Options for slowing the growth of Medicare fee-for-service spending for emergency department services

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Coding of ED visits approximated normal distribution, 2005

Source: MedPAC analysis of cost-statistics files from CMS.

Results are preliminary and subject to change
Coding of ED visits shifted to higher levels, 2005 to 2017

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Why has coding shifted?

- Some argue: Patients are sicker; lower-acuity patients shifted to UCCs; ED care more intensive
- Others argue: Hospitals use internal guidelines; some take advantage of lack of strict coding guidelines
- Data analysis shows:
  - Conditions treated in ED did not change
  - Increased use of UCCs had little effect on coding of ED visits
  - Increased use of services during ED visits (EKGs, CTs) despite no change in conditions treated

Results are preliminary and subject to change
National guidelines for coding ED visits

- High concentration of ED visits at level 5 with no change in patient conditions likely means Medicare payments are too high for many patients.
- To improve coding of ED visits, CMS could implement national coding guidelines:
  - Payments would accurately reflect hospital resources used to provide ED care.
  - Hospitals would have clear rules for coding ED visits.
  - CMS would have firm foundation for assessing and auditing coding practices.