

Investment in Teaching Hospitals Benefits All: Transfer Cases



According to recent research, teaching hospitals receive a disproportionate share of transfer cases, providing care to patients other hospitals are unable to treat.

According to a recent *Analysis in Brief* published by the AAMC, teaching hospitals care for an outsized proportion of Medicare transfer patients, and these cases tend to require more complex care.¹

- In 2016, teaching hospitals made up fewer than one-third of all hospitals but treated four of every five Medicare transfer patients.
- At major teaching hospitals,² Medicare transfer patients represented nearly 11% of their inpatient cases compared with under 3% at nonteaching hospitals.
- Transfer patients are sicker than nontransfer patients.
 - ▶ Across all hospital types, Medicare transfer case diagnoses were more complex and required more resources to treat than nontransfer cases, as measured by average case mix index.
 - ▶ At major teaching hospitals, both transfer and nontransfer patients were more complex than those at non-teaching hospitals, and the gap in complexity between transfer and nontransfer patients was larger.

A study in *Academic Medicine* similarly found higher complexity among transfer cases than nontransfer cases across all payers at a sample of major teaching hospitals, which resulted in higher costs to treat.³

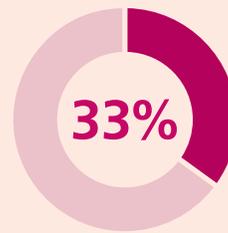
- When measuring the severity of a patient’s case on a four-point scale, 84% of case types by diagnosis and level of treatment required among transfer cases had a severity greater than or equal to two points, compared with only 68% among nontransfer cases.
- Transfer cases cost 51% more per case to treat, in part because patients need to spend more days in the hospital and have a higher average cost per day.
- Teaching hospital margins are smaller for transfer patients than for nontransfer patients.

These findings confirm that teaching hospitals play a significant role as providers of specialized services for transfer patients who are not able to be treated at other hospitals. Investment in these institutions is critical to ensuring all patients have access to the care they need.³

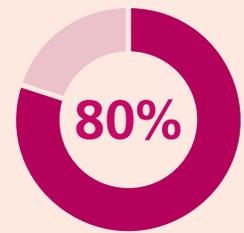
- Teaching hospitals absorb additional costs associated with caring for complex cases transferred from lower acuity settings, impacting the financial margins that support the multipart mission of these hospitals.
- Federal support, such as the Medicare Indirect Medical Education payment adjustment and outlier payments, helps offset a portion of the costs of treating transfer patients and supports the clinical environment in which they are cared for.

Teaching Hospitals Are Critical Providers of Care to Transfer Patients

Teaching hospitals provide care for a disproportionate share of transfer cases and absorb the additional costs associated with treating these complex cases.



Percentage of hospitals that are teaching hospitals¹



Percentage of Medicare transfer cases treated at teaching hospitals¹



Transfer patients tend to be more complex.^{1,3}



Transfer patients cost more to treat.^{1,3}



Teaching hospitals have lower margins for transfer patients.^{1,3}

- Teaching hospitals are the only places where patient care, medical education, and research come together. The intersection of these missions creates an environment that not only advances health care broadly but, as the studies suggest, also benefits individual patients.

NOTES

1. Kelly B, Iyer P, Xu S. Teaching hospitals are critical providers of care for Medicare hospital transfer patients. *AAMC Analysis in Brief*. 2019;19(2).
2. Major teaching hospitals have an intern-and-resident-to-bed ratio of greater than or equal to 0.25.
3. Baker MC, Koopman CJ, Landman JH, et al. Financial and clinical impact of transfer patients at major teaching hospitals [published online ahead of print June 25, 2019]. *Acad Med*. doi:10.1097/ACM.0000000000002855.