

# Quick-Hitting Survey Academic Medical Center Designation

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## Executive Summary

### Methodology

In July 2019, The Health Management Academy conducted a quick-hitting survey of Leading Health Systems to better understand health systems' relationships with Academic Medical Centers (AMCs). The 7 responding Chief Legal Executives (CLE) represent health systems with an average Total Revenue of \$3.6 billion that own or operate 77 hospitals and have approximately 733 thousand admissions per annum.

### Key Findings

- Less than one-third (29%) of health systems have an AMC as part of the AAMC Council of Teaching hospitals (COTH).
- Of those that have an AMC as part of COTH, 50% would recommend becoming an AMC to another health system.
- Health systems cited relationship management and cultural fit as two of the most important aspects for a system considering becoming an AMC.

### Results

Less than one-third of health systems (29%) have at least one AMC that is part of the Association of American Medical Colleges (AAMC) Council of Teaching Hospitals (COTH) (Figure 1). Of those who have an AMC, all have been members of the COTH since 2015.

Executives note benefits of having an AMC in the COTH include increased access to specialized providers, the ability to provide more specialized care, recruit physician talent, and engage residents and fellows. However, executives also note challenges in integrating an AMC, primarily around aligning the mission and objectives of the health system and the AMC.

Ultimately, of those that have an AMC as part of COTH, 50% would recommend becoming an AMC to another health system.

Many health systems (67%) have teaching hospitals that are not formal AMCs in the COTH (Figure 2). Of those health systems, 75% have considered becoming an AMC. The primary driver to become a formal AMC for these health systems is to gain immediate access to a broader range of specialties. However, executives noted becoming an AMC would require significant corporate and structural changes and have not proceeded at this time. One health system created an affiliation with a medical school rather than designate themselves as an AMC.

Figure 1. Does your health system include an Academic Medical Center (AMC) as part of the Association of American Medical Colleges (AAMC) Council of Teaching Hospitals (COTH)?

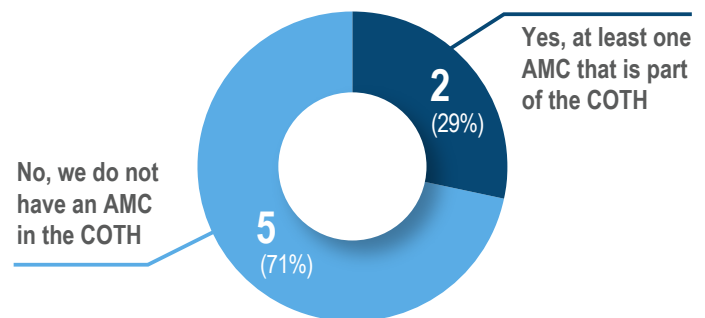
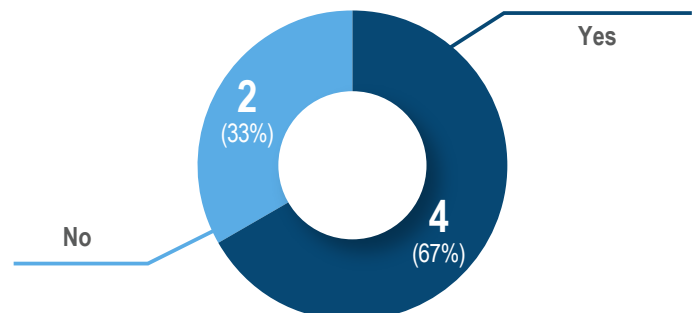


Figure 2. Does your health system include teaching hospitals that are not AMCs?



One health system has also considered acquiring an AMC, however the organization did not proceed due to culture challenges. Few health systems have considered partnering with an AMC, however none have moved forward with such a partnership.

Health system executives cite relationship management as the most important aspect of a successful AMC relationship. Executives note significant culture, mission, and business model differences between AMCs and community health systems which must be aligned. Additionally, executives note compensation challenges are also difficult.

One CLE commented, ***“It is a full-time job for several to manage the relationship and funds flow. You need to ensure at the end of the day it adds to your mission. Organizations are very different and culture clashes often occur. Adding an AMC can be a net positive, but often times it might not be. Organizations need to proceed thoughtfully and slowly.”***