



CENTER FOR IMPROVING  
**VALUE** IN HEALTH CARE

# Using Claims Data to Find \$800 Million in Savings

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# Cost Driver Spot Analysis: Avoidable ED Use November 2015



## Cost Driver Spot Analysis: Avoidable Emergency Department Use November 2015



Reducing ED visits for health issues that are non-emergent could result in **\$800 million** annual cost savings for Colorado

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.

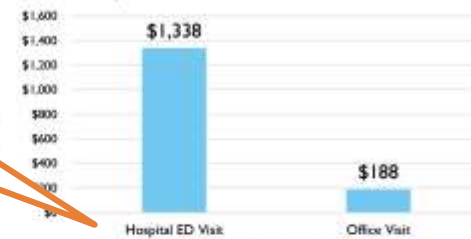
There are about 136.3 million ED visits across the United States.<sup>1</sup> It is estimated that the average cost of an ED visit is seven times the amount it would cost to treat the same condition in a doctor's office or urgent treatment in appropriate care settings, health care system cost savings could total \$800 million annually.<sup>2</sup> Everyday health complaints like headaches and the common cold are among the top ten reasons why patients visit the ED.<sup>3</sup>

### for Colorado

Colorado Hospital Association (CHA) reported approximately 1.8 million ED visits in Colorado in 2014. According to the 2015 CHAS Access Survey (CHAS), the top ten reasons for ED visits in Colorado are:

Analysis of 2014 Colorado All-Payer Claims Database (CO APCD) suggests that reducing ED visits for non-emergent care 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.

# Utilization Spot Analysis: FSEDs July 2016



## Utilization Spot Analysis: Free Standing Emergency Departments July 2016



How Coloradans are using these new facilities and the potential cost implications

70% of FSED visits analyzed were non-emergent, and costs at all EDs are higher than Urgent Care

Free Standing Emergency Departments (FSED) are designed to provide similar levels of emergency care as their hospital-based ED counterparts.<sup>1</sup> Consistent with national trends, Colorado's FSEDs are primarily located in affluent suburban areas relatively close to shopping centers and traditional emergency



At least 37 FSEDs are currently operating in Colorado (map above shows only Denver Metro area, nearly triple the number in 2014. Several more are slated to open in 2016.

Experts explain that these facilities provide essential access to emergency care in areas that due to their stand-alone nature are more likely to be used by non-emergency facilities. It is also possible that consumers may mistake an FSED for an Urgent Care center and wind up with an unexpectedly

### When are Coloradans using FSEDs?

To inform the conversation, understand how Coloradans are using FSEDs, and explore potential cost implications, the Center for Improving Value in Health Care (CIVHC) analyzed 2014 claims data from the Colorado All Payer Claims Database (CO APCD).<sup>1</sup>

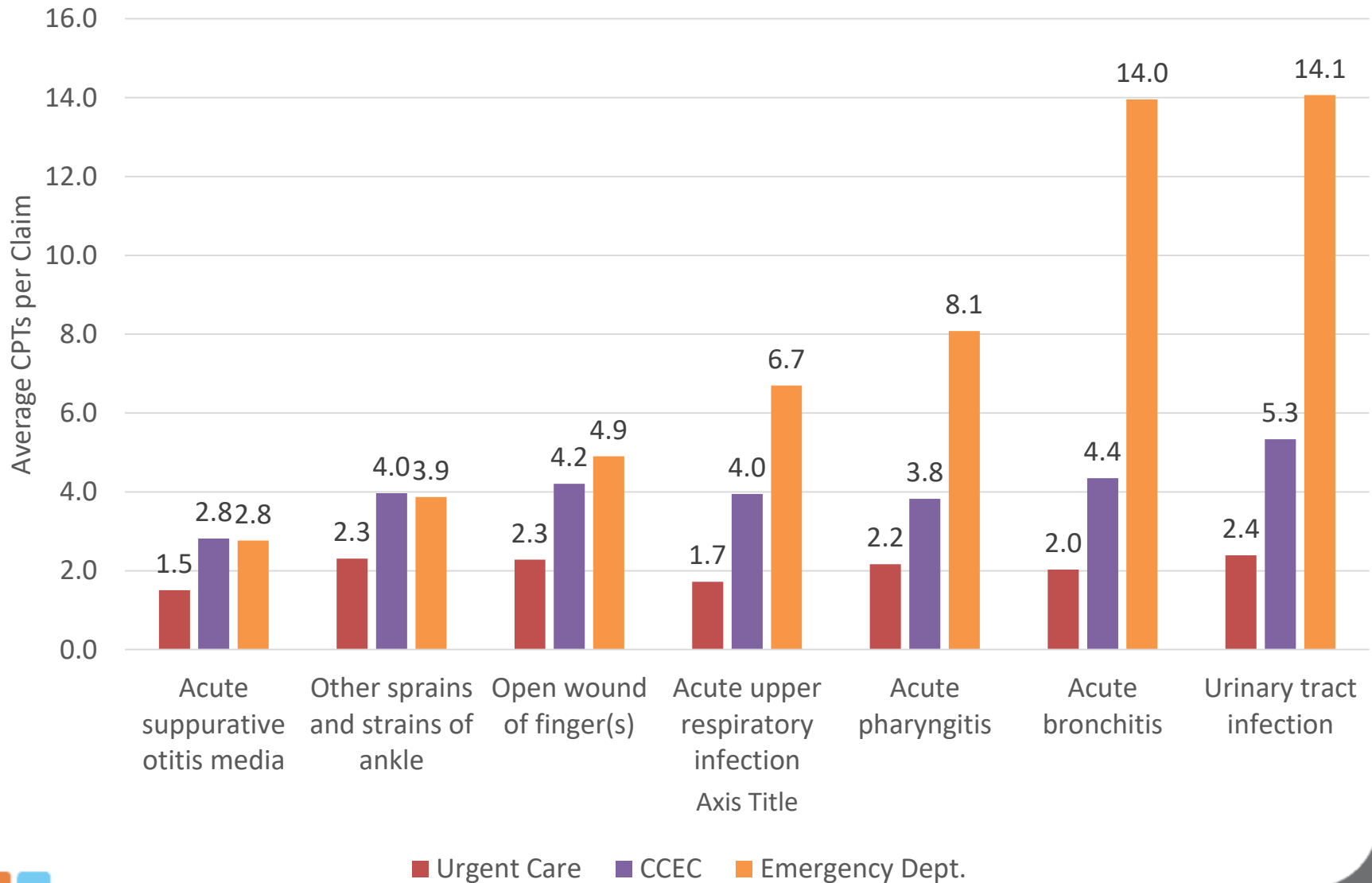
Results indicate that of the top 10 reasons Coloradans sought immediate care in 2014, seven of the 10 reasons for FSED visits were for non-life threatening events. This is in contrast to three out of 10 hospital-based ED visits being non-emergent, suggesting that patients are using FSEDs in ways more similar to urgent care centers than hospital-based EDs.

### Top 10 Reasons (not ordered by frequency) Colorado Patients Seek Immediate Care Across Settings (2014, Commercial Payers, CO APCD)

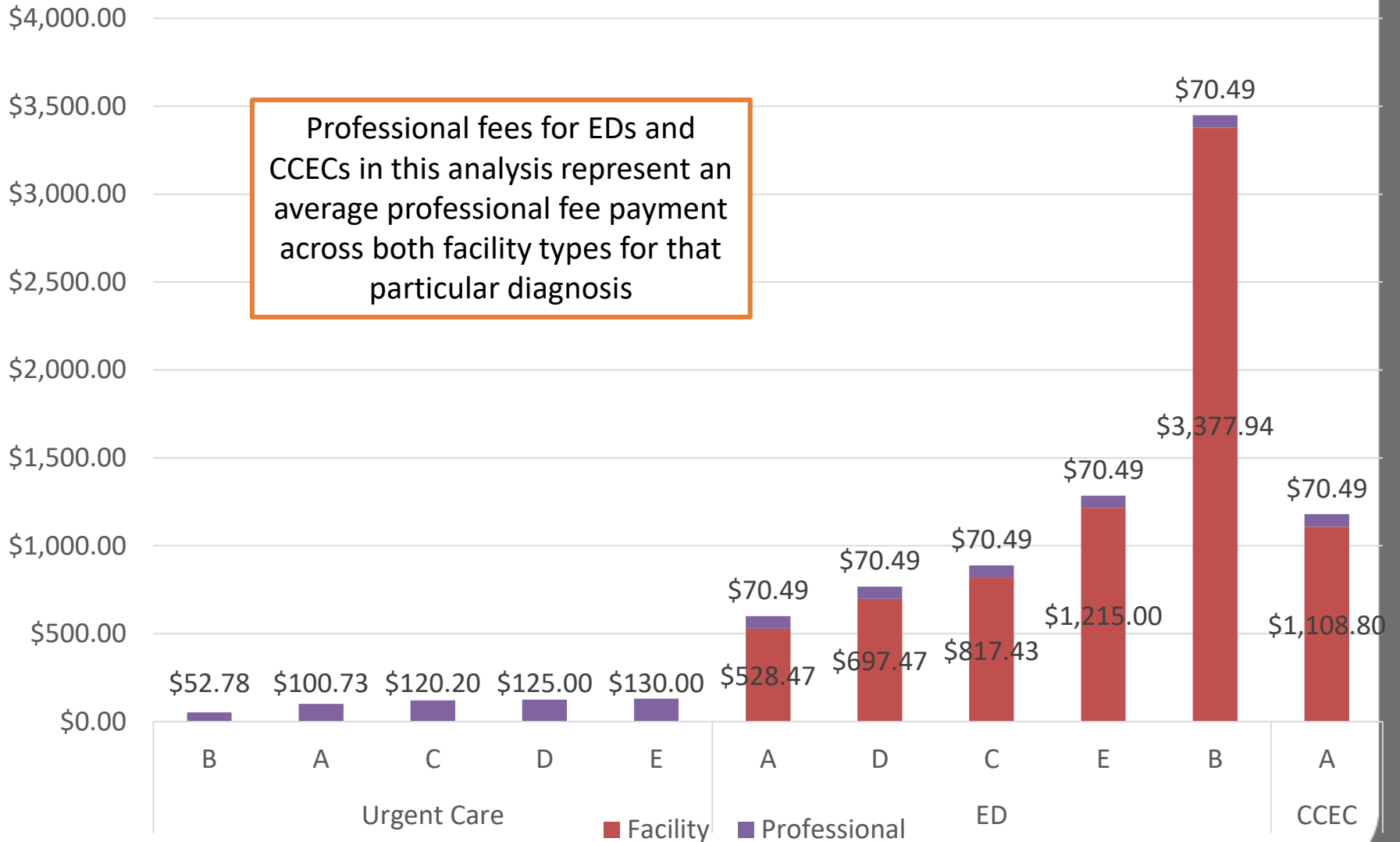
Setting	1	2	3	4	5	6	7	8	9	10
URGENT CARE	COMMON COLD	URINARY TRACT INFECTION	OPEN WOUND OR INJURY	SORE THROAT	BRONCHITIS	EAR INFECTION OTHER	COUGH	STREP THROAT	SPECS INFECTION	EAR PAIN
FREE STANDING ED	COMMON COLD	URINARY TRACT INFECTION	OPEN WOUND OR INJURY	SORE THROAT	BRONCHITIS	EAR INFECTION	STRAIN/STRAIN OF ANKLE	FEVER	UNSPECIFIED VIRAL INFECTION	ABDOMINAL PAIN
HOSPITAL-BASED ED	COMMON COLD	URINARY TRACT INFECTION	OPEN WOUND OR INJURY	SUDDEN LOSS OF CONSCIOUSNESS	HEAD INJURY	HEADACHE	CHEST PAIN OTHER	CHEST PAIN	ABDOMINAL PAIN OTHER	ABDOMINAL PAIN

Blue indicates non-life threatening conditions based on the National Institutes of Health's guidelines<sup>2</sup> for emergency care. Red indicates a potentially life-threatening condition requiring immediate attention.

## Average CPTs per Claim for Common Conditions at Urgent Care, CCEC, and Emergency Department Care Settings



# Median Urinary Tract Infection Payment Across Urgent Care, ED, and CCEC Care Settings, Facility & Professional Fees



# CHA Work in Progress & Next Steps

- **Consumer Campaign**
  - PSAs
  - Printed Materials
  - Online and Social Media Presence
  - Community Marketing
- **Legislative Stakeholder Group**





# Injuries & Illnesses Treated



Items circled indicate common non-emergent conditions treated in emergency department settings

## Common Ailments

- Fever / Flu / Nausea
- Headaches / Migraines
- Urinary tract infection
- + More

## Eye

- Eye infection
- Pink Eye
- Object in the eye
- + More

## Gastrointestinal

- Diarrhea
- Heartburn
- Constipation
- Nausea and vomiting
- + More

## Respiratory

- Asthma attacks
- Bronchitis
- + More

## Skin

- Hives / Allergic reactions
- Skin abscess (boil)
- Cuts that need stitches
- Rashes
- + More

## Ear, Nose & Throat

- Sore Throat
- Ear infection or pain
- Sinus infection
- Nosebleeds
- + More

## Neurological

- Vertigo (dizziness)
- Weakness
- + More

## Musculoskeletal

- Joint or back pain
- Strains or sprains
- Minor bone breaks
- + More

## Procedures Performed

- IV placement
- IV fluids
- Stitches
- Lancing of abscess (boil)
- Splinting
- Advanced blood testing on site
- Rapid infectious disease testing (flu, strep, mono, RSV)
- Urinary catheter insertion
- + More



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## Questions?

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