Economy Continues to Negatively Impact Outpatient Health Care:  
Decline in Demand for Service Slows, but More Report Patients Have Trouble Meeting Deductibles/Co-Pays

Skokie, Ill. [April 5, 2010] —Decline in the use of outpatient facilities seems to be ebbing somewhat, a new survey reports, with a larger percentage of ambulatory health care centers reporting an increase in demand from less than a year ago. However, centers that offer subsidized care were more likely to report an increase. Centers overall are reporting that their patients are having a hard time meeting their co-pays or deductibles, and the demand for self-pay and elective procedures, such as cosmetic surgery, continues to decline.

The results are based on two separate surveys conducted by the AAAHC Institute for Quality Improvement (AAAHC Institute), a not-for-profit subsidiary of the Accreditation Association for Ambulatory Health Care (AAAHC/Accreditation Association).

In less than a year – the time period between the study conducted in February-March 2009 and the new study, conducted in October-December 2009 – more outpatient organizations reported an increase in demand (20 percent vs. 12 percent) and fewer reported a decline (48 percent vs. 60 percent). The earlier AAAHC Institute study involved 985 ambulatory health care organizations* and 735* participated in the later study.

“Centers that offer subsidized services, such as student health services, were more likely to report an increase in demand than other types of organizations,” said Naomi Kuznets, PhD,
managing director of the AAAHC Institute. “At the same time, subsidies may not be keeping up with the increases in demand for these services.”

Outpatient care is generally seen as more cost-effective than hospital-based care and, according to the most recent data from the National Center for Health Statistics, there was a steady upward trend in the use of outpatient services through 2006.

“A possible reason for the increase in demand appears to be that patients have lost their jobs and/or insurance coverage, suggesting that patients are specifically seeking out subsidized or less expensive care that is available to them,” Kuznets said.

Other findings include:

• 58 percent of respondents in the most recent survey said the economy had negatively impacted their bottom line, a question not asked in the prior survey.
• In both surveys, organizations experiencing decreased demand were more likely to be office-based surgery practices, organizations owned by physicians, and organizations located in the Midwest, Southeast and Southwest regions of the country.
• 83 percent reported the economy had a negative impact on patients’ ability to meet co-pays/deductibles (compared to 76 percent in the earlier study)
• Demand for elective procedures continues to decline (reported by 71 percent in the recent study compared to 57 percent in the prior study)
• There is a greater decrease in self-pay vs. third-party pay procedures (58 percent vs. 51 percent)
• Decreases in high-cost vs. low-cost procedures remained nearly the same (37 percent vs. 35 percent).
• Specialties experiencing the greatest decrease in demand named in both surveys include cosmetic and other types of plastic and reconstructive surgery; oral maxillofacial surgery; general surgery; orthopaedics; ear, nose and throat; urology, anesthesiology, gastroenterology and obstetrics/gynecology. (Decreases in the more recent survey were lower by 10 percent or more than those reported in the prior survey).
• There was little change in the percentage of organizations that reported the economy had a negative impact on:
  - Making capital purchases (44 percent for fall 2009 vs. 41 percent for spring 2009)
  - Purchasing supplies (28 percent vs. 31 percent)
  - Hiring or retaining staff (28 percent vs. 29 percent)
  - Purchasing services (12 percent in both studies)
  - Floating payroll expenses (8 percent vs. 9 percent)
• 6 percent of respondents to the more recent survey reported decreasing their prices in response to the current economy, compared to 9 percent in the earlier survey; and 17 percent vs. 20 percent said they included pricing for services in their marking materials.

• Concerns raised most frequently among 296 organizations that provided written comments in the more recent survey included:
  – Increases in patients’ delaying, cancelling or not showing up for appointments
  – Staff stress/morale
  – Physician recruitment

*Note: not every question was applicable to or answered by every organization.

Copies of the **AAAHC Institute Impact of the Current Economy on Ambulatory Health Care Organizations Fall 2009** can be ordered from the AAAHC Institute.

The **AAAHC Institute for Quality Improvement** (AAAHC Institute) is among the few organizations to provide ambulatory care providers with the opportunities for benchmarking on a national level. The Accreditation Association established the AAAHC Institute in 1999 to provide ambulatory health care organizations opportunities to participate in quality improvement and performance measurement studies and educational programs. To date, the AAAHC Institute has conducted and published almost 50 performance measurement studies and has convened annual national educational forums on quality improvement in ambulatory health care. Involvement in clinical performance measurement is a signal to patients, government agencies, professional liability insurers, and third-party payers, that an ambulatory health organization is committed to continually improving the care it provides to its patients.

The **Accreditation Association for Ambulatory Health Care** (AAAHC/Accreditation Association), founded in 1979, is the leader in ambulatory health care accreditation with nearly 5,000 organizations accredited nationwide. The AAAHC accredits a variety of ambulatory health care organizations, including ambulatory surgery centers, office-based surgery centers, college student health centers, managed care organizations, military health care clinics, and large medical and dental practices. The Accreditation Association serves as an advocate for the provision of high-quality health care through the development of nationally recognized standards and through its survey and accreditation programs. AAAHC accreditation is recognized as a symbol of quality by third-party payers, medical organizations, liability insurance companies, state and federal agencies and the public. For more information visit [http://aaahc.org](http://aaahc.org)

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