



## **California's Hospital Emergency Rooms in Crisis**

### **An Issue Summary**

California's 430 community hospitals are on the front lines of patient care each and every day, providing critical care and emergency services to those who need them most. Hospitals provide care to more than 10 million patients annually, regardless of their condition or ability to pay.

But California's hospital emergency rooms (ERs) are at risk. More than 70 ERs have closed their doors since 1996. This leaves fewer ERs available to care for California's growing and aging population.

### **The Issue**

California's ERs have become increasingly overcrowded and overburdened. The average wait time for all patients now exceeds four hours. In some metropolitan areas, average wait times exceed 11 hours. California's emergency rooms are grappling with more patients who are uninsured or underinsured, more patients with unmet mental health needs, a large Medi-Cal population and fewer available specialists. These inadequacies threaten to close more ERs across the state.

In this difficult economic time, more people are losing their employer-sponsored health insurance and are delaying medical treatment because they cannot afford the cost of care. According to a recent survey by the California Hospital Association (CHA), 73 percent of hospitals report that consumers are having difficulty paying their out-of-pocket health care costs, and 33 percent of hospitals have seen an increase in the number of uninsured patients visiting ERs. More than 6.7 million Californians — one out of every four — are currently uninsured. These individuals often rely on hospital ERs — the most expensive place to receive care — for basic health care services.

Counties throughout California are struggling with the economic crisis and are continuing to cut back mental health services, clinics and available beds as they address their budget shortfalls. Local mental health services have been eliminated or severely restricted as a result of the fiscal crisis. Cutbacks in mental health and outpatient services have reduced capacity, thereby increasing the number of mental health and other patients seeking care in California's emergency rooms. In the last decade, more than 3,000 inpatient psychiatric beds closed in California, and this trend is expected to continue.

Adding to the overcrowding problem is California's aging population. Seniors are the fastest growing segment of the population (projected increase of 112 percent from 1990 to 2020). On

average, seniors have multiple chronic conditions and they consume an ever larger portion of health care and ER services as they become sicker with age.

Emergency rooms in California are also grappling with the state's growing Medi-Cal population. In 2008, a Public Policy Institute of California (PPIC) report of ER usage confirmed that California's Medi-Cal patients — now 6.7 million people — are the largest users of ER services due to a decreasing number of physicians who will accept Medi-Cal contracts. Less than half of the licensed physicians in California participate in the Medi-Cal program due to low payments. California ranks dead last in the nation in terms of Medicaid reimbursement. This dismal situation was exacerbated in 2008 with another 10 percent payment cut to Medi-Cal providers. Because timely primary medical care for Medi-Cal patients is at risk, overcrowding in hospital ERs will certainly worsen.

Lastly, the decreasing number of available on-call specialty physicians for hospital ER service has reached crisis proportions. Fewer physicians are willing to serve as ER call panel doctors (e.g., orthopedists, neurologists, cardiologists, etc.), and many are demanding on-call stipends that exceed \$3,000 per day. The cost of call panel specialists is becoming excessive as hospitals now pay more than \$600 million annually for on-call coverage. The ripple effects include higher health care costs for everyone, temporary shutdowns of ERs (diversion) when physicians are not available, downsizing, downgrading, and more ER closures.

More than half of California hospitals operate in the red. No single solution will resolve California's ER overcrowding and financial crisis. The solutions include: 1) adequate health care coverage must be made available to California's 6.7 million uninsured residents; 2) all Californians must have adequate access to emergency and specialty physician care when it is needed most; and 3) Medi-Cal payments to hospitals and physicians must be increased to a sustainable/acceptable/competitive level. If these solutions are not addressed, ER services for all Californians will be put at further risk.

### **Policy Recommendation**

California must expand health insurance for all Californians, and increase Medi-Cal payments to hospitals and physicians to cover the cost of care. CHA also supports the goal of increasing telemedicine opportunities to ease on-call panel pressures, and expediting the licensing process for hospital-based clinics to open more quickly and create more access to care.