

Freestanding emergency departments may increase out-of-pocket spending for patients

December 20 2019



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With emergency department visits spiking around the holidays, patients

may be inclined to seek care at freestanding emergency departments in an urgent situation.

However, a new study suggests the best and most cost-effective option may be to skip the freestanding emergency department and head to an urgent care center.

A collaborative study led by researchers at the University of Arizona College of Medicine—Phoenix and Rice University found that freestanding emergency departments can increase out-of-pocket spending, health-care utilization and price per visit. Freestanding emergency departments deliver emergency care similar to a hospital ER. However, unlike an ER, these freestanding clinics are not physically attached to an acute-care hospital.

"Recent years have seen a significant increase in emergency department visits, and also a boom in openings of freestanding emergency departments," said Murtaza Akhter, MD, co-author of the study and assistant professor in the Department of Emergency Medicine at the College of Medicine—Phoenix. "Our study showed that an increase in freestanding emergency departments was associated with an increase in spending, per Blue Cross Blue Shield enrollees."

Dr. Akhter collaborated on the study with Vivian Ho, Ph.D., and Yingying Xu, Ph.D., both from Rice University. Researchers analyzed Blue Cross Blue Shield insurance claims data from Texas, Arizona, Florida and North Carolina, as well as data from the U.S. Census Bureau American Community Survey. The results were published Oct. 23 in *Academic Emergency Medicine*.

The researchers found that entry of an additional freestanding emergency department was associated with an increase in emergency department utilization in Texas, Florida and Arizona, but not in North

Carolina.

The implied increases in utilization varied between roughly 3 and 5 percent. The estimated out-of-pocket payments for [emergency care](#) increased 3.6 percent with the entry of a freestanding emergency department in Texas, Florida and Arizona, but declined 15.3 percent in North Carolina.

Additionally, researchers discovered that freestanding emergency departments in a local market were associated with a 3.6-percent increase in emergency provider reimbursement, per insured beneficiary in all three states, except Arizona. (Health-care reimbursement is the payment that your health-care provider receives for giving a [medical service](#).)

"Opening freestanding emergency departments can have various effects, and that typically leads to increased health-care costs," Dr. Akhter said. "This often is due to increased utilization, thereby making freestanding emergency departments supplements to hospital-based emergency departments, rather than substitutes."

Dr. Akhter said freestanding emergency departments provide round-the-clock care for a variety of conditions, from common colds to a heart attacks. However, they are billed just like hospital emergency departments, regardless of the health ailment.

"If you have an urgent complaint, go to urgent care or your primary-care provider, unless you want a huge bill for your sprained ankle."

A freestanding emergency department is not the same as an urgent care center. A freestanding clinic can treat the same conditions as a hospital-based emergency room. An urgent care center only treats minor injuries and illnesses.

In an urgent medical situation, Dr. Akhter advises patients to go to an urgent care center. An urgent situation can include sprains and strains, moderate flu symptoms or small cuts that may require stitches. If the situation is emergent, he recommends going to an emergency department or freestanding clinic. Emergent situations include chest pain, severe cuts, serious burns or slurred speech, among other conditions.

Dr. Akhter said more research is needed to consider how regulations in various states affect freestanding emergency departments and health-care costs.

More information: Vivian Ho et al, Freestanding Emergency Department Entry and Market-level Spending on Emergency Care, *Academic Emergency Medicine* (2019). [DOI: 10.1111/acem.13848](https://doi.org/10.1111/acem.13848)

Provided by University of Arizona

Citation: Freestanding emergency departments may increase out-of-pocket spending for patients (2019, December 20) retrieved 24 April 2024 from <https://medicalxpress.com/news/2019-12-freestanding-emergency-departments-out-of-pocket-patients.html>

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