



PROVIDING THE VITAL CARE NEVADANS NEED

Inadequate Reimbursement for Emergency Services

The Situation

During the 2017 Nevada Legislative Session, AJR14 was proposed to amend the Nevada Constitution and cap what Nevada hospitals could charge for emergency services. If this proposed resolution becomes law, it will change the landscape of health care in Nevada and impact hundreds of thousands of people needing emergency medical care annually.

The intent of this resolution is to limit what hospitals can charge for emergency services at 150% of the Medicaid rate which currently covers 54% of what it costs a hospital to provide the care. At this proposed rate, Nevada hospitals would only collect 81% of what it costs them to care for all patients needing emergency care.

Some hospitals fear that this law would force them to close their ERs, endangering the health and lives of patients. Closures will result in delays in emergency care due to fewer ERs and erode the “golden hour” of care that is vital in extreme medical emergencies and trauma care. Patients would have to be transferred to one of the remaining hospitals with an ER, taking away critical moments for emergency care.

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One Family's Story*

The Elliot family has four kids and lives in southern Nevada. The kids, including the youngest who has moderate developmental disabilities, are all covered under Medicaid. They have a hard time finding physicians who have room in their practices to accept patients, especially those with Medicaid coverage. Because of this, they unfortunately end up in hospital emergency rooms because of problems that can't wait for a doctor's appointment. Their youngest has multiple health issues that cannot wait that long, and they feel the emergency department is the only place they can seek care.

**“
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If hospitals are forced to charge less than what it costs to provide emergency care, it would negatively impact families such as the Elliots, who represent some of Nevada's most vulnerable populations. Hospitals might be forced to reduce services and facilities. “Using the emergency department for care isn't ideal... but we have no other choice.”

* The individuals reflected in this example are an aggregate of several people and their experiences.



THE PROBLEM WE FACE

Current Medicaid reimbursement levels cover less than 54% of what it costs the hospital to provide care.

Hospitals may be forced to reduce or eliminate ER services.

\$209 Million AJR14 limits on billing would potentially cost Nevada hospitals \$209 million.
(source: Nevada Hospital Association: Estimate of financial impact of AJR14 on their facility with the basis being 150% of Medicaid)

81% Of Cost Constitutionally limiting hospitals to bill for emergency services at 81% of what it costs to provide care is NOT sustainable.

50th Nationally Nevada's rank nationally in the level of Medicaid spending: 50th
(source: Medicaid spending per enrollee The Henry J. Kaiser Family Foundation FY14)

\$2,116 Lost Revenue Current Medicaid spend: \$3,620
National Medicaid spend average: \$5,736
(source: Medicaid spending per enrollee The Henry J. Kaiser Family Foundation FY14)

Nevada Hospital Association's Stance

If Nevada hospitals are constitutionally capped as to what can be charged for emergency services, they will be forced to reduce services and facilities because charges will not cover the cost to provide patient care. This will impact Nevadans, especially those who use the ER to access basic medical care. It will also impact Nevada's tourists in need of critical medical care if they are unable to receive the emergency services they need.

Please vote against this resolution if it reappears in the 2019 Session to protect Nevadans and our visitors from the detrimental impacts that such a law would have on our emergency services in state.

Impact on Other Critical Health Issues

Emergency care is one of the most expensive services that hospitals provide. Overuse of ERs by populations who can't or won't use more appropriate types of care already exists. A law such as AJR14 would place a greater strain on these vulnerable populations, such as Medicaid patients or the uninsured, who still rely upon ERs for the most basic levels of care.

Hospitals would have to consider closing or limiting ER services or become "specialty" hospitals. This would put lives in danger as ill or injured patients might find their way to a hospital without an ER. This would especially impact unsuspecting tourists and affect Nevada's reputation as a place where visitors are welcome and cared for.

If hospitals are mandated to charge less than what it cost to provide care, there would be no reason for payers to contract for emergency services. This will cause overuse and strain on some hospitals, impacting wait times, and potentially threatening lives.



Please oppose legislation aimed to prevent potentially life-threatening impacts on emergency room services provided by Nevada hospitals to our citizens and our visitors. Do not allow such a measure to potentially force hospitals to close or limit ER services.