

Reducing Low-Acuity Emergency Department Utilization

A data-driven approach to identifying avoidable use and improving system performance

Overview

Emergency departments (EDs) increasingly serve as a primary access point of care — including for non-urgent and routine health needs. For state Medicaid programs, this trend contributes to higher costs, fragmented care, and strain on hospital resources.

Low-acuity, non-emergent ED visits often cost significantly more than care delivered in primary or urgent care settings and may result in overcrowding, longer wait times and reduced continuity of care.

As states work to improve outcomes while managing cost and access, reducing avoidable ED utilization remains a key priority.

Why it matters

Inappropriate ED utilization can signal broader challenges within the healthcare delivery system, including:

- Limited access to primary and specialty care
- Gaps in care coordination and case management
- Lack of integration across care settings
- Barriers related to social determinants of health such as transportation and housing.
- Misalignment of payment and incentive structures

These factors contribute to inefficient use of resources and may impact quality, access, and overall program performance.

A standardized approach to analysis

A consistent and evidence-based approach is critical to understanding patterns of ED utilization and identifying opportunities for improvement.

One example is the Mercer Low-Acuity, Non-Emergent (LANE) analysis, which is one approach used to assess utilization, quantify avoidable use, and evaluate opportunities for improvement across programs.

A clinical efficiency analysis can be used to:

- Identify low-acuity, non-emergent ED utilization

- Quantify avoidable utilization and associated costs
- Account for services that would be required regardless of care setting
- Evaluate alternative sites of care and associated cost differences

Key areas of focus

States often assess a range of factors contributing to ED utilization, including:

- Access to providers, including primary care, specialty care, and telehealth
- Availability of timely appointments, including after-hours and weekend care
- Effectiveness of chronic condition management and care coordination
- Integration and availability of electronic health information across providers
- Alignment of payment strategies to support appropriate care settings
- Transportation and other access-related barriers
- Member understanding of appropriate ED use

Application of LANE analysis in state programs

LANE analysis can support a range of program and policy decisions, including managed care rate setting and program design, value-based purchasing strategies, performance improvement initiatives and oversight of MCOs and provider networks

Insights from this analysis often highlight broader inefficiencies across the care continuum and can help guide targeted improvements.

Supporting program improvement

Efforts to reduce avoidable ED utilization typically focus on strengthening access, improving coordination, and aligning incentives across the delivery system. This may include:

- Expanding access to primary and urgent care services
- Enhancing care coordination and case management
- Improving member education and engagement
- Strengthening provider network adequacy
- Aligning payment models to support appropriate utilization

For More Information

Learn more at <https://www.mercer.com/gov> or contact us at mercergovernment@mercergov.com