



FACT SHEET

Health System Savings Through Reduced Hospitalizations

Average cost, per inpatient hospital day in Ontario in 2004/05: \$1270¹

Range of savings from avoided hospital visits achieved by CHC-type approaches, compared to the fee-for-service model: 13-38%

Non-profit, community-governed, multidisciplinary primary health care is the highly-effective and affordable primary health care model for Ontarians who encounter a diverse range of access barriers like language, literacy, culture, gender, poverty, geography and/or race. Using this model, Community Health Centres (CHCs) and Aboriginal Health Access Centres (AHACs) deliver comprehensive primary health care. Services include health promotion and illness prevention, based on best-practice evidence, with programs adapted to community needs.

Over three decades of international and national research and practice now show that reducing hospitalization has a significant impact on reducing overall health care costs. The evidence also reveals that the CHC-type approach lowers the overall number of visits each client of this model of primary health care organization makes to hospitals *and* the time each client spends in hospital.

Organizations and agencies such as Kaiser Permanente in the US and the National Health Service in the UK are recognized for their efforts to help patients avoid hospitalization wherever possible. They are at the forefront of the international movement towards high quality primary health care.

When hospitalization is necessary, they have shown that stays are typically shorter and clients receive community support to help them overcome barriers they may encounter on their way to recovery and well-being. In Canada, CHC-style care models are at the front of this movement.

Although there are notable differences between US and Canadian health care systems and insurance structures, a wide range of studies show that CHC-type primary health care reduces US hospital stays between 13 and 38 percent.^{2,3,4,5,6,7,8,9}

An in-depth study in Saskatchewan revealed that CHC clients in Saskatoon spent 31 percent fewer days in hospital. Clients of the Prince Albert CHC spent 23 percent fewer days in hospital as compared to fee-for-service clients.¹⁰

Primary health care services, delivered by multi-disciplinary teams through CHCs and which emphasize health promotion, preventative care and disease management allow clients to address their health concerns proactively.

¹ Ontario Hospital Association, *Policy and Research Bulletin*, February 2005.

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- ³ Fleming G, Anderson R. The municipal health services program: improving access to primary care without increasing expenditures. *Medical Care*. 1986. 24(7): 565-579.
- ⁴ Reeman HE, Kiecolt AJ, Allen H. Community health centers: an initiative of enduring utility. *Milbank Memorial Fund Quarterly*. 1982. 60(2): 245-267.
- ⁵ Gold M, Rosenberg R. Use of emergency room services by the population of a neighbourhood health center. *Health Services Reports*. 1974. 89(1): 65-70.
- ⁶ Moore G, Bonnano R, Bernstein R. Effect of a neighborhood health center on emergency room use. *Medical Care*. 1972. 10(3): 240-247.
- ⁷ Okada LM, Wan TTH. Impact of community health centers and Medicaid on the use of health services. *Public Health Reports*. 1980. 95: 520-534.
- ⁸ Falik M, Needlesman J, Wells B, Korb J. Ambulatory Care Sensitive Hospitalizations and Emergency Visits: Experiences of Medicaid Patients Using Federally Qualified Health Centers. *Medical Care*. 2001. 39(6): 551-561.
- ⁹ Stacy NL. The experience and performance of community health centers under managed care. *American Journal of Managed Care*. 2000. 6(11): 1229-39.
- ¹⁰ Saskatchewan Health Policy Research and Management Services Branch, "Community Clinic Study." July 1983.