



A Deeper Dive

How to crunch data to manage ER utilization and contain health costs

Emergency room overutilization is a prevailing problem for most employers. For example, looking at HealthLink's book of business, almost invariably more than 65 percent of ER visits are for non-emergency reasons. They fall into the categories of disease and virus or symptom, such as headaches, gastroenteritis, sinusitis and influenza.

"The cost of an average ER visit ranges from \$1,300 to \$1,500, but the average urgent care or client visit ranges anywhere from \$120 to \$500," says Mark Haegele, director of sales and account management at HealthLink.

"If you move any of those visits from the ER to other care settings, you're saving roughly \$1,000 per visit," he says. "And hundreds of visits add up to hundreds of thousands of dollars."

What's the first step to creating a strategy to decrease ER utilization?

It's important to look at your health plan membership data to find patterns. Then you can focus on a communication strategy and specific messaging to change behavior. It helps if your health care plan is partially self-funded or self-funded because you typically have access to more data.

To determine what actions to take to control ER utilization and cost, first look at the number of visits your group has in 12 months, comparing that year-over-year. Even if you're not seeing an increase, there will be opportunities for cost containment.

Also, find out if you have a frequent flier issue. Are people going to the ER three or more times in a given year? Are some going five or more times? Determine what days of the week people are visiting the ER. If there's a spike on weekends, educate members on how to access other care settings on Saturday or Sunday. You can look at where the emergency care is taking place. Is it isolated to a particular community or split across a region of the country? Finally, break the visits down by disease, virus and symptom versus injuries and poisonings. If someone breaks an arm, for example, he or she is going to go — and should go — to the emergency room.

Once you've examined the data, what's next?

Once the data is gathered, and you've discovered some of the challenges, set up metrics. If your average number of ER visits have been consistently at X per 1,000, or X per year if your membership has been consistent, then the question becomes can you eliminate 30 or 40 percent of the visits for disease, virus or symptoms? That's your target for the following year.

How can employers educate and influence health plan members?

You need to come up with a multi-faceted communication strategy. Create one piece of communication that goes to all members, such as a flier on the proper use of the ER. But you also should reach out to certain groups differently, such as frequent fliers.

Use the information about what hospitals members are visiting to generate a directory of urgent cares and clients in and around the same zip code. Nearly 80 percent of adults ages 18 to 64 visited the ER in 2011 due to lack of access to another provider, according to Amerigroup. Another way to influence members is to ensure they know the number for the health plan's 24-hour informational nurse line, which most plans have.

The more you share specific costs in your communications, the better people will respond. Include a grid that specifically shows the cost to the employer and member for all different care settings.

Another idea is to communicate a list of non-emergency diseases or symptoms that create overutilization. This gives people food for thought. And put it in plain English. Don't say gastroenteritis; say stomach pain. Don't say urinary tract infection; say kidney pain. However, be careful how you coach this; you don't want to tell people not to go to the ER. It's more about awareness and education.

What about raising co-pays?

Yes, higher co-pays get people out of the ER, but raising the cost has become too abused — and it often gets shifted from the employer to members. Before you start digging into the member's pocket, give them the opportunity to do the right thing on their own.

