sup>

As for Colorado, the 2013 Colorado Health Access Survey (CHAS) tells us that Coloradans enrolled in Medicaid visit emergency departments at a higher rate than both the uninsured and those with commercial insurance (see Graph 1). More than one third (36.4 percent) of Medicaid enrollees reported visiting an ED at least once in the 12 months prior to the survey. This was nearly 17 percentage points higher than the rate (19.5 percent) for all Coloradans.

That said, the data suggest an overall decline in ED use among Coloradans, regardless of whether they have health insurance or the type of insurance they have.

The percentage of Medicaid respondents who said an emergency department is where they would go if they got sick or needed care fell to five percent in 2013 from 13 percent in 2009. One reason for the decline may be the growth of urgent care facilities. Medicaid enrollees who said they would visit an urgent care center if they got sick increased from about two percent in 2009 and 2011 to seven percent in 2013.

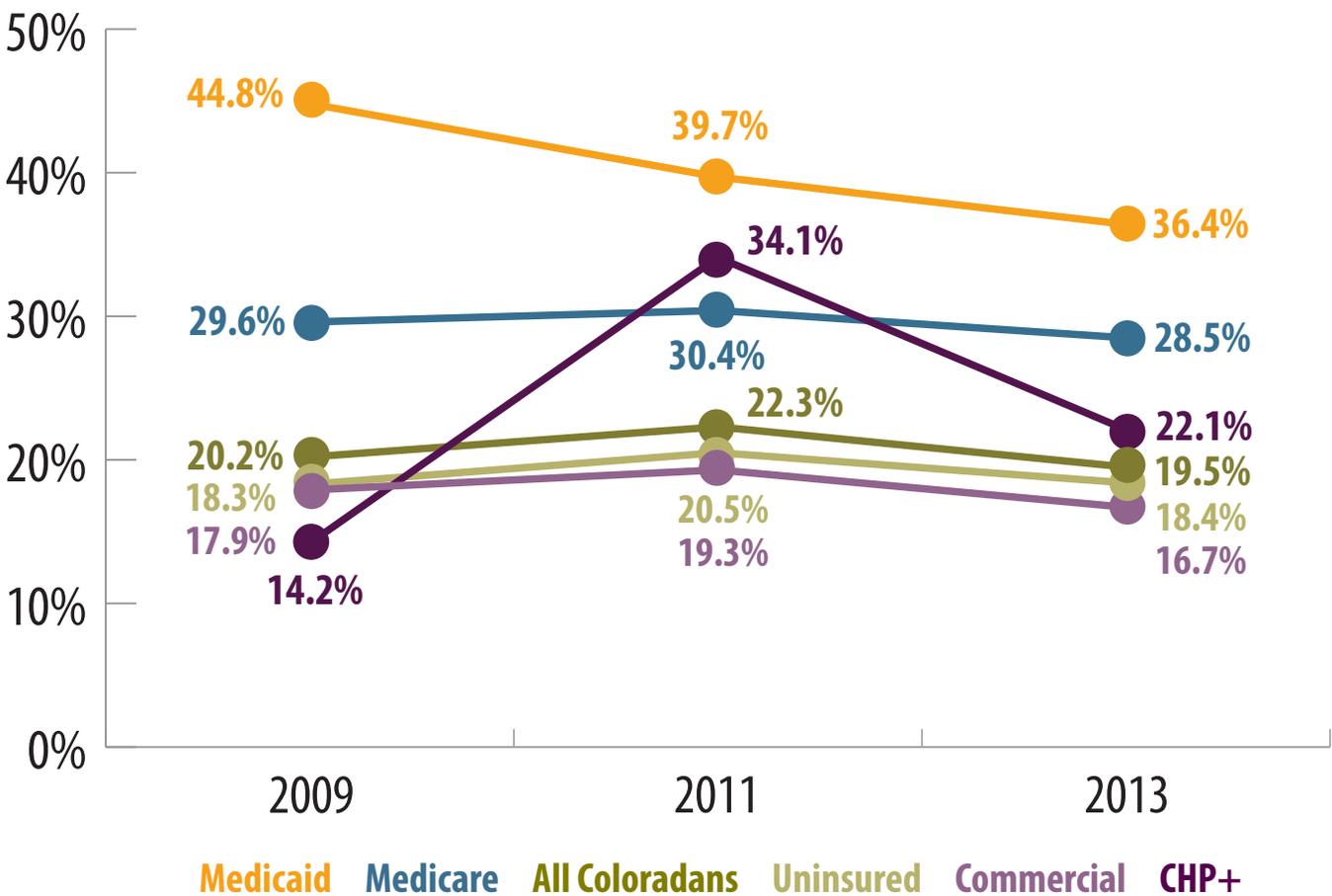
<sup>1</sup>Taubman, S., et al. (2014) Science. Medicaid Increases Emergency-Department Use: Evidence from Oregon's Health Insurance Experiment.

What is driving ED use? Of the 36.4 percent of Medicaid enrollees who reported using an ED in the previous 12 months, 59 percent said the visit was for a non-emergency, according to the CHAS. When asked why they went to an ED, 74 percent of this group said they needed care after normal office hours and 66 percent reported they were unable to get an appointment at the doctor's

office or clinic as soon as they thought one was needed.

The rates for these responses were higher than those of all Coloradans, suggesting a difference in the decision-making process for Medicaid enrollees. The emergency department may represent the most convenient and affordable way for accessing care.

### Percentage of Coloradans with at Least One ED Visit in Prior 12 Months, by Insurance Status, 2009-2013



#### The SNAC Lab Discussion

Colorado's Medicaid ACC aims to provide lower-income people with greater access to health care and to reduce costly visits to hospital EDs, particularly for treatment that could be more efficiently delivered in a primary care setting.

But when it comes to ED use by Medicaid enrollees, two analyses tell a seemingly contradictory story, framing the SNAC Lab discussion about factors that influence visits to hospital emergency departments.

Data reported by the Colorado Department of Health Care Policy and Financing (HCPF) revealed an increase



in emergency department use by Medicaid enrollees between FY 2010-11 and FY 2011-12. But data from the CHAS (displayed in Graph 1) suggests that the self-reported rate of ED use by the Medicaid population steadily declined from 2009 to 2013. Which one is correct?

The issue is complicated by data limitations. One issue raised by SNAC members is that Medicaid billing codes may not differentiate between an ED visit and an urgent care visit in the hospital. In addition, it's not possible to go back and get a baseline about ED use prior to the launch of the ACC, because the method for defining ED use has changed with the ACC. Another complication is that ED data may not always accurately reflect all the health conditions affecting a patient. Behavioral health issues, for example, may not be identified in billing data if the primary diagnoses focuses on the patient's physical condition.

Despite such limitations, an understanding of patient decision-making provides clues to ED use. Medicaid enrollees may be motivated by finances because there is no cost sharing for ED treatment (though there is only a modest out-of-pocket cost for a visit to a primary care provider). Cultural factors may also come into play, SNAC Lab participants said. Some Medicaid-eligible immigrants may assume that only the rich can afford to see a doctor.

Multiple industry forces may also contribute to ED use by Medicaid enrollees.

- Many hospitals now own primary care practices, so clinicians may be more inclined to refer patients to

what, in some cases, is their new employer.

- Hospitals are aggressively marketing their EDs, trying to increase consumer demand for EDs.
- Providers may be contributing to the trend by having limited office hours, making it difficult for a patient to get an appointment if they are unable to leave a job or family except after normal business hours or on weekends.
- Rural communities have few, if any, urgent care outlets, so EDs are sometimes the only place to go for after-hours care.

ED use is a complex issue, and the June SNAC Lab will continue the discussion by focusing on RCCO approaches to curbing unnecessary ED visits.

## Conclusion

Medicaid enrollees visit hospital EDs at a higher rate than people without health insurance and people with commercial coverage, according to the CHAS. But whether ED use is growing or shrinking is not clear. CHAS data suggest that ED use by Medicaid enrollees has declined over the last few years, while a HCPF analysis measured an increase in ED use. This apparent contradiction may be tied to different methodologies and the growth in urgent care facilities.

Despite data limitations, one thing is clear: Redirecting Medicaid enrollees from emergency departments, when appropriate, will continue to be a key objective as more lower-income Coloradans enroll in the program.

## Reporting from the Field

Dr. Monica Federico wears many hats. In addition to being an associate professor at the University Of Colorado School of Medicine, she is a pediatric pulmonologist and director of the asthma program at Children's Hospital Colorado. She also works closely with a group of pediatric practices in the Denver metro area called the Colorado Pediatric Collaborative.



**Dr. Monica Federico**

The asthma team has created a discharge education program and has conducted multiple asthma education sessions at four community-based practices. The work of the multidisciplinary asthma team has shown promising outcomes, cutting the percentage of children with asthma who return to the hospital or emergency department from 36 percent in 2010 to 28 percent in 2013.

She is working to improve asthma care and reduce ED visits among children by facilitating information sharing between the hospital and clinics.

Dr. Federico has developed a process for clinics to receive information about their young patients with asthma who have been seen at Children's Hospital. The asthma team at Children's Hospital Colorado and the patient's provider work together to decide who will follow up with asthma education and care coordination.

Based on Dr. Federico's work and requests from safety net clinics, Children's Hospital is gearing up to launch a pilot program within the next six months that expands beyond asthma. The pilot program would provide clinics with aggregated lists of all of their patients who have visited Children's Hospital and its ED on a weekly basis. Clinics will be able to follow up with children and their parents, and hopefully prevent unnecessary ED use. The Children's Hospital Colorado plans to launch this initiative within the next six months.

## Organizations Represented at the April 17, 2014, SNAC Lab

- AspenPointe
- ClinicNET
- Colorado Coalition for the Medically Underserved
- Colorado Community Health Alliance
- Colorado Community Health Network
- Colorado Consumer Health Initiative
- Colorado Department of Health Care Policy and Financing
- Colorado Foundation for Medical Care
- Colorado Rural Health Center
- Inner City Health Center
- Jefferson Center for Mental Health
- RCCO 1: Rocky Mountain Health Plans
- RCCO 4: Integrated Community Health Partners
- RCCO 6: Colorado Community Health Alliance
- RCCO 7: Community Care of Central Colorado
- Rose Community Foundation
- SET Family Medical Clinics
- The Colorado Health Foundation
- University of Colorado Denver
- University of Denver



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