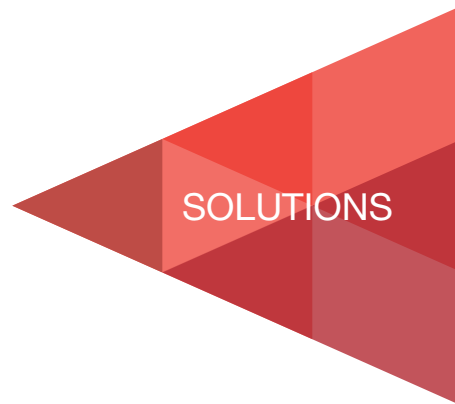
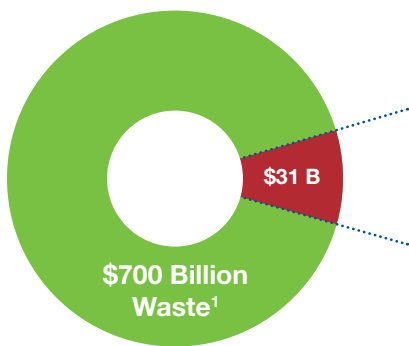


Decreasing Hospital Admissions for Ambulatory Care Sensitive Conditions: A \$31 Billion Opportunity



- Increase Access to Community Health Centers
- Reduce Patient Travel Time
- Change Medicaid Re-enrollment Policies
- Expand Medicaid Managed Care
- Increase Availability of Primary Care Services
- Improve Chronic Disease Management

Targeting the \$31 billion spent annually on ambulatory care sensitive condition (ACSC) hospital admissions requires building on proven practices and implementing policy actions that target the root causes of the problem.²

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.”³

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).⁴
- Between 1999 and 2007, among adults with Medicaid, the ED visit rate for ACSCs per 1,000 enrollees increased from 66.4 to 83.9.⁵

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.⁶
- 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.⁷

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.⁸
- 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.⁹
- 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.^{10,11,12,13}

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.¹⁴

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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.

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.^{18,19}
- **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 about ways to Bend the Curve in health care costs at: www.nehi.net/bendthecurve

THE PROBLEM

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