

APPENDIX M

**“TENNCARE ER USE SHOWS SUBSTANTIAL DROP”
PRESS RELEASE, SEPTEMBER 2, 1998**



Tennessee: Sounds good to me

Department of Health
News Release

TennCare ER Use Shows Substantial Drop

Nashville, September 2, 1998

Emergency room usage among TennCare patients has dropped dramatically as people receive care in more appropriate settings, such as doctor's offices and clinics. A new study by the Tennessee Department of Health shows that the rate of emergency room visits was 44 percent lower in 1996 than it was in 1993 under the Medicaid program.

Inappropriate utilization of emergency room care may mean that there is a problem with access to care or that enrollees and providers have not been properly educated about how managed care works. "We believe that the findings of this study indicate that TennCare has reduced unnecessary or preventable visits to the emergency room by assuring that primary care services are available in less costly outpatient settings," said Dr. Wendy Long, Acting Director of TennCare.

The study looked at paid emergency room visits for all enrollees under age 65, and found that the rate declined from 912.7 per 1,000 members in 1993 to 509.0 in 1996. The addition of visits that were never paid by managed care organizations did not change this substantial decrease. To determine if the lower rate might be due to the addition of uninsured and uninsurable persons to the TennCare population, an analysis was also done using only individuals who were Medicaid eligible. The analysis showed a similar decline. All of the various managed care organizations had rates below the 1993 Medicaid rate.

"This dramatic decrease in emergency room visits coupled with the low proportion of denied ER visit claims suggests that a change in behavior has occurred among the TennCare population. While this study could not determine the new behavior of TennCare enrollees, it does appear that the many approaches of the managed care organizations (the use of PCP gatekeepers, retrospective denial, etc.) have reduced expensive and unnecessary emergency room visitation," concludes the study.

An annual survey of TennCare recipients conducted by the University of Tennessee Center for Business and Economic Research indicates that the percentage of TennCare recipients who say they initially seek care at a hospital emergency room has decreased steadily since the inception of the program. In 1997, only seven percent said they went to a hospital emergency room for care, compared to 14 percent in 1993 under Medicaid and 11 percent in 1994, one year after the program began.

NOTE TO EDITORS: You can view a copy of this study in its entirety on our website at <http://www.state.tn.us/health/tenncare/errpt/errpt.htm>.