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Insights

Gaining Medicaid insurance coverage may help bring down emergency room use for nonemergency reasons

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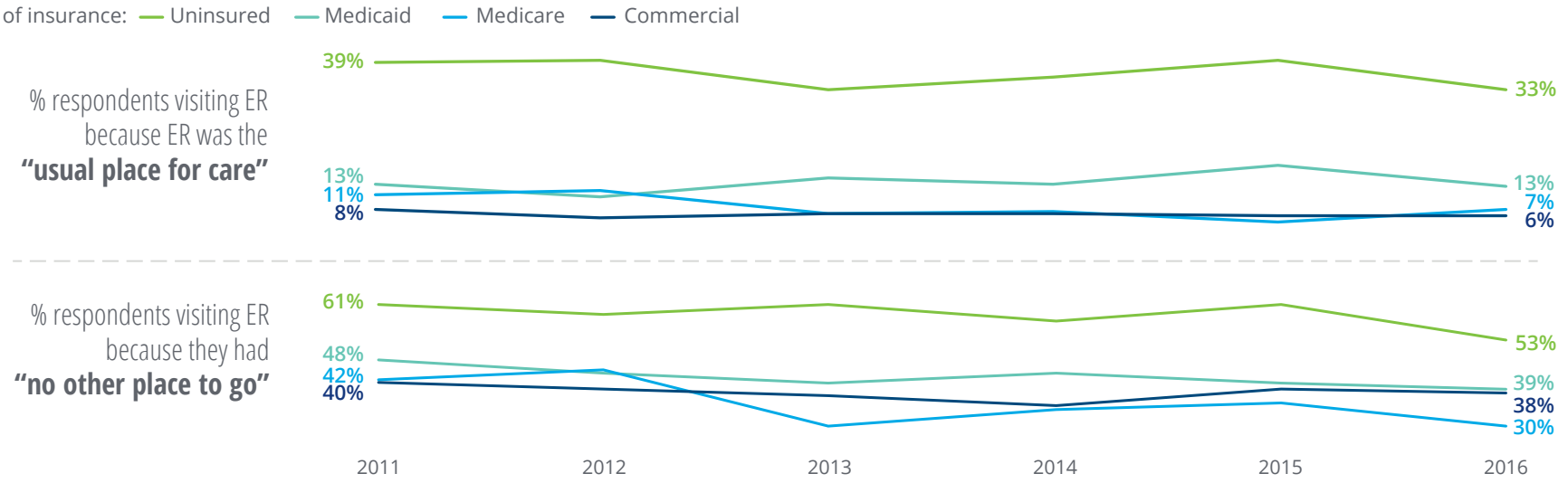
EMERGENCY ROOM (ER) USE is driven by many factors; among them are perceived need for urgent care, severity of the medical condition, availability and accessibility of ERs and other ambulatory care, and physician referrals to ERs. Studies suggest that some uninsured individuals—who may lack access to alternative care settings—use ERs for nonemergency conditions.[1] Our analysis of the National Health Interview Survey (NHIS) data finds that once people go from being uninsured to having Medicaid coverage, the pattern of ER use shifts, with a much lower percentage of people using ERs as a regular source of care.

Our analysis found that compared with insured individuals, the uninsured report that ERs are their usual place of care, likely because they have no other place to go to. The uninsured are more likely to visit ERs due to a lack of access to other care settings. For instance, one-third of uninsured respondents who visited ERs in 2016 noted that ERs were "their usual place of care," compared with just 13 percent of Medicaid respondents and 7 percent of Medicare respondents. Similarly, almost 53 percent of uninsured respondents cited visiting ERs in 2016 because "they had no other place to go," compared with 39 percent of Medicaid and 30 percent of Medicare respondents (figure 1).

We first explored the impact of Medicaid expansions on ER utilization in the 2016 Deloitte Center for Health Solutions report *Emergency room use under the ACA: Is patient access to appropriate care settings improving?*. In that report, we showed that following the first wave of Medicaid expansions in 2014, new Medicaid enrollees reported higher use of primary care facilities, and fewer new enrollees

FIGURE 1

The uninsured are more likely to visit ERs due to lack of access to other care settings



Note: Multiple responses allowed per respondent.

Source: Deloitte analysis based on data from National Health Interview Survey, 2011–2016.

used ERs as the usual place of care compared with the uninsured. Our findings were at the national level—separate data for Medicaid and non-Medicaid expansion states were not yet available and were based on just one year of postexpansion data.

We undertook a follow-up study to see whether utilization for nonemergency reasons continued to decline in the states that have expanded their Medicaid programs since 2015. We analyzed self-reported reasons behind ER utilization between 2010 and 2016 from restricted-access NHIS state-level data (see appendix for details). We examined trends in ER utilization by insurance type for three different state cohorts:

- **Early expansion states.** The seven states (California, Colorado, Connecticut, Washington DC, Minnesota, New Jersey, and Washington) that took advantage of a special ACA provision to partially expand their Medicaid programs between 2010 and 2012, prior to full expansion in 2014.
- **2014 expansion states.** The 20 states that expanded their Medicaid program in 2014 (Arizona, Arkansas, Delaware, Hawaii, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oregon, Rhode Island, Vermont, and West Virginia).
- **2015–2016 expansion states.** The four states (Alaska, Indiana, Montana, and Pennsylvania) that expanded their Medicaid programs between 2015 and 2016.

As shown in figure 2, in all three state cohorts, new Medicaid enrollees—beneficiaries newly enrolled in Medicaid in that particular year—were more likely than uninsured respondents to visit an ER due to the acuity of their underlying conditions rather than due to a lack of access to other care sites. For instance, in 2014 Medicaid expansion states, 98 percent of new Medicaid enrollee respondents said they visited an ER because their condition was too serious for a physician's office, compared with only 54 uninsured respondents citing this reason. Similarly, only 4 percent new Medicaid enrollee respondents in the 2014 expansion states noted that ERs were "their usual place of care"—compared with over one-third of uninsured respondents citing this reason. In states that expanded their Medicaid program in 2015–2016, trends were similar. In 2016, for instance, only 16 percent of new Medicaid enrollees in these states—compared with over 52 percent of the uninsured—reported going to an ER because they had no other place to go to.

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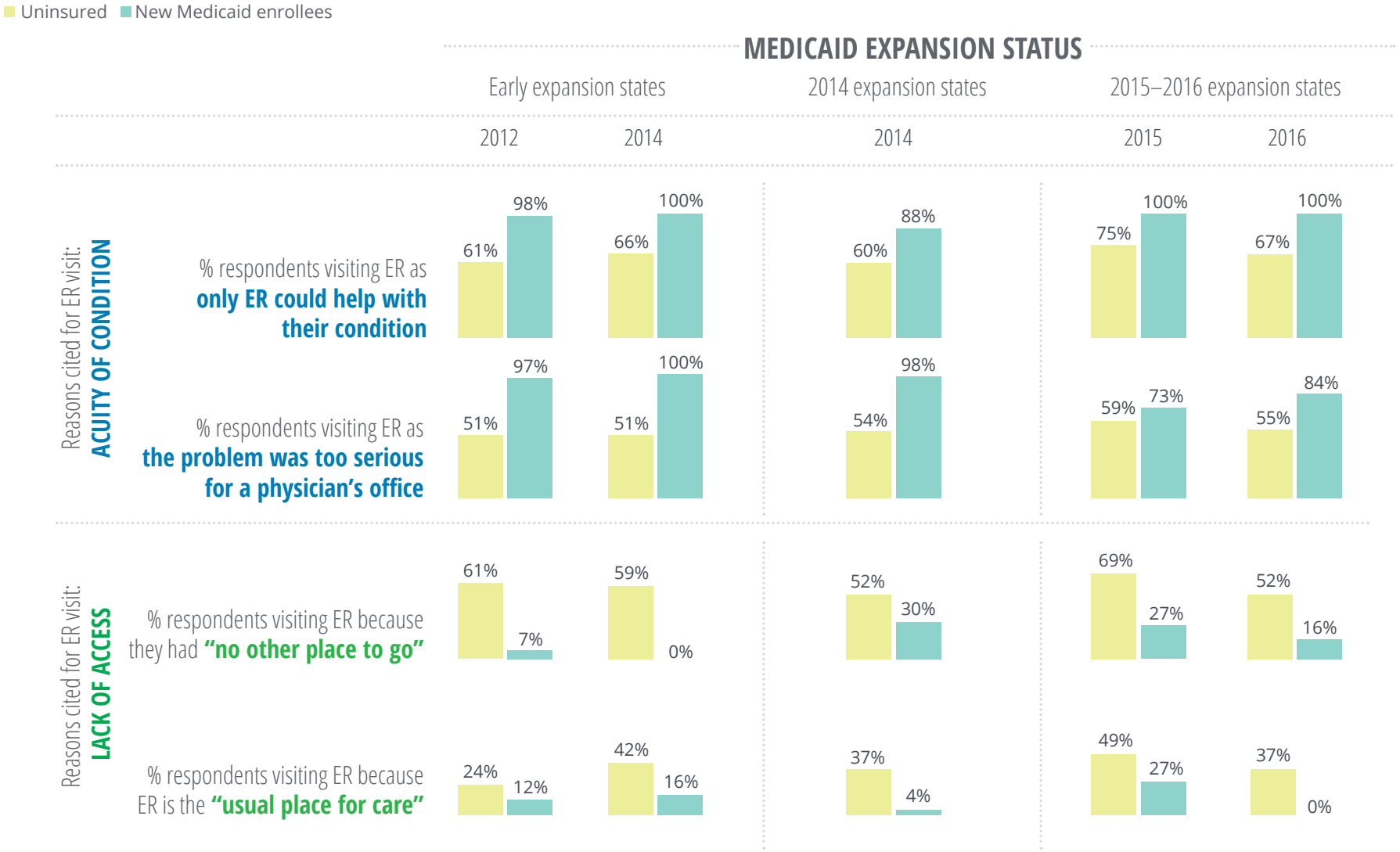
Many health care stakeholders—states,[2] health systems,[3] and health plans[4]—have programs to encourage and incentivize Medicaid enrollees to shift their patterns of care—to see their physicians or go to other ambulatory care settings for nonemergency conditions rather than go to ERs. These initiatives are designed not only to reduce spending, but also to encourage a continuous relationship with a primary care physician, which can improve outcomes. Our research findings show that these efforts are working: Gaining Medicaid insurance coverage may help bring down ER use for nonemergency reasons. Future work might evaluate which elements of these programs and their implementation are most effective in shifting nonemergency care patterns away from emergency rooms and to alternative care settings.

FIGURE 2

New Medicaid enrollees in expansion states were less likely to visit the ER due to a lack of access, and more likely to visit the ER due to the acuity of their conditions



* Multiple responses allowed per respondent.

Source: Deloitte analysis based on data from National Health Interview Survey, 2011–2016.

Appendix: Methodology

OUR ANALYSIS IS based on survey responses from the National Health Interview Survey (NHIS) between 2010 and 2016. The public use files of the survey provide aggregated responses at a national level. The state-level information is restricted, and was accessed through special permission and an agreement with the National Center for Health Statistics (NCHS) to group the responses by the following state cohorts:

- **Early expansion states** (States that partially expanded their Medicaid programs before 2014): California, Colorado, Connecticut, Washington DC, Minnesota, New Jersey, and Washington
- **2014 expansion states** (States that expanded their Medicaid programs in 2014): Arizona, Arkansas, Delaware, Hawaii, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oregon, Rhode Island, Vermont, and West Virginia
- **Late expansion states** (States that expanded their Medicaid program in 2015 or 2016): Alaska, Indiana, Montana, and Pennsylvania

Endnotes

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