

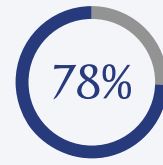


# Observation units: Happier patients, better outcomes and lower costs

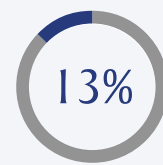
As part of the initial implementation of the Affordable Care Act nearly a decade ago, federal policymakers adopted the Institute for Healthcare Improvement's "Triple Aim."<sup>1</sup> Focused on reducing expenses, better quality and higher patient satisfaction, the framework's effects can be seen throughout the nation's healthcare system today, including the explosion of new telehealth applications and urgent care clinics. Similar to these popular, convenient consumer-based options, short-term observation units are becoming increasingly common within the walls of U.S. hospitals — and it's not difficult to see why.

## HOSPITAL-BASED OBSERVATION UNITS: FAST FACTS

1/3  
OF U.S. HOSPITALS HAVE  
OBSERVATION UNITS<sup>3</sup>



78%  
OF OBSERVATION UNIT VISITS BEGIN  
IN THE EMERGENCY DEPARTMENT<sup>4</sup>



13%  
OF PATIENTS UNDER OBSERVATION  
ARE ADMITTED TO THE HOSPITAL<sup>5</sup>

2.1 million

ANNUAL U.S. OBSERVATION  
UNIT VOLUME<sup>6</sup>

STUDY: SAVING LIVES — AND  
REDUCING COSTS<sup>9</sup>

\$1,572

COST SAVINGS PER PATIENT  
IN AN OBSERVATION UNIT

\$4.6 million

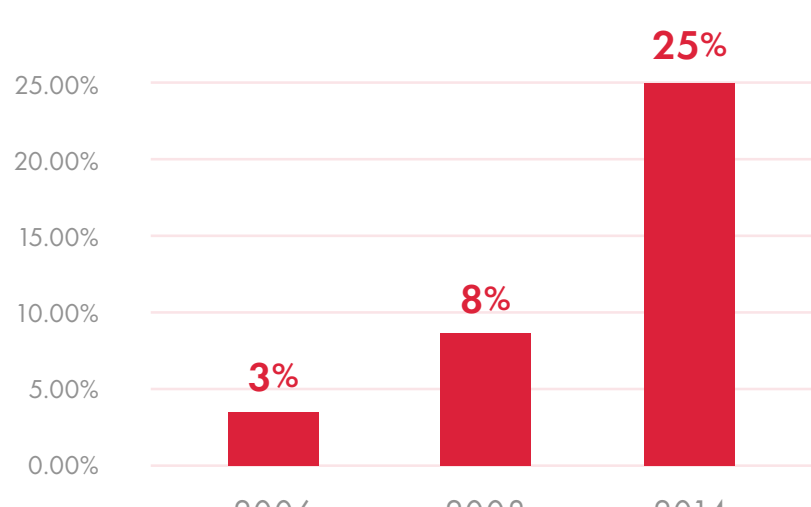
ANNUAL COST SAVINGS PER HOSPITAL  
WITH AN OBSERVATION UNIT

\$3.1 billion

NATIONAL COST SAVINGS

## Growth Mode

HOSPITAL PATIENTS UNDER OBSERVATION<sup>7</sup>



## Observation Care:

"A well-defined set of specific, clinically appropriate services, which include ongoing short-term treatment, assessment, and reassessment before a decision can be made regarding whether patients will require further treatment as hospital inpatients or if they are able to be discharged from the hospital. Observation services are commonly ordered for patients who present to the emergency department and who then require a significant period of treatment or monitoring in order to make a decision concerning their admission or discharge."<sup>2</sup>

## Common Observation Conditions for Medicare Patients<sup>8</sup>



340,484

CHEST PAIN



93,091

DIGESTIVE  
DISORDERS



81,349

FAINTING



39,227

NUTRITIONAL  
DISORDERS



34,455

DIZZINESS



31,390

IRREGULAR  
HEARTBEAT



31,163

CIRCULATORY  
DISORDERS



24,715

RESPIRATORY SIGNS  
AND SYMPTOMS



23,846

MEDICAL BACK  
PROBLEMS

## Our results: Observation unit KPIs

### Portfolio At-A-Glance

5 HOSPITALS, NY  
2019 VOLUME TO DATE: 6,000+

PEP CY2019 CDU* SITE PERFORMANCE (THROUGH MAY 2019)		
HOSPITAL	VOLUME	MEDIAN CDU LOS
PARTNER HOSPITAL 1	1,521	14.9 HOURS
PARTNER HOSPITAL 2	1,323	12.2 HOURS
PARTNER HOSPITAL 3	1,240	13.6 HOURS
PARTNER HOSPITAL 4	1,070	14.7 HOURS
PARTNER HOSPITAL 5	1,408	17.8 HOURS

METRIC	PEP CY2019 MEDIAN (THROUGH MAY)	PEP CY2018 MEDIAN
CDU VOLUME (TOTAL)	6,281	11,067
CDU VOLUME PER DAY (AVG)	41.60	30.32
% ED TO ADMIT	19.45%	18.62%
% ED TO OBS	9.14%	7.00%
# CDU TO ADMIT	31	31
# CDU TO DC (MED/MONTH)	240	209
% CDU TO DC	86.70%	85.55%
# CDU TO AMA (MED/MONTH)	5	4
% CDU TO AMA	1.40%	1.25%
AVERAGE CDU LOS	14.20	13.1

\*Observation units are also known as clinical decision units (CDU).

Interested in learning more about the benefits of observation units?

**LET'S TALK.**

Progressive Emergency Physicians (Progressive) is an emergency medicine group with a unique partnership model that attracts clinicians seeking a culture of accountability and innovation necessary to meet today's healthcare challenges. We deliver great evidence-based and data-driven solutions implemented by clinicians whose goals and incentives are aligned with the needs of our partner hospitals. Our culture of accountability will continue to reach and surpass target goals and enact meaningful change to better serve our partner hospitals and patients for which we care.

Founded and headquartered in New York, Progressive is positioned to provide you with the customized services that truly matter to your institution. Our leadership team has extensive knowledge, experience and is keenly aware of the current issues that hospitals and their emergency departments face. Our ownership structure drives a culture of alignment with your hospital's needs as we craft customized solutions for your institution.



EMERGENCY PHYSICIANS

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WWW.PEPHEALTH.NET

(516) 252-3939

1236 RXR Plaza  
Uniondale, NY 11556

<sup>1</sup> <http://www.ihl.org/resources/Pages/Publications/PursuingTripleAimFirstSevenYears.aspx>  
<sup>2</sup> <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c06.pdf>  
<sup>3</sup> <https://link.springer.com/article/10.1007/s40138-013-0038-y>  
<sup>4</sup> <https://www.oig.hhs.gov/oei/reports/oei-02-12-00040.pdf>  
<sup>5</sup> <https://www.the-hospitalist.org/hospitalist/article/125555/pros-and-cons-clinical-observation-units>  
<sup>6</sup> <https://www.acep.org/globalassets/uploads/uploaded-files/acep/clinical-and-practice-management/resources/observation/abcs-of-observationmedicine-slides.pdf>  
<sup>7</sup> <https://link.springer.com/article/10.1007/s40138-013-0038-y>  
<sup>8</sup> <https://www.oig.hhs.gov/oei/reports/oei-02-12-00040.pdf>  
<sup>9</sup> <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2011.0926>