

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: American College of Emergency Physicians
State Chapter of California

BILL NUMBER: AB 2153
AUTHOR: T. Lieu
RELATED BILLS: AB 911

BILL SUMMARY: Emergency Room Crowding

This bill would require each licensed general acute care hospital with an emergency department to calculate a crowding score, as defined by the bill, on a prescribed schedule. It would also require Hospitals to develop a full-capacity protocol, based on the crowding score and submit updated protocols to the Office of Statewide Health Planning and Development (OSHPD) annually.

FISCAL SUMMARY

This bill would result in a minor workload increase for the OSHPD and the Department of Public Health (DPH). The increase would be minimal and absorbable within existing resources. This bill would result in increased General Fund costs of \$120,000 on a one-time basis and \$70,000 on an ongoing annual basis to the University of California Medical Centers.

This bill could potentially result in decreased health care costs and savings to state funded medical programs if it resulted in a decrease in emergency department overcrowding. However, hospitals already have a vested interest to reduce emergency department crowding making a reporting mandate unnecessary and potentially burdensome for hospitals already taking steps to address issues of overcrowding, including the use of overcrowding assessments. Furthermore, there is insufficient evidence to show that using the scoring tool required in this bill would have any impact on reducing overcrowding.

COMMENTS

The Department of Finance opposes this bill for the following reasons:

- This bill is similar to AB 911 (Lieu, 2009-10 Session), which the Governor vetoed. In his message, the Governor stated that while he supports the intent, statute is not necessary and will likely not provide any significant improvement to the underlying problem since hospitals and emergency room physicians already have a strong and compelling interest to reduce emergency room overcrowding.
This bill would increase General Fund costs to the University of California Medical Centers, which are not included in the Governor's proposed budget or this bill.
The new national health program when implemented will likely be beneficial in reducing emergency room services since more Americans will have access to primary care.

Analyst/Principal Date Program Budget Manager Date
(0561) T. Williams Lisa Ann L. Mangat

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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**ANALYSIS****A. Programmatic Analysis**

Under current law health facilities are licensed and regulated by the DPH. The OSHPD provides information about healthcare outcomes and facilitates development of sustained capacity of communities to address local health care needs.

This bill would require each hospital with an emergency department to collect data on emergency room overcrowding. Data would be used to calculate a crowding score according to a standardized methodology. This bill would require hospitals to use their emergency room crowding score to develop a full-capacity protocol which would be submitted to the OSHPD and updated annually. A full capacity protocol redistributes admitted patients boarding in the emergency room to inpatient units when the emergency room is unable to evaluate and treat new emergency patients in a timely manner because of a lack of space and resources.

The purpose of this bill is to address the problem of overcrowding in emergency rooms. According to the bill's sponsor, the California Chapter of the American College of Emergency Physicians (CAL/ACEP), one factor that contributes to overcrowding is boarding of admitted patients in emergency rooms. This occurs when hospitals cannot move patients from these departments to inpatient units. The result is patients being boarded in emergency room hallways and waiting rooms, decreasing the capacity to effectively treat admitted patients and admit new emergency cases. Various studies have shown that there are significant negative consequences resulting from extended stays in the emergency rooms, including increased time in inpatient care.

The University of Southern California Medical Center has been able to significantly reduce overcrowding by monitoring patient data and developing a full capacity protocol to allow the emergency department and hospital to adapt to situations of overcrowding. This bill would require similar capacity planning for all hospitals with emergency rooms, and establish a framework of how to collect data and develop capacity planning.

There are other factors that contribute to overcrowding such as a declining number of emergency rooms amid an increasing population. This bill addresses only one factor, capacity planning to best utilize existing resources.

The San Bernardino County Board of Supervisors is opposed to this bill because there is no evidence that using a scoring tool is effective and would work in California. They note that overcrowding assessments in emergency rooms are already being conducted and that there is insufficient evidence that using a scoring tool would have any impact on improving overcrowding.

**B. Fiscal Analysis**

This bill would result in a minor workload increase for the OSHPD and the DPH. The increase would be minimal and absorbable within existing resources.

This bill would result in increased costs to University of California Medical Centers to develop data collection methodology and infrastructure, and continually collect and input data. In addition, resources would be needed develop full capacity protocols and update them annually for submission to the OSHPD. It is estimated that this bill would increase General Fund costs by approximately \$120,000 the first year, and approximately \$70,000 annually thereafter.

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This bill could potentially result in decreased health care costs. As noted above, overcrowding is associated with significant negative consequences. A reduction in overcrowding could result in cost savings or hospital revenue increases by increasing emergency room functional capacity, decreasing length of hospital stay, and decreasing ambulance diversion. It is reasonable to assume if health care costs are reduced overall, then there would be some savings in state-funded medical programs. However, hospitals already have a vested interest to reduce overcrowding making a reporting mandate unnecessary and potentially burdensome for hospitals already taking steps to address issues of overcrowding, including the use of overcrowding assessments. Furthermore, there is insufficient evidence to show that using the scoring tool required in this bill would have any impact on reducing overcrowding.

This bill would specify that no reimbursement to local government would be required, because the only costs incurred by a unit of local government would result from defining a new crime.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO RV	PROP 98	FC	2009-2010	FC	2010-2011	FC	2011-2012		
6440/UC	SO	No		--	C	\$120	C	\$70	0001	
4140/Stwd Hth Pln	SO	No		-----	No/Minor Fiscal Impact	-----			0001	
4265/PublicHealth	SO	No		-----	No/Minor Fiscal Impact	-----			0001	