



The Value Based Total Joint Arthroplasty Paradox: Where Do We Go From Here?

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AAHKS 2022 Annual Meeting

Value Based Care Did Not Deliver on Promises

- THA and TKA are largest inpatient expenditure for CMS
- Arthroplasty Surgeons VOLUNTARILY participated in APMs
 - BPCI, CJR, BPCI-A
- WE DID A GOOD JOB!
- Biggest Measures
 - Decreasing Implant Costs
 - Discharge to home (post acute-care costs)
 - Decreased LOS
 - Patient Optimization



Changes in Payment Rates for Hospitals, Outpatient Departments, Ambulatory Surgical Centers, and Physicians for Knee Replacement Surgery between 2017-2022



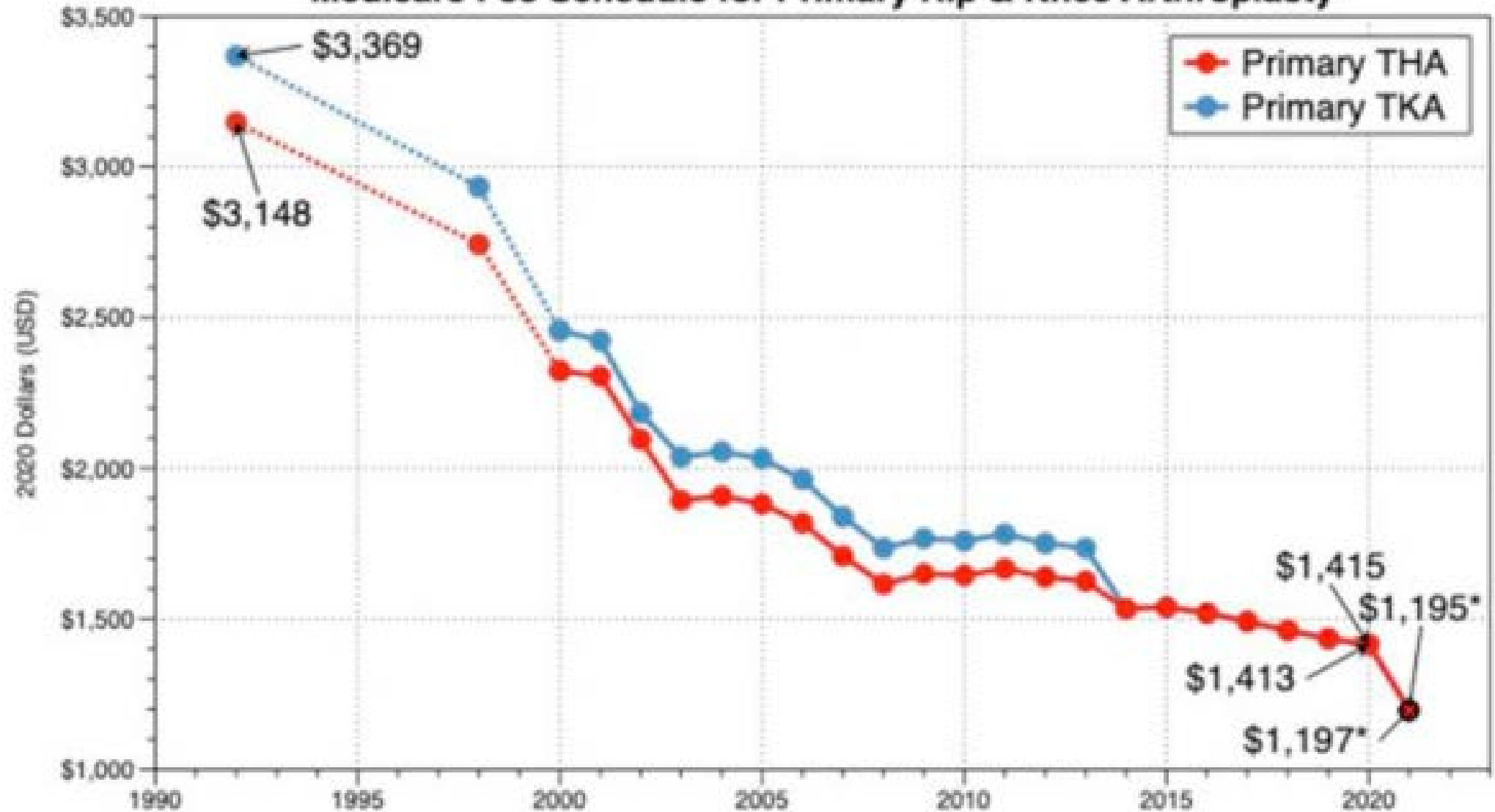
- ◆ Hip/Knee Surgery with Major Complications/Ankle Replacement (DRG 469) | Hospital (Inpatient Prospective Payment System [IPPS])
- ◆ Hip/Knee Surgery without Major Complications (DRG 470) | Hospital (IPPS)
- ◆ Knee Reconstruction Surgery (CPT 27429) | Outpatient (Hospital Outpatient Prospective Payment System)
- ◆ Knee Reconstruction Surgery (CPT 27429) | Ambulatory Surgical Center
- ◆ Total Knee Arthroplasty (CPT 27447) | Surgeons (Physician Fee Schedule)

No Gains to Gainshare with

- Early results from BPCI allowed for gainsharing with physicians and hospitals when improved outcomes
- Now declining margins
 - Large institutions LOSING money
 - Worse with BPCI-A
- Bringing Healthy Patients Outpatient Amplifies this



Medicare Fee Schedule for Primary Hip & Knee Arthroplasty

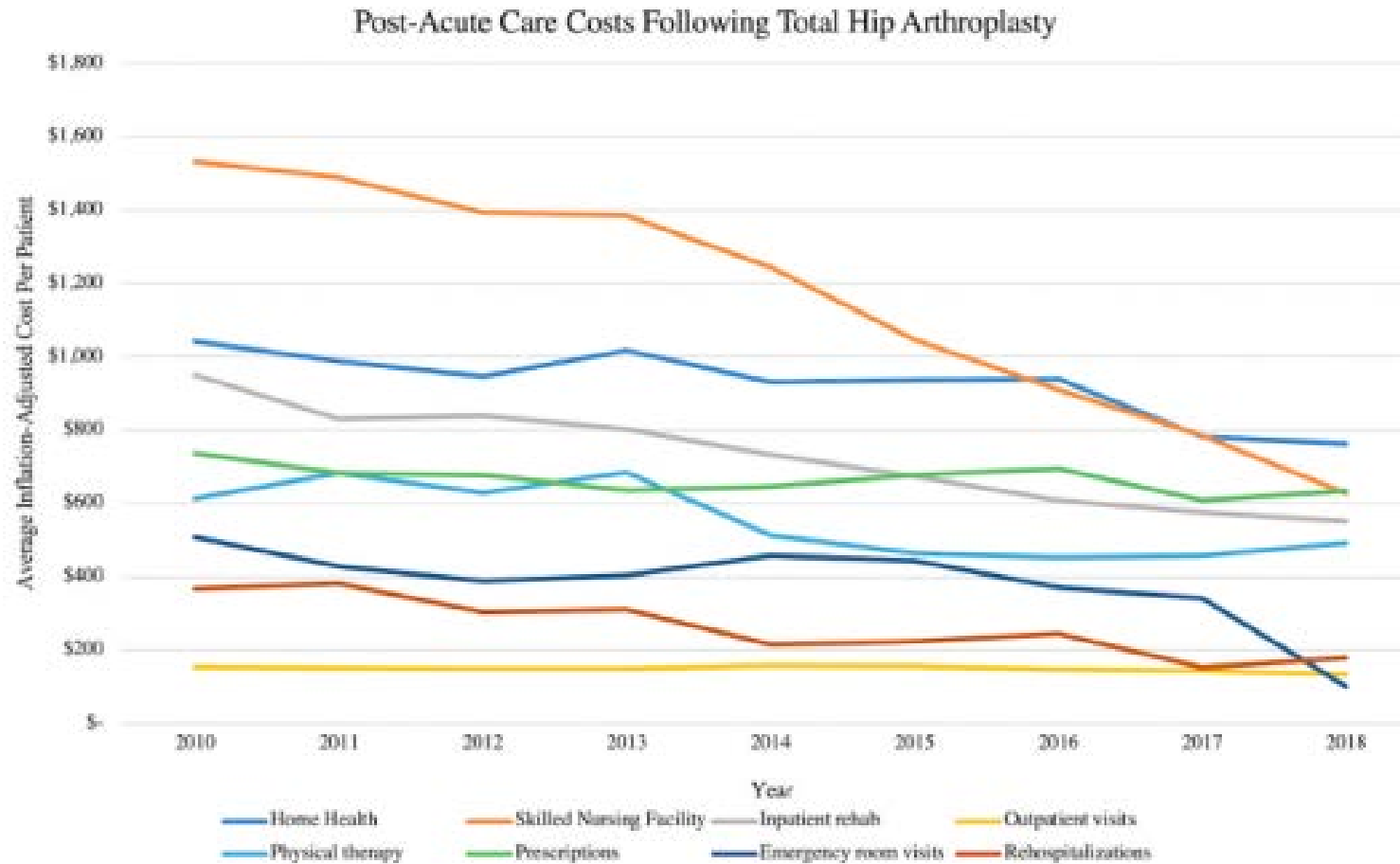


VBC Has Created More Work For Surgeons

- Patients require closer and more intense communication
 - Takes time to set expectations before surgery
 - More telephone and virtual touches with clinical team to manage unnecessary ER visits
- Patient Optimization



Example in THA



Where Do We Go From Here

- With any further decrease, we will be paid the same for seeing patients in the office as for operating
 - Ongoing reimbursement fights
- Asking CMS to work with us
- Longitudinal arthritis bundles
 - We want to be the driver
- Want to continue to provide the best quality care for all patients
 - Without regard to comorbidity burden, socioeconomic status, or site of care

Thank you

- AAHKS Health Policy Committee
- Max Courtney
- Adam Rana
- Hutch Huddleston