[Congressional Letterhead]

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445–G
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Verma:

In the interest of preserving access to care and protecting the proven return on investments in alternative payment models (APMs), we are writing to communicate strong opposition to any Medicare payment cuts for hip and knee replacement surgery in 2021. As CMS considers the recommendations of the American Medical Association/Specialty Society Relative Value Scale Update Committee (RUC), we urge you to maintain the current reimbursement levels for these important procedures.

Hip and knee surgeons have been at the forefront of the transition to value-based models of care. They were early voluntary adopters of the Bundled Payments for Care Improvement (BPCI) model, where physician-led bundles have improved care and reduced costs. Their procedures were also the first to be subjected to a mandatory CMMI APM: the Comprehensive Care for Joint Replacement Model (CJR). CMS is in the pre-determination phase of a new global payment model for osteoarthritis which will result in even more hip and knee surgeons joining innovative models of care. There is no other subspecialty with a greater level of participation in APMs.

We are concerned that any cuts proposed by CMS sends a message to physicians that high levels of participation in APMs will result in punitive compensation cuts for their services. Due to the limitations of the current RUC process, evidence cannot be considered that demonstrates that orthopedic surgeons are dedicating more time to improve patient outcomes under value-based models of care. The American Association of Hip & Knee Surgeons (AAHKS) and American Academy of Orthopaedic Surgeons (AAOS) developed a study that would account for the time commitment needed for delivery of value-based patient care, but current RUC methodology does not allow for recognition of this time surgeons and their teams spend to "preoptimize" their patients, even though it has been demonstrated that this care is taking place. In an independent survey of AAHKS members, it was found that more than 98% of respondents are providing some level of preoptimization.[1] We strongly urge CMS to accept the data provided by AAHKS and AAOS which validate current funding levels and support the goal of increasing APM participation and recognition of the increase in required surgeon-effort to help their hospitals in the CMS value based purchasing paradigm that is uniquely focused on total hip and knee quality, readmissions, and cost, regardless of APM status.

[1] Surgeons' Pre-Operative Work Burden Has Increased Prior to Total Joint Arthroplasty: A Survey of AAHKS Members, Grosso, Matthew J. et al., The Journal of Arthroplasty, forthcoming 2020.

In addition to an evolving APM environment discussed, hip and knee surgeons are navigating extensive changes to how Medicare regulates and reimburses orthopedic surgery. CMS made total knee replacement surgery available in the outpatient setting for the first time in 2018 and has just finalized a rule to allow for the procedure in Ambulatory Surgery Centers beginning this year. Medicare beneficiary total hip replacement surgery will also be covered in outpatient settings for the first time in 2020. Layering additional cuts on all of these recent changes would be highly disruptive.

We respectfully urge you to maintain current reimbursement levels for hip and knee replacement surgery. As physicians like hip and knee surgeons move into APMs we must ensure that our legacy fee-for-service processes are reconciled with the reality that time and energy are required to deliver value-based care.

Thank you for your attention to our concerns and we look forward to working with you on this issue.

Sincerely,

[R Sponsor/D Sponsor/Co-sponsors]

CC: Demetrios Kouzoukas, Principal Deputy Administrator for Medicare and Director, Center for Medicare
Gift Tee, Director, HAPG, Division of Practitioner Services