

The ED Stands Alone

John Commins, for HealthLeaders Magazine, June 13, 2008

A growing number of hospitals are considering freestanding emergency departments as a way to reach more patients and improve efficiency. But not everyone is convinced such facilities are everything they claim to be.

Freestanding emergency departments can create greater efficiency for medical staffs that are stretched thin, provide critical-access services to underserved communities, reduce ER congestion at hospital main campuses, and pare life-saving minutes from emergency response times. Or ...

Freestanding emergency departments are some hospitals' attempts to end-run an arduous, lengthy, costly, and litigious state government approval process, to build a facility in an affluent neighborhood outside of the main campus' service area, and cherry pick wealthy patients from rival health systems.

When it comes to freestanding EDs, both schools of thought have plenty of devotees in the healthcare community. The number of such facilities nationally is gradually rising—but does the concept of a freestanding ED present too many financial, logistical, and staffing challenges to become the next major provider trend?

Morton Plant Mease Health Care falls squarely in the pro-freestanding ED camp. Patient need was the driving factor in the Clearwater, FL-based system's March opening of a \$9 million, 15,000-square-foot freestanding ED on its Bardmoor campus in Largo, says Kelly Triolo, director of patient care services at the four-hospital nonprofit system. Research on the South Pinellas County area projected approximately 84,000 ED visits within a four-mile radius of the Bardmoor campus, she says, adding that hospital EDs in that radius could not accommodate all 84,000 visits.

The facility is already seeing volumes that are "more than we had anticipated" at between 45 and 48 patients per day, says Triolo. "It just goes to show that our research was correct. People were needing something closer to home." Roughly 14% of the patients seen at the Bardmoor freestanding ED are admitted to Morton Plant Hospital in Clearwater and other nearby hospitals, Triolo says.

While freestanding EDs are opened ostensibly for patient need, improving access or efficiency, critics say that such facilities are rarely built near public housing projects or trailer parks.

Dennis Vonderfecht, president and CEO of Johnson City, TN-based Mountain States Health Alliance, acknowledges that freestanding EDs have the potential to fill a need in underserved or fast-growing areas. But Vonderfecht contends that rival Wellmont Health System's attempt to build a \$41 million, 30,000-square-foot freestanding ED on a 73-acre site in the affluent Boones Creek area of Tennessee's Washington County was "a market-share grab for our insured patients." The proposal would have placed the Wellmont facility less than four miles from MSHA's soon-to-be-built Franklin Woods Community Hospital, which will feature a large emergency department.

Kingsport, TN-based Wellmont did not respond to HealthLeaders' request for an interview. But press releases from the health system late last year quoted President and CEO Richard Salluzzo, MD, as saying the facility,

which would have been the first freestanding ED in Tennessee, would "address Washington County's most pressing healthcare need—timely access to high-quality, cost-effective medical care."

The Tennessee Health Services and Development Agency, which oversees hospital development and other healthcare construction costing \$5 million or more, had rejected Wellmont's 2000 application to build a hospital on a different site. The subsequent freestanding ED proposal, which was rejected, as well, would have been "built to hospital-grade standards. We firmly believe that this was a stake in the ground to start a hospital," Vonderfecht says.

Which raises another question: What constitutes a freestanding ED? There is no singular definition—specifications vary from state to state. In Florida, for example, freestanding EDs don't need to apply for a certificate of need from the state because they are considered an extension of an already licensed hospital. Unlike urgent care centers, Florida's freestanding EDs operate 24 hours a day and are staffed by board-certified emergency physicians and nurses. They are required to meet the same architectural and building code requirements as the state's hospitals.

Florida currently has four freestanding EDs, but that number is expected to grow because Gov. Charlie Crist in June 2007 vetoed a bill that would have extended a statewide moratorium on the facilities. The American Hospital Association, which first included questions about freestanding EDs in its 2006 annual member survey, estimates that there are approximately 179 such EDs in the United States.

But will freestanding EDs begin sprouting up like urgent-care centers and retail-based clinics? Not everyone is convinced that the facilities will provide the return on investment needed to justify their costs. "It's an extremely high-risk project that is appropriate for a very limited amount of situations—those being extremely rapidly growing areas that might have limited access in areas that might be able to support hospitals long term. That might be a good strategy," says Tony Benton, vice president of strategic planning at Mountain States Health Alliance. "Everybody knows that the ER is not a profit center, so to say these are going to pop up everywhere—I wouldn't anticipate that will happen."

Rich Rasmussen, vice president for strategic communications for the Florida Hospital Association, agrees that freestanding EDs have their limitations, but he adds that in some cases the facilities do make financial sense for organizations faced with the alternative of opening an entire new hospital.

"I'm not sure we are going to see a proliferation of freestanding EDs," says Rasmussen, whose organization had opposed the state's freestanding ED moratorium. "But it's a cost-effective alternative. You aren't building a huge new hospital. You're able to put these in an area with a smaller footprint."

Florida's hospitals have experienced a continuing drop in elective surgeries in recent years—while at the same time seeing expanded use of EDs. "We cannot continue to sustain that growth without some additional relief," Rasmussen says. "One way to do that in some of our communities—not all, but some—is the ability to utilize freestanding EDs. They give us that flexibility to manage the growth in our emergency departments." Linda Quick, president of the South Florida Hospital & Healthcare Association, says her organization decided to oppose freestanding EDs in part because of feedback from firefighters and EMTs who "don't like to deliver the same person twice" if a patient needs additional treatment at a hospital. "The rescue people weren't comforted by the fact that the facility was required to have what the hospital ER has, because what the freestanding ED still won't have is a hospital behind it. If it's not serious enough, there is a high probability you don't need to go to the

hospital—in which case you probably could have gone to a walk-in clinic."

Beyond that, Quick says freestanding EDs raise more questions than they purportedly solve. "Frankly, we have a hard enough time to get doctors to take ER calls and find the adequate supply of nurses in the hospital-based ERs," she says. "A freestanding ED competing in the same marketplace for that staffing is going to make things all the more difficult. And if they don't have that staffing, then they are not equal to what the license claims they're supposed to be equal to. It's a malpractice suit waiting to happen."

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