

# Transitional care practice reduces costs

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A transitional care practice at Northwestern Memorial Hospital helped reduce healthcare costs compared to traditional discharge services, according to a Northwestern Medicine study published in the *Journal of General Internal Medicine*.

The majority of cost savings was from avoiding subsequent [hospital readmissions](#), demonstrating that the costs of intensive transitional care are offset by lower costs downstream, according to Christine Schaeffer, MD, assistant professor of Medicine in the Division of General Internal Medicine and Geriatrics and senior author of the study.

"Providing person-centered, high-quality care can help reach [patients](#) who struggle to navigate healthcare. It will improve their [health](#), it is rewarding as a provider and it's cost effective," Schaeffer said.

Care transitions, such as those when patients are discharged from an [emergency department](#) visit or inpatient hospital stay, are a common point of failure in the U.S. healthcare system. These transitions are unsuccessful when follow-up care is delayed or outpatient services are not coordinated, which is common for patients who lack a [primary care physician](#) or who have a broad array of overlapping health needs.

"If patients don't have a usual provider who meets their needs, they are much more likely to return to the hospital, which is bad for the patient and leads to unnecessary resource utilization in the health system," said David Liss, Ph.D., research associate professor of Medicine in the Division of General Internal Medicine and Geriatrics and co-author of the study.

In the current study, patients discharged from the emergency department or from an inpatient hospital stay at Northwestern Memorial Hospital, and who lacked a [primary care physician](#), were randomized to receive either standard discharge or to the transitional care practice.

The practice uses an in-depth intake exam and multidisciplinary team to identify the entire spectrum of health needs for these patients, almost 90% of whom were uninsured or on public health insurance. The goal for the transitional care practice is to provide a strong foundation for

these patients to eventually transition to typical, community-based care in a setting such as a federally-qualified health center within six months.

The investigators used Medicare reimbursement rates to estimate costs of delivering care, taking the perspective of the health system. They tracked patients for one year and compared costs between the two groups, finding significant savings in emergency department and inpatient costs among the transitional care group.

For example, at 180 days the adjusted inpatient costs were \$4,931 per patient in the transitional care group, compared to \$9,809 per patient in the routine care group.

"This shows that the upfront costs of delivering care through the transitional care practice helped prevent costly inpatient admissions down the line," Liss said.

While more costly to run compared to traditional outpatient primary care, a transitional care practice like the one described in the study is a cost-saving option more urban tertiary care hospitals should consider, Liss said, and could serve as a model for effective, intensive outpatient care.

"It's a great match between the resources of the practice and the patient population, whom the practice has really been designed around," Liss said.

**More information:** Ronald T. Ackermann et al, Randomized Trial Evaluating Health System Expenditures with Transitional Care Services for Adults with No Usual Source of Care at Discharge, *Journal of General Internal Medicine* (2022). [DOI: 10.1007/s11606-022-07473-w](https://doi.org/10.1007/s11606-022-07473-w)

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