

# Why Are Many Emergency Departments in the United States Closing?

In the U.S. health care system, hospital emergency departments (also known as emergency rooms [ERs]) are unique in their legal obligation to treat all patients in need, without regard for their ability to pay. As a result, ERs often serve as the “safety net of the safety net,” offering a place of last resort for uninsured and underinsured patients who lack other options for care. Less than 5 percent of America’s doctors work in ERs, but they provide more acute care to Medicaid beneficiaries and the uninsured than the rest of America’s doctors combined. Despite the critical safety-net role that ERs play, or perhaps because of it, the number of working ERs has steadily declined in recent years.

Recently, a senior researcher at RAND joined two researchers from collaborating institutions to examine this trend and the underlying factors associated with ER closings. The team analyzed data from 1990 to 2009 on the number of hospital ERs operating in U.S. metropolitan areas and examined hospital characteristics, market factors, and community attributes that were associated with ER closings.

The study revealed that between 1990 and 2009, the number of ERs in nonrural U.S. hospitals declined by 27 percent (from 2,446 to 1,779). Several factors were found to be highly associated with ER closings:

- **Hospital-specific risk factors.** The hospital characteristics most associated with higher risk for ER closing included for-profit ownership, low profitability (the hospital being ranked in the bottom 25 percent for profit margin), and status as a safety-net institution.
- **Market factors.** Two market factors increased the risk of ER closing: the hospital being located in a highly competitive marketplace and the hospital being located within 15 miles of another ER.
- **Community risk factors.** ERs located in communities with a high percentage of citizens living in poverty were at higher risk of closing.

The findings indicate that economic factors play a central role in an ER’s ability to remain open. All of the important hospital and market-based risk factors identified by the analysis can be linked to economic forces, including safety-net status. Safety-net hospitals face particularly challenging pressures, such as difficulty convincing specialist physicians to cover emergency calls for poorly insured patients. Broad economic forces appear to play a role as well.

The loss of an ER can hurt a community. Closures reduce access to emergency care and increase the distance patients must travel to reach the nearest hospital, while also increasing crowding at the facilities that remain open. When an ER closes, it is lost to everyone in the community—insured and uninsured alike. The study’s authors note that their findings indicate that market-based approaches to health care will not ensure that access to care is equally distributed. When it comes to emergency care, market forces may actually have the opposite effect. If health reform is enacted as planned, greater numbers of individuals will be insured under Medicaid and other public insurance. Ensuring access to care for these individuals will require more than coverage, however. It will also require sites of care, including ERs, that are open, willing, and able to treat them.

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