Emergency!! Emergency!!

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Physicians, legislators, and the public must be tired now of constantly hearing about the continuing health care crisis, from the growing uninsured to the departing physician population, but the bad news just keeps coming. The California Medical Association (CMA) just released its most current report of the financial position of the state's emergency system, and the figures are as bleak as the California budget. Losses have escalated throughout the state and, as never before, the emergency system in which we trust our lives is itself in emergency! Last year, over 9.5 million patients were treated in California's emergency departments (ED), with an average loss of $48/visit to the hospital and total losses in the hundreds of millions of dollars. Emergency physicians alone provided $110 million in uncompensated care during that period to California patients in the ED. The emergency medical system (EMS) is in crisis.

Rising ED Losses and Closures

The latest CMA data available is from fiscal year 2000-01, but the trend is obvious and certainly continues today beyond the reporting years. Throughout California, hospital emergency room losses increased 20% from 2000 to 2001, reaching $389,574,454. The final outcome of such losses is obviously financial failure, and thus it is not surprising that, despite a growing population and increased emergency room visits, the number of emergency rooms in California has declined from 407 to 347 over the past decade. ER closures since 1999 have included Mt. Zion Hospital in San Francisco, Sharp Cabrillo, Mission Bay and Scripps East County Hospitals in San Diego, and Pacifica and Santa Ana Hospitals in Orange County. The closure of two major institutions and their emergency services in Los Angeles, Harbor General Hospital, and Martin Luther King Jr./Drew Medical Center, was only narrowly averted in recent months by passage of new taxes. In our county, San Jose Medical Center and its emergency room are threatened with closure in the next few years, and the financial figures for our emergency departments are bleak.

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The figures for Santa Clara County show losses for 2000-2001 totaling over $17 million, averaging $182 per emergency room visit. Many of our facilities had striking losses during this period:

Hospital	ER Loss
Community Hospital of Los Gatos	$367,093
El Camino Hospital	$2,591,851
Good Samaritan Hospital	$848,086
Kaiser Santa Clara	$3,369,716
Regional Medical Center	$3,874,752
Santa Teresa Community Hospital	$2,716,858
Stanford University Hospital	$3,662,471

The Root Cause is Money

The closure of emergency rooms has been precipitated by incredibly inadequate funding, and by additional factors leading to reduced efficiency of the emergency system. California is 50th in the nation in registered nurse ratio. The continuing shortage of nurses and health care personnel leads to decreased capacity to see patients, obtain ancillary studies such as ultrasound and imaging studies, and move patients awaiting admission to the hospital beds. Ambulance drivers must "shop" for an ED with available beds, and diversion is frequent as EDs are often closed to new patients. Inadequate or absent reimbursement, fears of liability, and incomplete medical group panels make specialist care for the ED more difficult to obtain properly, delaying care and transfer or discharge. The effect of these deficiencies is longer delays, prolonged patient pain and suffering, and dissatisfaction by both patients and staff. The severity of illness in patients presenting to the ED has increased, as patients delay seeking aid because of lack of insurance, access, and education. Up to 15% of patients in the ED require hospitalization, but delays occur in the admission process as the hospital bed, physician, and nursing shortage compound efficient processing and patient movement. Patients requiring ICU care may be held in the ER for long periods, even days, awaiting an ICU bed.

The large numbers of the uninsured and underinsured compound the ED crisis. Nearly 20% of Californians, approximately seven million people, have no

medical insurance. The six million additional Californians covered by Medi-Cal bring with them inadequate reimbursement (currently 42nd in the nation). At a time when these populations swell ED waiting rooms with relatively minor problems, waits grow to many hours. Unfunded mandates, such as EMTALA requirements, force ED physician evaluation of all patients, and obligate ED doctors to provide care to a large proportion of patients which will not be reimbursed, or whose Medi-Cal payments will be delayed, down-coded, lost, or underpaid. Even those patients with insurance bring inadequate payment to the ED system, as HMOs, PPOs, and Medicare reimburse less than other comparable geographic arenas nationally. Reimbursement rates are so low for most payers (53-63% of billed charges) that cost shifting is impossible to cover costs.

Incremental Approaches and New Legislation

Attempts to remedy the situation have been incremental and inadequate thus far. The Maddy EMS Fund (SB 12 and SB 612) was established in 1987, and is the only source of revenue for unfunded emergency care beyond patient and insurance payments. It is funded by an additional penalty assessment for each moving vehicle violation, and provides $30 million annually. In Los Angeles County, to avoid forced closure of two major institutions (Harbor General and King/Drew), the voters approved Measure B in November 2002, raising $168 million for L.A. County annually with an additional parcel tax.

This new California legislative session has brought with it attempts to breathe some life into the dying EMS system, sponsored in large part by CMA. Senator Gloria Romero (D-Los Angeles) has introduced SB 5, known as the "Five-for-Life" bill, which would levy 5¢ per drink on alcoholic beverages to fund emergency rooms and trauma centers. It is estimated SB 5 could generate $500 million annually, with all funds raised dedicated to emergency rooms, trauma centers, and first responders. SB 5 is co-sponsored by the CMA, the California Chapter of the American College of Emergency Physicians, and the California Firefighters Association.

Other current legislation proposed in California relating to the EMS system: AB 605 (Koretz), which would impose a fee of 10¢ on every piece of gun ammunition sold at retail, to be deposited in the Trauma Fund and allocated by the EMS Authority; AB 1026 (Levine) would impose additional fines on DUI convictions, with 50% of the fines allocated for EMS funds; SB 635 (Dunn) would improve payment provisions of the Maddy EMS funds; and SB 476 (Florenz) would authorize Maddy Fund reserves, establish a state Emergency

Medical Services Equalization Fund, require payments of some county funds on the basis of ED visits, and would change reimbursement levels to physicians and establish an advisory committee to ensure fair and timely payments.

We All are at Risk

The EMS system relies on adequate emergency department capacity, geographic access, emergency physicians and available specialists on call, and hospital facilities to provide appropriate and timely emergency care. As with most of the elements of the health care crisis we face daily in our offices and hospitals in California, the primary cause of the EMS crisis is the lack of adequate funding by government, private payers, and the uninsured. At a time when our emergency services should be in prime condition in case of disaster or terrorism, we continue to allow these facilities to wither. We should all be aware that, as with managed care, the attrition we allow will affect all of us when we need emergency services. The insured and uninsured, wealthy and poor, old and young, employed and unemployed, will risk diversion from their preferred facility, long waits, perhaps substandard care, and limited access to specialist services and intensive care.

We must demand adequate and prompt ED payment by insurers, including Medicare and Medi-Cal. Solutions to the growing number of uninsured must be developed, and until they are found, funds to pay for their care must be raised from payers, patients, and unfortunately, taxes. The efficiency of the EMS system and ED can be improved by gaining access to non-emergent care for patients through increased Medi-Cal reimbursement for office visits, better funding of community clinics, and encouraging physician volunteer programs at "free" clinics. Such actions would save millions of dollars from unnecessary ED visits, which now shift costs to hospitals, physicians, and counties. The emergency is growing, and threatens each of us, our families, and patients, if we do not work to save our agonal EMS system.

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