Emergency Departments In Crisis: The Need for a Safety Net

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Abstract

The nation is in a crisis with respect to emergency care. In addition to the burdens created by increased demand for care and decreased number of facilities, hospitals are facing financial ruin by providing uncompensated care to the uninsured. Hospitals who treat Medicare patients have been compensated through disproportionate share hospital (DSH) payments. But in spite of the fact that 34% of all hospitals are operating in the red, the total value of DSH allotments nationwide will fall by nearly $1.3 billion (13%) in 2003, cutting off funds to hospitals at a time when emergency rooms (ER’s) are seeing an increase in visits by uninsured patients. Continued funding made available through the Medicaid Safety Net Hospital Preservation Act would enable more hospitals to remain open and would provide continued access to quality medical care.