Insight

More Insurance Shouldn't Lead to More Emergency Room Visits- But It Might

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A key selling point of the Affordable Care Act (ACA) was the notion that increased rates of insurance would reduce Emergency Room (ER) crowding. Because the 1986 Emergency Medical Treatment and Active Labor Act (EMTALA) requires that all patients arriving at an Emergency Room be treated regardless of ability to pay or insurance status, it is thought that the uninsured over-use the ER. Because this population has less access to other healthcare providers, they may go there for non-emergency conditions that could be treated elsewhere. Logically, if you reduce the uninsured population, you reduce ER visits. However, the uninsured aren't the only population over-using the ER for non-emergency conditions. As studies done over the last two decades show, Medicaid patients actually have a higher rate of ER visits than the uninsured, which may mean that expanding the program as part of the ACA could lead to even more overuse of hospitals' already strained ERs.

A study published in the Journal of the American Medical Association examining ER trends from 1997-2007 found that ER use was much higher for Medicaid patients than for uninsured or privately insured patients. The authors concluded: "Our findings suggest that increased enrollments in Medicaid between 1999 and 2007 have had substantial effects on ER volume and crowding, and that at least part of this may reflect limited access to primary care services for Medicaid enrollees." A recently published study that looked at Oregon's Medicaid experiment found similar results—the Medicaid patients enrolled via lottery increased their ER visits by 40 percent.

Two key factors play a role in the ER use among Medicaid beneficiaries. First, having insurance coverage is not a guarantee of access to care. Patients report having trouble getting appointments with providers who will accept new Medicaid patients (which is different than accepting Medicaid patients) and thus may not be getting adequate treatment for non-emergency conditions. Secondly, a high ER visit co-pay may motivate Medicare and privately insured patients to seek care elsewhere for non-emergency conditions; but no such incentive exists in Medicaid.

The ACA includes a temporary increase in physician reimbursement rates for Medicaid patients, an attempt to boost provider participation and ease access issues, but this is unlikely to be a cure-all for the broken program since many regions currently have a provider shortage. The ACA's Medicaid provisions may well lead to ERs that are even more crowded, as well as hefty and unnecessary medical bills for the newly eligible—bills that will be paid in full by the federal government.