

10 Years of Emergency Room Spending for the Commercially Insured

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Background

Medical bills from the Emergency Room (ER) are a mystery to many patients in the US health system. From incredibly high, varying charges to surprise bills resulting from in/out of network confusion, many Americans have no idea what to expect when it comes to the cost of this necessary service. To shed some light on the issue, we examined the 5, successive Current Procedural Terminology (CPT) codes for an ER visit which are designed to capture the level of severity and complexity of the ER visit.

Methods

Data: HCCL claims database 2008-2017

Population: people under the age of 65 with employer-sponsored insurance in a non-capitated health plan

Calculations:

1. Identified all claim lines with Current Procedural Terminology (CPT) codes 99281-99285 in professional and outpatient facility claims
2. Aggregated claim lines by unique patient idea, dates of service, and CPT code to create an estimate of ER visits for each CPT code– this combines facility and physician costs when billed separately and also accounts for any adjustments that occur during claims adjudication
3. Estimated 5 measures: spending per person (total spending divided by average annualized members in population); visits per 1,000 people; average price (average allowed amount paid, negotiated price); average charge (average amount charged by providers for visit); and average out-of-pocket (average amount paid out-of-pocket for a visit)

Discussion

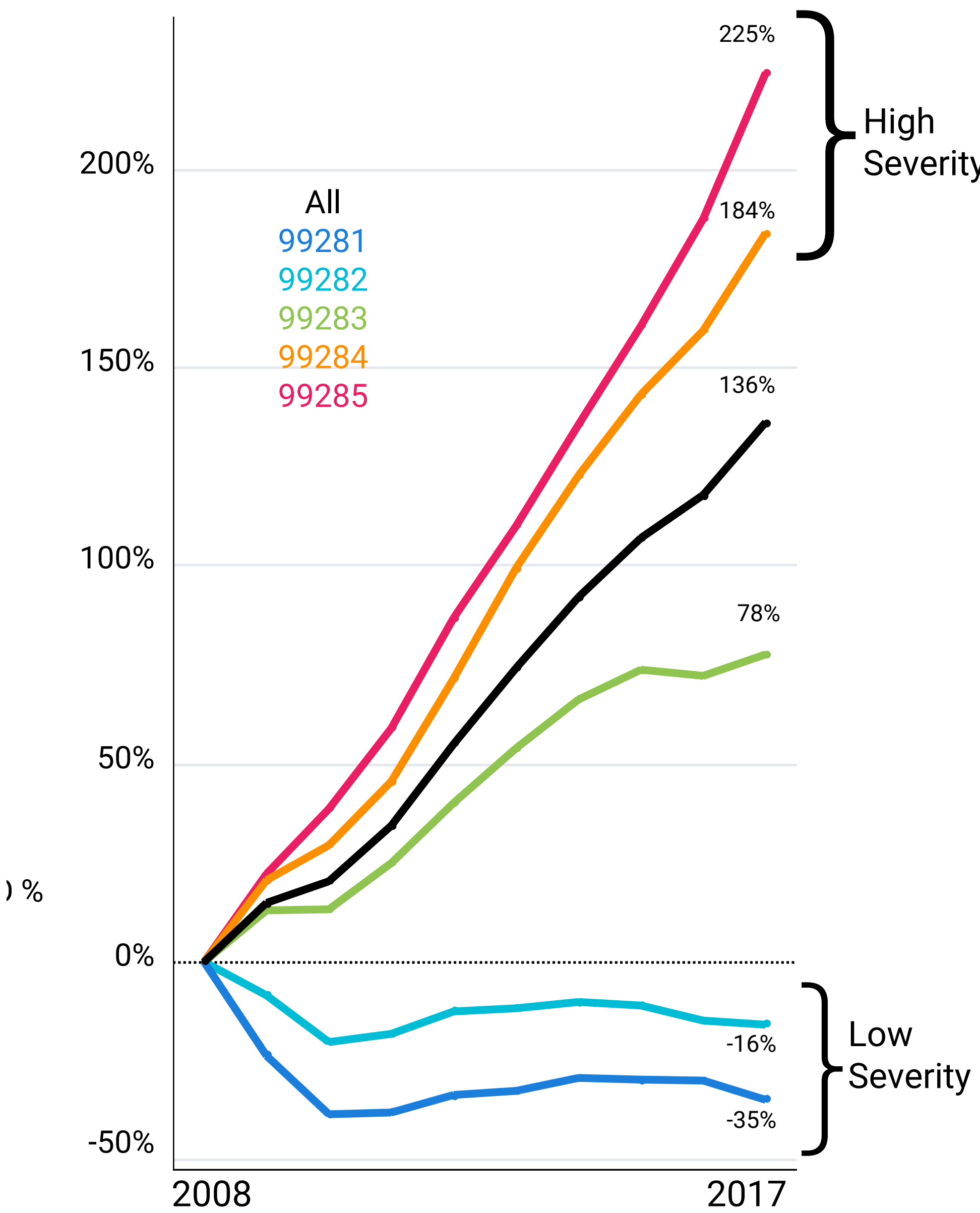
While average prices increased for all five ER CPT codes over the 10 years studied, the average prices for higher severity codes (99284 and 99285) rose at a faster rate than low severity codes (99281, 99282, and 99283).

Combined with the greater use of high severity codes (despite little change in overall ER use), these price increases contributed to increased spending.

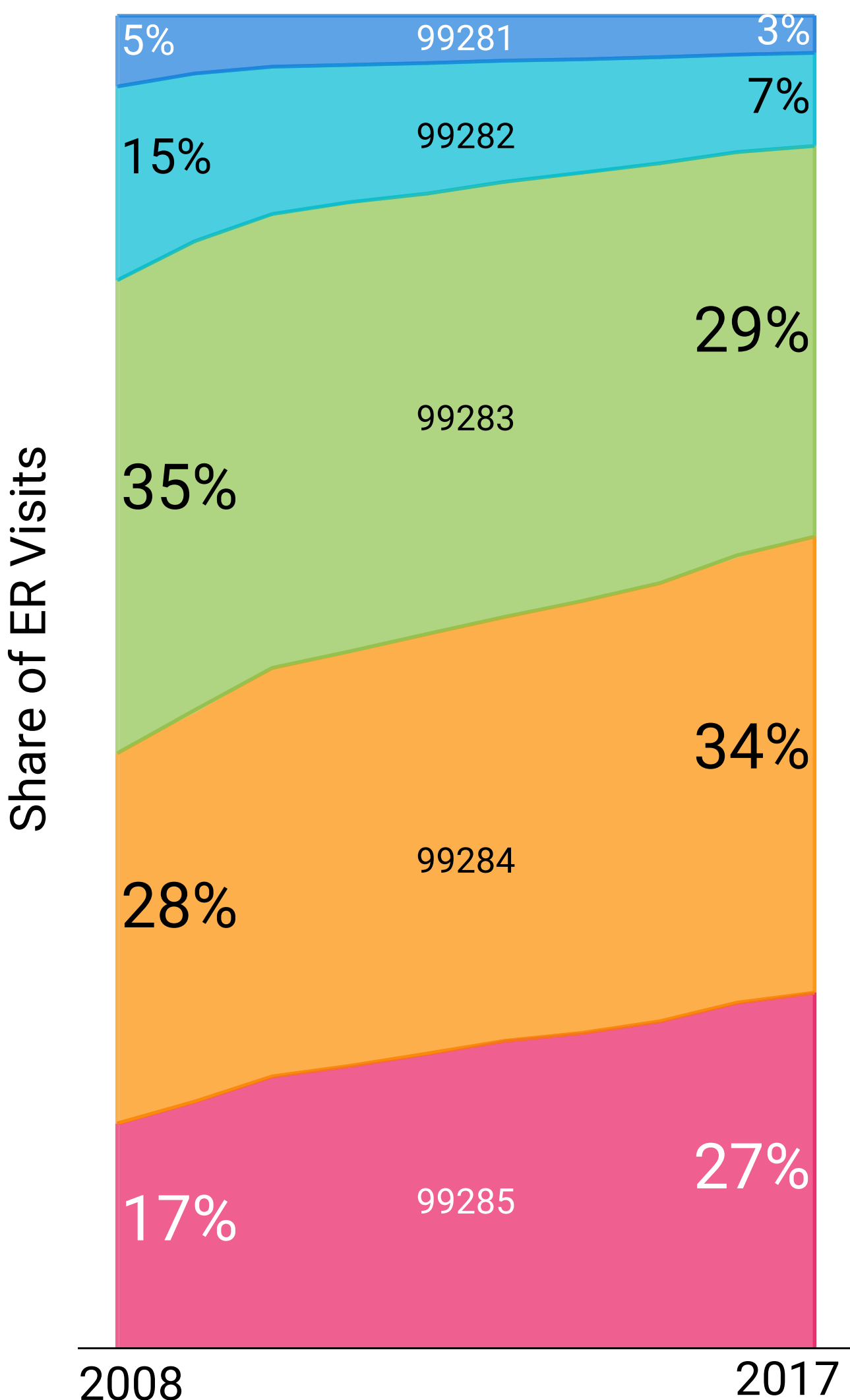
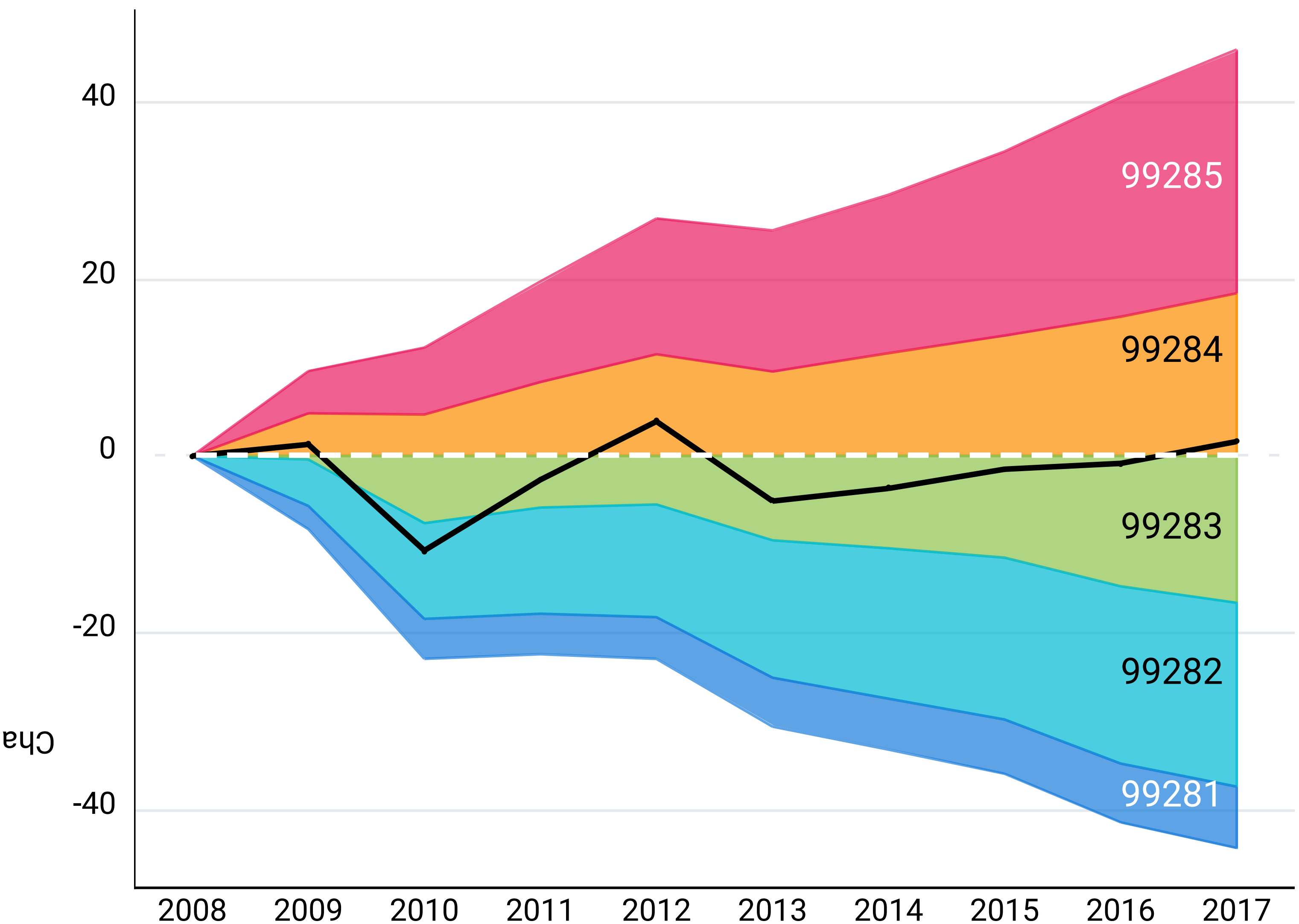
A visit to the ER is typically an unplanned event, leaving patients with little or no time to shop for the best price or check if the closest ER facility is in- or out-of-network. Recent increases in prices and charges have a direct impact on patients in the form of higher out-of-pocket costs and higher premiums.

Key Findings

Spending per Person more than doubled in 10 years



Overall ER Use did not change over the 10 years, but the mix of CPT codes billed did



Average prices, charges, and out-of-pocket costs per visit increased for all ER severity levels

