# DATA ON THE EDGE

April 2025

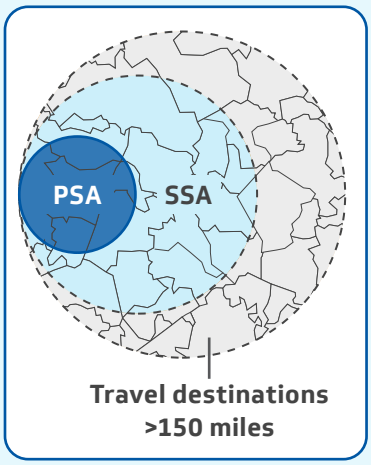
## Navigating the destination care landscape

Destination services—defined as hospital services patients travel greater than 150 miles to receive—remain a strategic growth priority, especially for academic medical centers (AMCs) and children's hospitals. Historically, destination services have been driven by strong hospital and health system brand reputation, renowned physicians, and world-class research and clinical trial opportunity and expertise. Yet today, in a dynamic landscape shaped by rising healthcare consumer costs, elevated capabilities at community and regional centers, and the growth of virtual care services, patients have more choice, disrupting traditional destination care models.

To continue to grow this service offering, hospitals and health system leaders should deeply understand market trends, clinical growth trajectories, and quality and cost performance benchmarks that underlie the destination care opportunity. In an increasingly competitive landscape, targeted identification of high-performance services with the potential to increase access and draw patients from a wider radius is essential for long-term viability. Otherwise, financial sustainability, consumer satisfaction and brand reputation will be threatened.

### Destination services span across all services lines

**Figure 1. Inpatient destination services: patient travel beyond 150 miles**




**Inpatient national travel rates by service line, Q1 2024-Q3 2024**

| | |
|---|---|
| Cancer | 5.9% |
| Cardiovascular | 3.7% |
| Medicine | 3.7% |
| Neurosciences | 4.3% |
| Orthopedics | 4.1% |
| Spine | 4.3% |
| Surgery | 4.1% |
| Women's health | 4.1% |
| Pediatrics overall | 4.8% |

**Inpatient travel rates for top volume travel destinations: >150 miles, Q1 2024-Q3 2024**

| | |
|---|---|
| Cancer | Mayo Clinic, **34.8%**<br>MD Anderson, **44.1%** |
| Cardiovascular | Mayo Clinic, **18.7%**<br>Cleveland Clinic, **25.0%** |
| Medicine | Mayo Clinic, **14.9%**<br>AdventHealth Florida, **7.8%** |
| Neurosciences | Mayo Clinic, **22.7%**<br>University of Kansas, **9.4%** |
| Orthopedics | Mayo Clinic, **18.2%**<br>Hospital for Special Surgery, **8.2%** |
| Spine | Mayo Clinic, **28.1%**<br>Abbott Northwestern, **11.4%** |
| Surgery | Mayo Clinic, **19.4%**<br>AdventHealth Florida, **8.1%** |
| Women's health | Doctors Hospital at Renaissance, **4.9%**<br>Methodist Hospital, **6.3%** |
| Pediatrics overall | Perimeter Behavioral Hospital, **17.6%**<br>Texas Children's, **11.1%** |

Note: Travel patients are defined as those traveling greater than 150 miles for care. Hospitals with fewer than 800 total cases from Q1 2021-Q3 2024 are excluded. Analysis includes all payers and excludes 0-17 age group (except pediatrics). Pediatrics overall includes all discharges in 0-17 age group, excluding normal newborn and neonatology service lines. Analysis excludes patients from Hawaii or Alaska. PSA = primary service area; SSA = secondary service area. Sources: CMS Inpatient Limited Data Sets (LDS), Q1 2021-Q3 2024; Proprietary Sg2 All-Payer Claims Data Set; Sg2 Destination Care Data Set Q3 2024; Sg2 Analysis, 2025.

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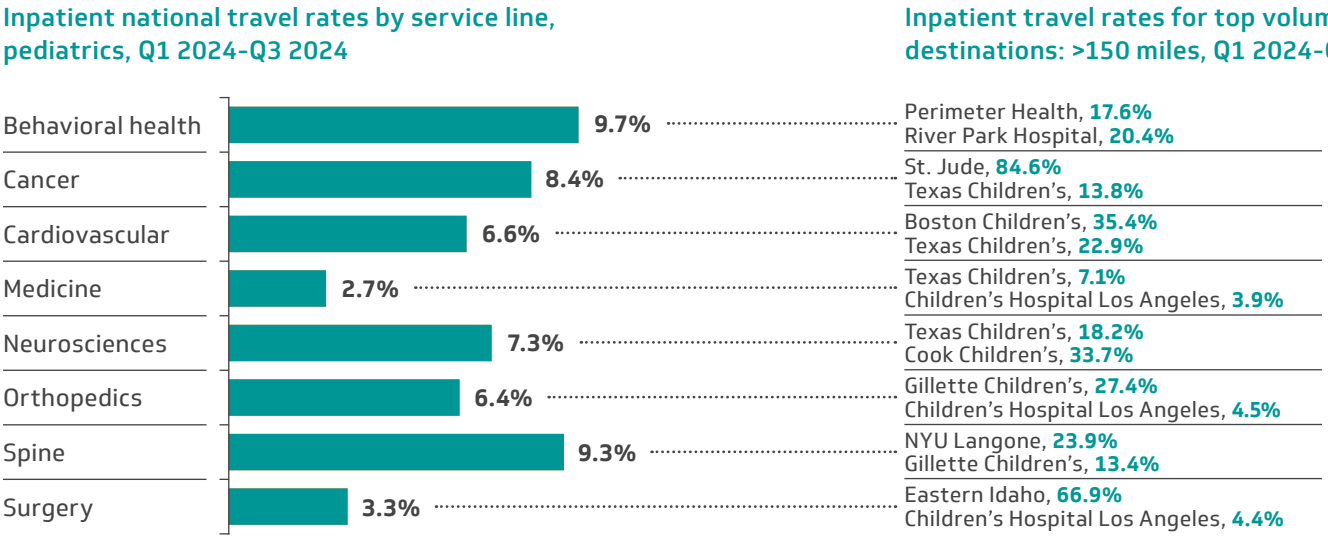
The draw for destination services goes beyond a hospital's traditional primary and secondary service areas, which are typically used to measure market share. Trends within Vizient's destination services database show that travel rates for destination services are consistent. Recent analysis compared 2024 data with 2021 data and illustrated the overall national travel rate for inpatient discharges is 4% for adults and 5% for pediatrics. Among those traveling over 150 miles for care, 59% of adults and 45% of pediatric patients traveled more than 300 miles. On average, 50% of travel volume for the top 10 US destination healthcare centers comes from more than 300 miles away. Figure 1 shows rates broken down by service line along with the top volume destinations for each.

## Specialty example: pediatrics

**Figure 2. Pediatrics inpatient destination services**




Note: Travel patients are defined as those traveling greater than 150 miles for care. Hospitals with fewer than 800 total cases from Q1 2021-Q3 2024 are excluded. Analysis includes all payers and 0-17 age group only. Analysis excludes patients from Hawaii or Alaska, normal newborns and neonatology. Sources: CMS Inpatient Limited Data Sets (LDS), Q1 2021-Q3 2024; Proprietary Sg2 All-Payer Claims Data Set; Sg2 Destination Care Data Set Q3 2024; Sg2 Analysis, 2025.

- **Pediatric destination care trends:** Pediatric care consistently attracts higher national travel rates across most inpatient service lines compared to adult services. Figure 2 shows that behavioral health, spine and cancer service lines have the highest travel rates in pediatrics. While top-ranked freestanding children's hospitals like Texas Children's Hospital attract pediatric destination volume across multiple service lines, select specialty hospitals emerge as leading destination centers for targeted conditions. Examples include Perimeter Healthcare for acute child and adolescent behavioral health services and Gillette Children's Specialty Hospital for orthopedic surgery. Top performers vary by service line, reflecting both the specialized nature of care and the expansive geographies they serve.
- **Regionalization and access considerations:** Complex pediatric cases are increasingly centralized at large urban children's hospitals and academic medical centers. Some pediatric destination volumes may not reflect consumer choice but rather the community access gaps or demand for highly specialized expertise that only exists in select children's hospitals. Partnerships developed to extend subspecialty access and keep care close to home will also funnel high-acuity cases from an extended catchment area to the tertiary center. Though separate from consumer-focused destination care, these regional strategies aimed at optimizing resources support growth in destination volumes.
- **Opportunities to dive deeper:** Strategic approaches to grow destination services will vary by subspecialty, geography, payer dynamics and more. Children's hospitals that cover large geographies, like Texas or the mountain states, may choose higher mile thresholds to define as "destination" (e.g., 300+ miles). Highly reputable organizations may offer a standard approach to attracting destination volumes for all services (e.g., virtual second opinion), while others may home in on one to two specialized providers. Regardless of these differences, Medicaid will continue to be a prominent payer, and resources dedicated to navigating out-of-state coverage will be essential to success.

## Specialty example: cancer

### Table 1. Trends for top destination cancer CARE Families

| CARE Family | Inpatient national travel rates Q1 2024-Q3 2024 | % Change 2024-2034 | |
|---|---|---|---|
| | | Inpatient discharges | Outpatient volume |
| Neuroblastoma and adrenal cancer | 21% | –1% | 17% |
| Leukemia | 11% | 1% | 15% |
| Brain/central nervous system cancer | 11% | 3% | 11% |
| Oropharyngeal and craniofacial cancer | 10% | 0% | 13% |
| Hepatobiliary cancer | 10% | –1% | 26% |
| Testicular and other male genitourinary cancers | 10% | –9% | 7% |

Note: Travel patients are defined as those traveling greater than 150 miles for care. Hospitals with fewer than 800 total cases from Q1 2021-Q3 2024 are excluded. Analysis excludes 0-17 age group and patients from Hawaii or Alaska. 0% indicates the forecast is flat (less than ±1%). CARE = Clinical Alignment and Resource Effectiveness. Sources: CMS Inpatient Limited Data Sets (LDS), Q1 2021-Q3 2024; Proprietary Sg2 All-Payer Claims Data Set; Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Destination Care Data Set Q3 2024; Sg2 Analysis, 2025.

- **Evolving landscape of cancer destination services:** Destination cancer programs have traditionally resided within AMCs, focused on treating rare tumor types, higher-acuity patients and complex procedures. As shown in Table 1, inpatient volumes for the top cancer types with the highest travel rates are projected to remain relatively flat from 2024 to 2034. With the ongoing shift of cancer treatment to ambulatory settings, leading programs must plan for the outpatient volume growth for the next decade to further position themselves for destination services. As an example, the delivery of advanced treatments like chimeric antigen receptor (CAR) T-cell therapy is increasingly moving to outpatient settings. This trend enhances financial viability and is intensifying competition from non-academic centers, including large oncology medical groups.

### Figure 3. Outpatient volume forecast for select tumor types, 2024-2034


Note: Analysis excludes 0-17 age group. Sources: Impact of Change®, 2024; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Analysis, 2025.

- **Opportunities in tumor types with lower travel rates:** For tumor types with historically low travel rates, leading institutions for destination services have an opportunity to grow both inpatient and outpatient destination volume by emphasizing clinical quality, subspecialized expertise, and innovative yet differentiated capabilities, with success also hinging on the organization's ability to accommodate new patients by enhancing access and proactively creating capacity. Figure 3 highlights projected outpatient volume growth from 2024 to 2034 for select tumor types that typically fall outside traditional destination care.

## Case example: assessing an organization's destination services

Destination service performance varies significantly by organization. The following example uses a fictitious organization to illustrate how market trends and performance metrics influence destination opportunity and what strategic actions can help sustain or grow them.

The Great State Cancer Institute experienced a 6% increase in destination volumes from Q1 2021 to Q3 2024, with 55% originating from within its home state and 45% from out-of-state and international patients. This growth reflects the institute's targeted strategies aligned with expanding subspecialized services and expertise, strengthening its strategic reach across regional, national and international markets and adapting to evolving patient demand patterns.

### Performance metrics drive destination success

As illustrated in Table 2, the organization is well positioned to expand its footprint, with strong growth trajectories in both inpatient tertiary and outpatient cancer services. However, while its length of stay and direct cost indices remain above peer benchmarks, improving 30-day readmission rates will be critical to defending market share and sustaining destination volume, given these patients travel more than 150 miles to seek care.

**Table 2. Inpatient cost, quality and market performance dashboard, Great State Cancer Institute**

| | | | | | 5-year growth forecast | | | |
|---|---|---|---|---|---|---|---|---|
| Select cancer tumor type | LOS index | Mortality index | 30-day readmit % | Direct cost index | Inpatient tertiary | Outpatient major procedures growth | Chemotherapy | Radiation therapy |
| GI hepatobiliary | 0.9 | 0.7 | 9.9 | 1.0 | 5% | 16% | 18% | 10% |
| Leukemia | 0.8 | 0.8 | 14.3 | 0.9 | 2% | 32% | 10% | 0% |
| Lymphoma | 1.0 | 0.8 | 13.5 | 1.2 | 14% | 21% | 16% | 7% |
| Neuroblastoma and adrenal | 0.8 | 1.4 | 11.3 | 1.3 | 0% | 15% | 20% | 15% |
| Oropharyngeal and craniofacial | 0.9 | 0.7 | 10.1 | 1.1 | 4% | 14% | 17% | 13% |

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Note: Analysis excludes 0-17 age group. 0% indicates the forecast is flat (less than ±1%). GI = gastrointestinal; LOS = length of stay. Sources: Data from Vizient® Clinical Data Base used with permission from Vizient, Inc. All rights reserved. Accessed April 2025; Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Analysis, 2025.

 

## Why it matters

- **Develop appropriate service distribution strategies.** Health systems should focus on delivering the right care in the right setting by building a coordinated system that supports destination services. Community hospitals lacking volume or expertise for complex care should prioritize strengthening capacity for lower-acuity services, including downstream and follow-up services. Timely transfers back into the system for local care is also critical. This enables academic and high-resource centers to maintain access for patients who truly need specialized care. Community systems with the necessary quality and capabilities to develop tertiary or quaternary hubs and offer comparable care at a lower cost can serve as strategic destinations, enabling systems to capture and direct destination discharges more efficiently.
- **Expand reach through digital and ambulatory strategies.** Virtual second opinions, bundled care offerings, one-stop ambulatory hubs and lodging services are essential strategies to attract and retain patients while aligning with employer and payer expectations.
- **Preserve quality differentiation.** Clinical excellence remains a foundational driver of destination care. Using benchmarking tools to identify variations in outcomes not only supports continuous improvement but also strengthens an organization's brand through measurable quality. To stand out in a competitive landscape, it is essential to proactively communicate these strengths to patients, employers and payers and work with them on insurance coverage.
- **Ensure geographic access to highly specialized services.** Access issues, especially in pediatrics, are growing as services regionalize and the subspecialty workforce supply lags demand. Organizations should track travel burdens and proactively build partnerships, expand telehealth, develop wraparound offerings, and advocate for commercial and Medicaid cross-state contracting to maintain and expand access.

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To speak with one of our experts about destination services, cancer services, AMC and children's hospital strategies, email membercenter@sg2.com.

 

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# VIZIENT DATA AND DIGITAL ANALYTICS

This report's analysis leverages the following proprietary data and analytics assets.

**Sg2® Intelligence** is a diverse team of subject matter experts and thought leaders who represent specialties ranging from clinical service lines to enterprise strategy. The team develops strategy-specific content in the form of editorial reports, including the Data on the Edge series, and perspective-based analytics, such as the Impact of Change® forecast.

The **Sg2 Claims Data Warehouse** is a best-in-class integration of payer-sourced longitudinal claims and provider-sourced clearinghouse data, providing maximum available all-payer activity in every market. Capturing healthcare utilization for 215+ million unique patients annually, it represents >70% of the total insured population in the United States. Data enrichments informed by Vizient data scientists, clinical experts and thought leaders are integrated within the data, preserving data integrity while contextualizing it to create powerful analytical solutions.

The **Sg2 Destination Care Data Set**, powered by the Sg2 Claims Data Warehouse, provides visibility into patient travel patterns across the country. Sg2 segments patients by the distance they travel for different services at the disease and procedure level. Distance groupings are as follows, in miles: 0-50, 51-100, 101-150, 151-200, 201-250, 251-300, and 300+.

The **Sg2 Inpatient Portfolio** was created in collaboration leveraging the analytical expertise of Vizient data scientists, vetted by clinical leaders and strategically honed by the Sg2 Intelligence team. The grouper translates MS-DRG discharges to six acuity-based subtypes:

- **Quaternary:** MS-DRGs mapped to Sg2's 2022 quaternary DRG list. Examples include transcatheter valve procedures; head and neck cancer procedures; kidney, liver, heart and lung transplants; and CAR T-cell therapy.
- **Tertiary:** MS-DRGs mapped to Sg2's 2022 tertiary DRG list, which is composed of AMC-centered tertiary DRGs. Examples include brain/skull surgery, hepatectomy for liver cancer and traumatic injury.
- **Shifting Tertiary:** MS-DRGs removed from Sg2 tertiary DRG list from 2017 to 2022, as these services have shifted, or are shifting, to community acute care providers. Examples include coronary artery bypass graft, endovascular procedures, lumbar/spinal fusion procedures and nephrectomy.
- **High Acuity:** Discharges with a DRG weight of >2.0. Examples include leg amputation, mechanical ventilation, fracture repair, septicemia procedures and large bowel resection.
- **Medium Acuity:** Discharges with a DRG weight of 2.0 to 1.0. Examples include primary hip/knee replacement, c-section, psychosis and congestive heart failure medical admission.
- **Low Acuity:** Discharges with a DRG weight of <1.0. Examples include vaginal delivery, intestinal obstruction, diverticulitis, urinary tract infection and diabetes medical admission.

Sg2 also developed a pediatric-specific inpatient portfolio to help children's hospitals drive intentional changes in their patient mix.

The **Sg2 CARE Grouper** is Sg2's proprietary methodology that organizes data across all sites into standardized, clinically relevant categories. It amalgamates ICD-10 diagnosis codes into clinically pertinent disease categories, which are then organized into broader service lines and service line groups. It also groups ICD-10 codes and CPT/HCPCS procedure codes into inpatient and outpatient procedure categories, respectively. These categories facilitate a standardized approach to tracking patient volumes and service utilization seamlessly across inpatient and outpatient settings. The Sg2 CARE Grouper is foundational for our analytics offerings and also serves as a stand-alone product that health systems rely on to manage their organizational data efficiently.

The **Vizient Clinical Data Base** (CDB) is the definitive healthcare analytics platform for performance improvement. The CDB provides high-quality, accurate and transparent data on patient outcomes—such as mortality, length of stay, complication and readmission rates, and hospital-acquired conditions—that enable hospitals to benchmark against peers; identify, accelerate and sustain improvements; reduce variation; and expedite data collection to fulfill agency reporting requirements. Clinical benchmarking tools such as dashboards, simulation calculators, and templated and customizable reports enable you to quickly identify improvement opportunities and their potential impact.

**Sg2's Impact of Change®** model forecasts demand for healthcare services over the next decade, examining the cumulative effects and interdependencies of key impact factors driving change in utilization. Using both disease-based and DRG-based analyses, the forecast provides a comprehensive picture of how patients will access inpatient and outpatient services along the continuum of care.

The Vizient Data on the Edge series team includes Brianna Motley, Catherine Maji, Eric Lam and Sg2 Creative Services.

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