Decreasing Hospital Admissions for Ambulatory Care Sensitive Conditions: A $31 Billion Opportunity

Hospital admissions for ambulatory care sensitive conditions (ACSC) represent a significant source of wasteful health care spending. The causes of ACSC admissions are complex and systemic, resulting from disparities in income and race, inadequate access to care, and a lack of private insurance coverage.

Reducing ACSC admissions requires building on a coordinated set of proven practices in the field coupled with policy actions in both the public and private sectors.

THE PROBLEM

Defining Ambulatory Care Sensitive Conditions
- Ambulatory care sensitive conditions are those “for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease.”

Scope of ACSC Hospitalizations
- From 1994-2003, hospital admission rates increased for five of 16 ACSCs: hypertension (by 26 percent); short-term complications of diabetes (20 percent); chronic obstructive pulmonary disease (12 percent); bacterial pneumonia (8 percent); and urinary tract infections (7 percent).
- Between 1999 and 2007, among adults with Medicaid, the ED visit rate for ACSCs per 1,000 enrollees increased from 66.4 to 83.9.

Costs of ACSC Hospitalizations
- In 2006, hospital costs for potentially preventable conditions totaled nearly $30.8 billion, which is one of every $10 of total hospital expenditures.
- Congestive heart failure and bacterial pneumonia were the two most common reasons for potentially preventable hospitalizations in 2006, accounting for half of the total hospital costs ($8.4 billion and $7.2 billion, respectively) for all preventable hospitalizations.

Patients at Risk for ACSC Hospitalizations
- Medicaid recipients and the uninsured: Among working age adults, those receiving Medicaid and the uninsured had higher ACSC hospitalization rates than insured individuals.
- Individuals with difficulty accessing care: Medicare beneficiaries in fair or poor health who resided in a primary care shortage area were 1.82 times more likely to experience a preventable hospitalization as compared to similar individuals in non-shortage areas.
- Racial and ethnic minorities and persons of low socioeconomic status: Racial and ethnic minorities and individuals with low socioeconomic status are more likely than non-minorities and individuals of higher socioeconomic status to be hospitalized due to ACSCs.

SOLUTIONS

Increase Access to Community Health Centers
- Proven Practice: Among low-income and elderly patients in medically underserved areas, those with access to federally qualified community health centers had 21 percent fewer preventable hospitalizations than those without access to such clinics.

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Increasing access to primary care and community health centers, reducing patient travel time, increasing Medicaid re-enrollment time and expanding the Medicaid Managed Care program can significantly decrease ACSC hospital admissions.

These interventions represent a renewed emphasis on primary and community care, especially improving chronic disease management, which helps to improve quality of care and reduce costs.

THE PROBLEM
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Reduce Patient Travel Time
• **Proven Practice:** Patients in the Veterans Administration who traveled less than 30 minutes to their nearest provider had fewer ACSC hospitalizations.\(^15\)

Change Medicaid Re-enrollment Policies
• **Proven Practice:** California extended the eligibility re-determination period from three months to 12 months, resulting in 3,060 fewer ACSC hospitalizations in the first year among children and an estimated $17 million reduction in hospitalization costs.\(^16\)

Expand Medicaid Managed Care
• **Proven Practice:** Individuals covered by a mandatory Medicaid Managed Care program had a 33 percent lower rate of ACSC hospitalizations as compared to Medicaid fee-for-service recipients.\(^17\)

Increase Availability of Primary Care Services
• **Proven Practice:** Increasing physician supply by 40.2 per 100,000 reduced the ACSC hospitalization rate by 14 percent for children, 7 percent for 18-39 year olds and 8 percent for 40-64 year olds.\(^16,19\)

• **Policy Action:** Enhance access to primary care for the uninsured, underinsured, Medicaid-insured and medically underserved populations.\(^20,21\)

• **Policy Action:** Expand affordable and comprehensive health care coverage to the uninsured.

Improve Chronic Disease Management
• **Policy Action:** Educate patients and parents of children about how to control a chronic condition, as educational interventions for patients with asthma have been shown to reduce their risk of hospitalization by 36 to 43 percent.\(^22,23,24\)

• **Policy Action:** Increase the use of effective care coordination programs for those with chronic disease, as discharge planning plus post-discharge support for patients with heart failure has been shown to reduce hospital readmissions by 25 percent on average.\(^25\)

Learn more ways to Bend the Curve in health care costs at: www.nehi.net/bendthecurve