



The Governance Institute

# Academic Health Focus

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## Right Heads in the Right Beds: Maximizing the Value and Financial Success of Academic Medical Centers

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**There is no “one-stop shop” in healthcare.** A given population requires a broad range of services at any moment, from primary care to intensive care. Our healthcare system has evolved to include several types of facilities—clinics, ambulatory surgery centers, community hospitals, and academic medical centers (AMCs)—to serve patients’ needs across the full continuum of care.

Serving a sufficient number of patients—having heads in beds—is critical to the financial sustainability of each facility that is part of this continuum. However, when each facility chases patient volume simply to fill its beds, the overall efficiency of the system is undermined. For our complex healthcare system to operate properly, patients must be actively managed across this continuum or, stated another way, the *right* heads must end up in the *right* beds.

### A Board Member’s Role at an Academic Medical Center

Governing board members of AMCs have the tall order of not only understanding the customary responsibilities and fiduciary duties of their position but also learning how AMCs and community hospitals differ operationally and what that means for the healthcare system strategically.

As reimbursement and funding for research tighten, AMCs must implement tactics to strengthen their financial position. While board members do not, and arguably should

not, dive deep into operational plans, they should be aware of the steps leadership is taking and the role those actions play in supporting AMCs—and health systems overall. One important area where board members can provide oversight related to financial improvement and strategic direction is patient transfers.

## The AMC's Multi-Mission Financial Complexity

Supporting the multi-mission model of an AMC is expensive:

- The **clinical care mission** delivers highly specialized and complex treatments.
- The **education mission** trains students, residents, and fellows.
- The **research mission** focuses on conducting clinical trials and advancing medical science.

Each mission adds a layer of costs not typically found in community hospitals. These include faculty salaries for teaching and research; dedicated educational spaces, such as classrooms, laboratories, and simulation centers; and the expense of advanced accreditations and regulatory compliance.

The infrastructure needed to support each of the missions is what makes AMCs the destination for complex care. Caring for incredibly sick patients is what AMCs do best. Health systems with AMCs typically excel at getting critically ill patients transferred to the institution, and the health system's "mission control center" is what makes this activity possible.

## What Is a Mission Control Center?

A **mission control center** is a centralized hub that aggregates data from medical records, staffing systems, community emergency medical systems (EMS), and other sources to provide a common operating picture. Establishing one is a strategic investment that board members often review or approve.

Mission control center operations help:

- Improve patient flow and throughput.
- Expedite care for critically ill patients.
- Support crisis management.

The common thread is enabling timely movement of patients to the appropriate level of care.

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## An Optimal Expansion of the Patient-Transfer Strategy

How mission control centers function is relevant for board members, not only from a strategic perspective but also from a financial stewardship perspective. Expedited transfers of critically ill patients make optimal use of an AMC's expensive infrastructure, but another opportunity is expanding this focus to the movement of low-acuity patients.

Many AMCs can transfer low-acuity patients to community hospitals. Ensuring patients receive care in the most appropriate setting is both financially responsible and helps free up more high-acuity beds for critically ill patients. Mission control centers can use the same data-driven tools and processes to identify low-acuity patients who could be well cared for at a community hospital and support that movement.

### Key Board Takeaways

- **Clarify the AMC's role within the broader system** and understand its major cost drivers.
- **Receive regular reporting on mission control center performance** and patient-flow metrics.
- **Monitor both high- and low-acuity transfers** to ensure patients are in the most appropriate care setting.
- **Confirm safeguards for quality and patient experience** during any patient movement.
- **Support clear communication plans** to address community questions about transfers.

### Transparency for Board Members

Board members often hear concerns and complaints from community members about patient transfers—including questions about quality, continuity of care, and patient experience.

Board members benefit from understanding the rationale behind patient movement as they exercise strategic planning oversight and financial stewardship. Mission control centers, in partnership with physicians and hospital leaders, carefully consider each situation as patient-movement decisions are made. Health systems with strong patient-centered cultures routinely anticipate potential pitfalls and work to ensure communication and processes support a positive transfer experience. This level of decision-making

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transparency helps board members knowledgeably advise the institution and respond confidently to community concerns.

AMCs are vital but costly components of health systems. Mission control centers are strategic tools that optimize patient flow and resource utilization, including expanding the institution's focus to include low-acuity patient transfers using the same urgency and discipline historically given to high-acuity transfers. Boards play a crucial role in understanding these dynamics and supporting initiatives that balance strategy, financial responsibility, and high-quality care.

*TGI thanks Lee Ann Odom, Principal, PYA, for contributing this article. She can be reached at [laodom@pyapc.com](mailto:laodom@pyapc.com).*

