

Costs of care similar or lower at teaching hospitals compared to non-teaching hospitals

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Total costs of care are similar or somewhat lower among teaching hospitals compared to non-teaching hospitals among Medicare beneficiaries treated for common medical and surgical conditions,

according to a new study led by researchers from Harvard T.H. Chan School of Public Health and Beth Israel Deaconess Medical Center.

"These findings are surprising," said senior author Ashish Jha, director of the Harvard Global Health Institute and K.T. Li professor of global health at Harvard T.H. Chan School of Public Health. "We always assumed that we had to trade-off the better outcomes at teaching hospitals with [higher costs](#). It appears that, at least as far as Medicare is concerned, their payments for care are actually a bit less when patients go to a [teaching hospital](#)."

The study will be published June 7, 2019 in *JAMA Network Open*.

Teaching hospitals, which educate and train healthcare professionals, are generally considered to be more expensive than non-teaching hospitals, and some insurers and policymakers have advocated shifting care away from these institutions to lower healthcare spending for patients. However, the degree to which treatment at major teaching hospitals is associated with higher healthcare spending in general and for Medicare, the largest national payer, is not well understood.

For this study, researchers analyzed data from more than 1.2 million hospitalizations among Medicare beneficiaries age 65 and older at more than 3,000 major, minor, and non-teaching hospitals from 2014 to 2015 for some of the most common medical and surgical conditions, including pneumonia, congestive heart failure, and hip replacement. They drew from deidentified administrative Medicare claims data.

They found that major teaching hospitals had higher initial hospitalization costs than non-teaching hospitals, but that the total costs of care for the first 30 days after the hospitalization were lower at major teaching hospitals, largely due to lower costs for follow-up care and readmissions. Costs were similar at teaching and non-[teaching](#) hospitals

at 90 days after hospitalization.

"These findings support the idea that to truly understand variation in [health care costs](#), it's important to look not at just what happens in the [hospital](#) but on total spending for an acute episode," said first author Laura Burke, assistant professor of emergency medicine at Harvard Medical School and Beth Israel Deaconess Medical Center and instructor in the Department of Health Policy and Management at Harvard Chan School.

More information: "Comparison of costs of care for Medicare patients hospitalized in teaching and non-teaching hospitals," Laura G. Burke, Dhruv Khullar, Jie Zheng, Austin B. Frakt, E. John Orav, Ashish K. Jha, *JAMA Network Open* (2019). [DOI: 10.1001/jamanetworkopen.2019.5229](#)

Provided by Harvard T.H. Chan School of Public Health

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