



EMPLOYER-LED COALITION TO REDUCE HEALTH CARE COSTS

20% REDUCTION • 2 YEARS • \$100M HEALTH CARE SAVINGS

THE CHALLENGE: REDUCE AVOIDABLE EMERGENCY DEPARTMENT USE

Massachusetts employers, committed to addressing the high and rising cost of health care in the Commonwealth, are spearheading a new, collaborative effort to achieve immediate health care cost savings for consumers, employers, and state government. The multi-stakeholder campaign will focus on improving the appropriate use of the emergency department (ED) as a strategic step toward promoting a more affordable health care system. The goal is a health care system that delivers **the right care, in the right place, at the right time – every time.**

While Massachusetts continues to be a national leader in health care access, it is among the most expensive states in the country, ranking 2nd overall in per capita health care costs. A significant contributor to this is the unnecessary use of expensive hospital settings. A recent Commonwealth Fund Scorecard on State Health System Performance identified avoidable hospital use and costs as key areas for improvement, ranking the state's performance below the national average with a worsening trend over time, despite giving high marks to Massachusetts overall.

Avoidable ED use is a particularly strong area for coordinated action. Avoidable ED visits are those that are preventable or inappropriate. In Massachusetts, they account for nearly one million visits each year, or over 40% of total ED visits. Avoidable ED visits are prevalent for members of all types of health insurance, with commercially insured members accounting for nearly 40% of the total (~370,000 visits annually). Upper respiratory infections, skin rashes, allergies, and back pain are among the most common conditions for which Massachusetts patients seek care in the ED unnecessarily.

The cost of an ED visit can be five times more expensive than the cost of care provided in a primary care or urgent care setting. The Massachusetts Health Policy Commission conservatively estimates that, across the state, the annual cost is **\$300-350 million on avoidable ED visits** for commercially insured members alone. These visits also contribute to spending in the state's Medicaid program, and reducing avoidable ED use is a key goal of MassHealth's new Accountable Care Organization (ACO) program.

Of course, not all ED use is avoidable. Much is necessary, appropriate, and in many cases life-saving. However, providers and payers broadly agree that shifting ED use for non-urgent health problems to more appropriate settings will relieve crowded EDs, improve quality and patient experience, and lower the cost of care.

ED visits can be **5X more expensive** than primary care or urgent care visits

> 40% of all ED Visits are **avoidable**

THE MOST COMMON CONDITIONS FOR WHICH PEOPLE HAD AN AVOIDABLE ED VISIT WERE:

- Sinusitis
- Stomach pain
- Rashes and skin conditions
- Acid reflux
- Bronchitis
- Dental pain
- Back pain
- Allergies
- Urinary tract infections
- Ear and eye infections

THE OPPORTUNITY:

ACHIEVE A 20% REDUCTION IN AVOIDABLE ED USE TO GENERATE MORE THAN \$100 MILLION IN HEALTH CARE SAVINGS OVER THE NEXT TWO YEARS

This new Coalition aims to address the challenge of avoidable ED visits by aligning employer interests and efforts with other like-minded stakeholders, such as hospitals, health care providers, health insurance plans, labor unions, community organizations, and government. If successful, this effort will provide a model for future coordinated efforts to tackle health care costs.

The effort will focus on four levers for impact:



EMPLOYEE ENGAGEMENT

- Develop and distribute employer “toolkits” to help employers communicate about avoidable ED use with their employees and encourage employees to establish relationships with primary care providers.
- Share informational materials employees can use to get the best care in the right setting when medical needs arise, e.g., primary care practices, minute clinics, and urgent care centers.
- Identify employer champions who have achieved success in reducing avoidable ED visits among their employees and spread “best practices” widely.



DATA AND MEASUREMENT

- Track and publicly report the rate of avoidable ED visits so employers, stakeholders, and the public can better understand the scope of the issue.
- Work to enhance employer data-sharing so that employers of all sizes receive regular, actionable information on the rate of avoidable ED use among their employees.
- Support public and private efforts to enhance real-time data-sharing across the EDs of all hospitals, as well as timely notification to primary care providers of avoidable ED use by their patients, in order to promote patient engagement and active care planning.



MULTI-SECTOR COLLABORATION

- Align financial incentives across hospitals, health care providers, health plans, employers, and employees to reward and encourage the timely delivery of care in the most appropriate setting.
- Expand provider capacity and information-sharing so that other high-quality access points are available when patients need it, especially during nights and weekends.
- Establish a consensus approach to tracking success in reducing “avoidable ED use,” while ensuring that access to high-quality emergency care is maintained and strengthened for patients who need that level of care.



POLICY ADVOCACY

- Advocate for policy changes that will advance new care delivery and payment models, such as ACOs, telemedicine, and value-based payment models, which can work to improve access to timely care in the right setting.
- Identify emerging policies and best practices nationally and promote adoption locally.

ABOUT THE MASSACHUSETTS EMPLOYER-LED COALITION TO REDUCE HEALTH CARE COSTS:

Founded in 2018, the Coalition is an employer-led effort that, together with our Strategic Partners, seeks to use our collective influence to uncover solutions that drive real change in the health care delivery system and reduce costs. Our members include business organizations representing thousands of large and small employers across Massachusetts. The Coalition is seeking additional employer members to join, and intends to work collaboratively with its strategic partners and other important health care stakeholders, including health plans, hospitals, physicians, consumer advocates, labor unions, government agencies, and community organizations.

EMPLOYER MEMBERS



STRATEGIC PARTNERS



For more information, please contact us at info@maemployerhealthcoalition.com



MASSACHUSETTS COALITION TO REDUCE HEALTH CARE COSTS

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EMPLOYER MEMBERS

1. Associated Industries of Massachusetts – Richard C. Lord, President and CEO
2. Associated Subcontractors of Massachusetts – Carrie Ciliberto, CEO
3. Boston Municipal Research Bureau – Samuel R. Tyler, President
4. Greater Boston Chamber of Commerce – James E. Rooney, President and CEO
5. Massachusetts Bankers Association – Jon Skarin, Senior Vice President
6. Massachusetts Business Roundtable – JD Chesloff, Executive Director
7. Massachusetts Competitive Partnership – Dan O’Connell, President and CEO
8. Massachusetts Food Association – Christopher Flynn, President
9. Massachusetts High Technology Council – Christopher Anderson, President
10. Massachusetts Package Stores Association – Robert Mellion, Executive Director and General Counsel
11. Massachusetts Restaurant Association – Bob Luz, President and CEO
12. Massachusetts Society of CPAs – Amy Pitter, President and CEO
13. Massachusetts Taxpayers Foundation – Eileen McAnneny, President
14. NAIOP Massachusetts – David Begelfer, CEO
15. National Federation of Independent Business – Christopher Carlozzi, State Director
16. North Shore Chamber of Commerce – Robert Bradford, President
17. Retailers Association of Massachusetts – Jon B. Hurst, President
18. South Shore Chamber of Commerce – Peter Forman, President and CEO
19. Springfield Regional Chamber – Nancy Creed, President
20. Worcester Regional Chamber of Commerce – Timothy P. Murray, President and CEO

STRATEGIC PARTNERS

1. Blue Cross Blue Shield of Massachusetts – Michael Caljouw, Esq., Vice President of State Government and Regulatory Affairs
2. Massachusetts Association of Health Plans – Lora Pellegrini, President and CEO
3. Massachusetts College of Emergency Physicians – Scott G. Weiner, MD, FACEP, President
4. Massachusetts Health and Hospital Association – Steven M. Walsh, President and CEO
5. Massachusetts Health Policy Commission – David Seltz, Executive Director