The Daily Dish

Getting to Know Your Local ER (Statistically, That Is)

DOUGLAS HOLTZ-EAKIN | NOVEMBER 6, 2018

Eakinomics: Getting to Know Your Local ER (Statistically, That Is)

Remember when passage of the Affordable Care Act (ACA) was going to eliminate unnecessary visits to and crowding of emergency departments (EDs)? Weirdly enough, that hasn't exactly happened. As Tara O'Neill Hayes points out in her survey of the facts on hospital EDs, "Emergency department use has been increasing steadily for decades, at a rate faster than U.S. population growth."

At some level, the story is pretty simple. With the aging of the U.S. population comes a greater incidence of more complex medical cases. The elderly are not the most common visitors to EDs; that distinction falls to infants less than a year old who visit EDs at a rate of 102.2 visits per 100 infants (up from 84.5 per 100 infants in 2006). But the elderly — those 75 years and older — visit at a rate of 60.2 per 100 people in that age group. That is unchanged since 2006, but the rising size of that population produces more overall visits.

Some people reflexively think that ED visits are evidence of a lack of insurance that funnels people away from primary care providers to EDs. Not quite. Notice that the elderly are all Medicare eligible, for example. In 2015, ED use by the insured was quite significant. The share of privately insured ED visitors had declined to 34.3 percent while the share of ED visitors on Medicaid had significantly increased, reaching 34.8 percent and surpassing the share of those privately insured. This increase was likely because of the ACA's expansion of Medicaid. In contrast, the share of ED visits by Medicare beneficiaries remained roughly the same at 17.7 percent. Presumably because of the ACA's insurance expansion, the share of uninsured individuals visiting EDs dropped to just under 10 percent. Relative to individuals insured by other means, Medicaid beneficiaries have been much more likely to use EDs.

Should one care about these patterns of usage? Yes, in part because EDs, by necessity, have relatively high treatment costs compared with other care settings. It would be desirable to improve access to primary care to reduce ED utilization. But ED use will remain and overcrowding in EDs is a concern. This overcrowding is largely the result of inefficiencies elsewhere in the hospital; overcrowding in inpatient wards causes new patients awaiting admission to be "boarded" in EDs until space becomes available. It also interferes with effective emergency medicine in EDs.

Many people naively thought that the ACA would result in lower ED utilization. In fact, ED visits are still growing in number compared to the population. Given the nature of emergency medicine and the needs of patients who seek it out, however, efforts to rein in costs and encourage the use of non-ED providers require unique consideration. A careful examination of the data trends is a good place to start.