Freestanding Emergency Departments in Ohio

There were 35 freestanding emergency departments (FSEDs) in Ohio as of 2016 – all of which were owned by or affiliated with hospitals, despite being physically separate facilities. Nationwide, the number of hospitals that operate a FSED increased 97% between 2008 and 2016; and over two-thirds of all FSEDs were hospital-owned or affiliated in 2016.

Opening or acquiring an FSED allows hospitals to expand their service area and patient population while charging emergency prices for treatment of common conditions.

Location
Ohio's 35 FSEDs are all in metropolitan areas; 30 (86 percent) are in Cleveland-Akron (18) or Cincinnati-Dayton (12). Ohio's FSEDs are located in zip codes with:
- Higher household incomes,
- Higher rates of private health insurance coverage; and
- Lower rates of Medicaid coverage.

Utilization
At both hospital-based emergency departments (EDs) and FSEDs the vast majority of services are for common conditions that can be treated in lower cost sites of care, including physician offices or urgent care centers.

- Nationally, 8 percent of visits to hospital-based EDs are emergent or immediate and require services unique to an ED.
- The comparable share for the nation’s FSED visits is even lower: 2.3 percent.

Identifying utilization at hospital-owned or affiliated FSEDs can be impossible. Hospital claims data often do not specify whether services were provided in an FSED or in a hospital-based ED because FSEDs bill under the hospital’s identifier rather than a unique identifier specific to the FSED. This lack of transparency is advantageous to hospitals and makes it challenging for:
- Health plans and care coordinators to track and manage members’ utilization patterns;
- Researchers to measure accurately levels, patterns, and trends in utilization; and
- Policymakers to assess and respond to increases in unnecessary emergency services.

FSEDs largely treat non-emergent conditions: 2.3 percent of FSED visits in the U.S. are emergent or immediate and require services unique to an ED.

In Ohio, the average cost of treating common conditions at an ED or FSED ($1,726) is almost 12 times more than at a physician office ($147) and over 9 times more than at an urgent care center ($183).

Shifting the site of care for common conditions in Ohio from EDs and FSEDs to physician offices and urgent care centers would reduce costs by 87 percent, resulting in a savings of approximately $1,500 per visit.

Ohio’s FSEDs disproportionately serve communities with relatively high incomes.
Costs

In Ohio, the average cost at an ED ($1,726) – including hospital-based EDs and FSEDs – is almost 12 times more than at a physician office ($147) and over 9 times more than at an urgent care center ($183) for a set of 10 non-emergent conditions frequently treated at FSEDs nation-wide.\(^{15,**}\)

Shifting the site of care for these 10 non-emergent conditions from Ohio EDs and FSEDs to Ohio physician offices and urgent care centers would result in savings of approximately $1,500 per visit (87 percent).\(^{16}\)

In Ohio, the cost of an ED visit – including hospital-based EDs and FSEDs – increased 6.6% annually between 2015 and 2017, faster than at physician offices (2.3%) and urgent care centers (1.0%).\(^{17}\)

> In the Cleveland-Akron area, the cost at an ED increased 8.3% annually, faster than at physician offices (3.8%), and urgent care centers (2.1%).
> In the Cincinnati-Dayton area, the cost at an ED increased 5.3% annually, faster than at physician offices (3.7%), and urgent care centers (1.9%).

**Note:** The 10 non-emergent conditions frequently treated at FSEDs nationally are bronchitis, sore throat, upper respiratory infection, cough, dizziness, fever, flu, headache, nausea, and strep throat.

*Citations for this brief are available at: www.unitedhealthgroup.com/FSED/Citations*