

Study suggests use of managed care plan for uninsured may significantly reduce costs, ED visits

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(Medical Xpress) -- The cost of caring for the uninsured population who will gain coverage through the Affordable Care Act of 2014 can be reduced by almost half once the act is implemented, according to a new study from Virginia Commonwealth University researchers.

The [Affordable Care Act](#) is a law that aims to improve the current [health care system](#) by increasing access to [health coverage](#) for Americans and introducing new protections for people who have [health insurance](#).

Previous findings have shown that people without [health care coverage](#) make inappropriate use of [health care services](#), such as excessive use of the emergency department and avoidable hospitalizations.

In the study, now available online and to appear in the February issue of the [journal Health Affairs](#), researchers led by Cathy J. Bradley, Ph.D., chair of the Department of Healthcare Policy and Research in the VCU School of Medicine, examined how the uninsured might respond once coverage becomes available and reported the potential for considerable savings.

“A managed care plan gives patients a medical home. If a patient is unfamiliar with how to navigate a health care system, then the easiest thing for them to do is to go into the emergency department because they know they will receive care and they don’t have to worry about the

payment end – they won't be turned away," said Bradley.

"In a managed care-type program, that leg work is done for them. They're attached to a primary care physician that they know will accept them as a patient and will start to look into their healthcare needs, assess and evaluate them, and connect them to services beyond the primary care provider if needed and get their health conditions under control," she said.

The team studied 26,284 uninsured low-income adults enrolled in the Virginia Coordinated Care for the Uninsured (VCC) during a seven year period. The VCC is a collaboration between the VCU Medical Center and community-based primary care providers that utilizes managed care principles to provide access to a medical home and coordinate services for an [uninsured population](#).

The team observed that for people continuously enrolled in the program, emergency department visits and inpatient admissions declined, while primary care visits increased during the study period.

Inpatient costs fell each year for this group. During a three-year enrollment period, average total costs per year per enrollee fell from nearly \$8,900 to just over \$4,500 – a savings of almost 50 percent. The researchers also concluded that those previously uninsured may have fewer emergency department visits and lower costs after receiving coverage, but that it may take several years of coverage for substantive health care savings to occur.

"What we found is that the longer that a person was enrolled in the VCC program, the more their behavior changed, and the more that they became engaged with their primary care provider, said co-author of the study Sheryl Garland, vice president of health policy and community relations for the VCU Health System.

“We were able to see changes in their utilization of the emergency department, and changes in the admission rates ... because patients were getting care for conditions that could be managed by their [primary care](#) provider rather than waiting until they got so sick, that they ended up in the [emergency department](#) or being admitted,” said Garland.

According to the researchers, it is important to understand that reductions in cost and utilization are not going to happen immediately as changing learned behaviors takes time. People must first learn to use the [health care](#) delivery system if they’ve not had only limited access prior to receiving some type of coverage.

“It takes an investment of time and resources of all parties and if you really want positive results, then you have to be patient in order to identify the interventions that work for the population being served. It’s all about making sure that people receive appropriate access to care, have coverage for their services, and focusing on the ultimate goal, which is making sure that we have a healthier population in the end,” said Garland.

Bradley and Garland collaborated with Sabina Ohri Gandhi, Ph.D., assistant professor in the Department of [Healthcare Policy](#) and Research; Sheldon Retchin, M.D., vice president for health sciences at VCU and CEO of the VCU Health System; and David Neumark, Ph.D., professor of economics and director of the Center for Economics and Public Policy at the University of California, Irvine.

Provided by Virginia Commonwealth University

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