Cost Driver Spot Analysis:
Avoidable Emergency Department Use
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Reducing emergency department (ED) visits for health issues that could be treated in a doctor's office, clinic, or urgent care setting could result in over $800 million in annual cost savings for Colorado.

In 2011, there were about 136.3 million ED visits across the United States. [i] It is estimated that the average cost for an ED visit is seven times the amount it would cost to treat the same condition in a doctor's office or clinic. [ii] If patients sought treatment in appropriate care settings, health care system cost savings could total approximately $4 billion annually. [iii] Everyday health complaints like headaches and the common cold consistently rank in the top ten reasons why patients visit the ED. [iv]

Potential for Colorado

In 2014, Colorado Hospital Association member hospitals reported approximately 1.8 million ED visits. [v] According to the 2015 Colorado Health Access Survey (CHAS), roughly 40 percent of ED visits in Colorado occur for non-emergency reasons. [vi]

Analysis of 2014 commercial health insurance claims in the Colorado All Payer Claims Database (CO APCD) suggests that Colorado could save an average of $1,150 per visit equating to over $800 million per year in savings if patients used a clinic or doctor's office for non-emergent care.

Figure I. Average Cost for Hospital vs. Outpatient Visit for Similar Conditions
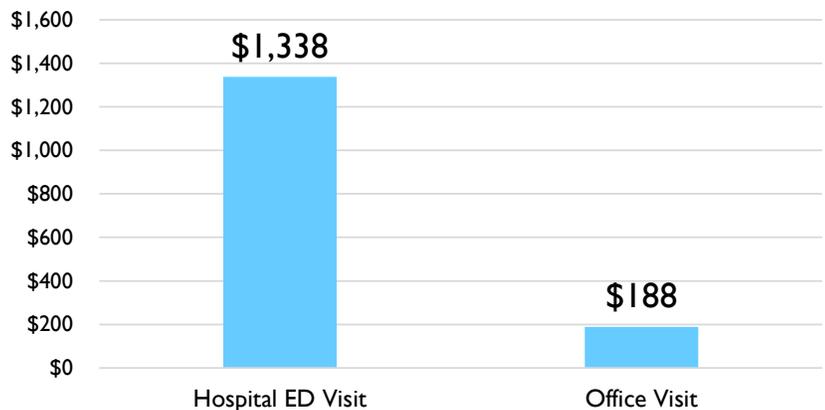
2014 Commercial Payer Claims Analysis, Colorado All Payer Claims Database

Condition-specific CO APCD analysis shows that the common cold costs nearly $600 more to treat at the ED than in a doctor's office while the potential savings for a headache is $1,635.

Similarly, going to the ED for back pain costs over $1,200 more than in an office setting, and being seen in the ED for a sore throat costs almost $900 more. Figure II provides more common condition price differentials between the ED and outpatient setting.

Figure II. Average Costs to Treat Common Ailments: Outpatient Setting vs. Emergency Department


	Common Cold	Acute Bronchitis	Sore Throat	Backache	Headache
Office Visit	$114	$126	$131	$188	$375
Hospital ED Visit	$709	$999	$929	$1,337	$2,010
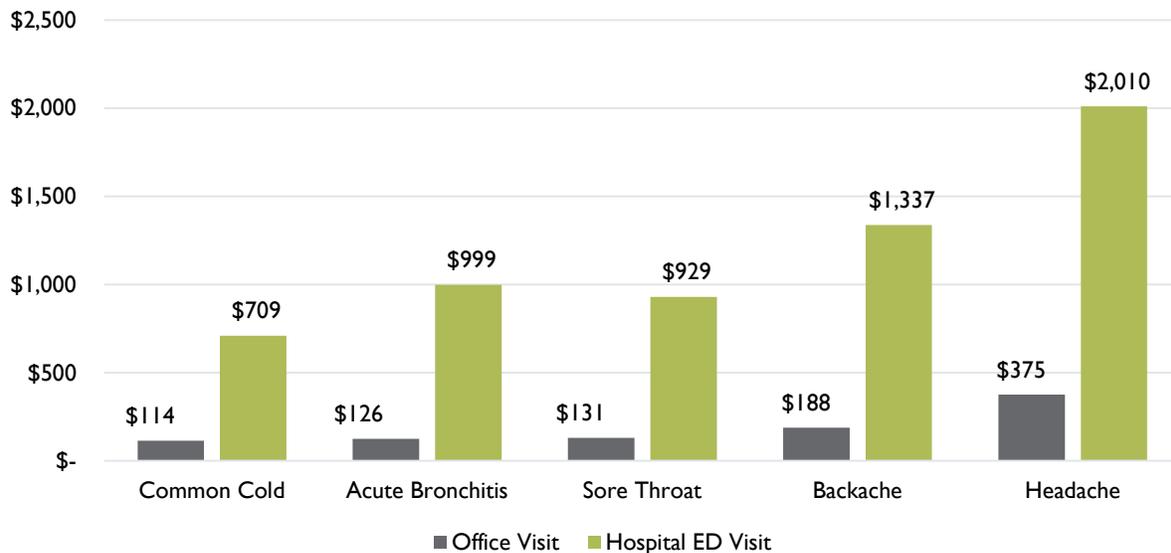
2014 Commercial Payer Claims Analysis, Colorado All Payer Claims Database

More Can Be Done

There are four primary reasons why Coloradans go to the ED for non-emergent care including convenience and after hours availability (see Figure III). A number of methods can be deployed to reduce avoidable ED visits including patient education about appropriate care settings, enhanced coordination among providers and care givers, and increased access to outpatient offices and clinics at night and on the weekends.

Figure III. Reasons Given for Non-Emergent ED Visits

- 26% Available appt. at doctor too far out
- 34% Care was necessary after hours
- 16% Directed to ED by doctor
- 24% ED more convenient
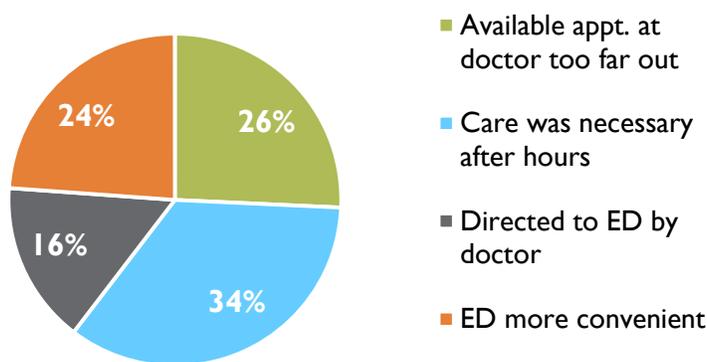
2015 Colorado Health Access Survey, Colorado Health Institute

Multiple care coordination initiatives in Colorado such as Healthy Transitions Colorado, Patient-Centered Medical Homes, Accountable Care Organizations, and Regional Care Collaboratives have been successful in reducing the avoidable ED visits. By building upon the work already underway, Colorado could realize substantial cost savings and ensure patients are seen in the right setting at the right time.

Sources:

[i] National Hospital Ambulatory Medical Care Survey: 2011 Emergency Department Summary Tables - http://www.cdc.gov/nchs/data/ahcd/nhamcs_emergency/2011_ed_web_tables.pdf

[ii] National Center for Health Statistics, Special Feature on Emergency Care 2012 - http://www.gao.gov/assets/100/97416.pdf

[iii] How Many Emergency Department Visits Could be Managed at Urgent Care Centers and Retail Clinics? http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3412873/

[iv] Op. Cit. http://www.cdc.gov/nchs/data/ahcd/nhamcs_emergency/2011_ed_web_tables.pdf

[v] Colorado Hospital Association, CHA Databank Program 2014 - http://www.cha.com/getattachment/Resources/Colorado-Hospital-Utilization-Data/DATABANK-CHA-Web-Site-2014-Final-3-16-15.pdf.aspx

[vi] Colorado Health Institute Colorado Health Access Survey 2015 - http://coloradohealthinstitute.org/uploads/postfiles/CHAS/2015_CHAS_for_Web_.pdf

Visit www.comedprice.org to see more publicly available CO APCD health care data, and contact us at ColoradoAPCD@civhc.org to learn more about custom data options.