AAHKS
AMERICAN ASSOCIATION OF HIP AND KNEE SURGEONS

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VIA REGULATIONS.GOV FILING

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS 1809-P
P.O. Box 8010
Baltimore, MD 21244-8010

RE: 2025 Medicare Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs

The American Association of Hip and Knee Surgeons (AAHKS) appreciates the opportunity to submit comments to the Centers for Medicare & Medicaid Services (CMS) on the Medicare Hospital Outpatient Prospective Payment System (OPPS) proposed rule for calendar year 2025 (hereinafter referred to as "2025 OPPS proposed rule" or "proposed rule").

AAHKS is the foremost national specialty organization of more than 5,200 physicians with expertise in total joint arthroplasty procedures. Many of our members conduct research in this area and are experts on the evidence-based medicine issues associated with the risks and benefits of treatments for patients suffering from lower extremity joint conditions. AAHKS is guided by four principles:

- Patient access, especially for high-risk patients, and physician incentives must remain a focus;
- Reductions in physician reimbursement by public and private payers drives provider consolidation;
- Payment reform is most effective when physician-led; and
- The burden of excessive physician reporting on metrics detracts from care.

Our comments on the 2025 OPPS Proposed Rule address how OPPS arthroplasty rate increases highlight the disparity in Medicare physician reimbursement:

CMS proposes increases to the weights of the primary CPT codes associated with lower joint arthroplasty: 27447 & 27130. Combined with increases based on the proposed hospital inpatient market basket percentage of 2.6 percent, this leads to increases in Medicare OPPS payment rates for these arthroplasty codes.

AAHKS generally supports increased payment rates to facilities for arthroplasty due to the extreme complexity of the procedure, innovations in the standard of care and outcomes, and to recognize increased costs beginning with the COVID-19 public health emergency and continuing

today. Nevertheless, the ongoing annual increases in Medicare facility payments for lower extremity joint replacement (LEJR) present a stark contrast with severely decreasing Medicare physician payments for LEJR. Medicare payment rates for the professional component of arthroplasty have been cut by nearly 11 percent since 2020. It is unfair that Medicare payment formulas make physicians carry the burden of LEJR cost reductions while facility payments continue to increase.

While payments under the OPPS and PFS may be calculated according to separate statutory formulas, CMS and Congress should be alarmed at the divergent trends in facility and surgeon reimbursement for arthroplasty. CMS should explicitly state whether it believes that Medicare beneficiaries and the health care system are best served by rapidly increasing reimbursement rates to facilities for LEJR paired with severe cuts to the professional services for those procedures, and if so, why. If not, CMS should articulate to Congress any necessary adjustments to statutory reimbursement formulas so that there may be a unified coordinated CMS policy towards the value of arthroplasty. The disturbing and divergent trends are apparent per below:

Code	2024	2025 (Proposed)	% Change from 2024	% Change Since 2020
OPPS – CPT 27447	$12,552.87	$12,755.58	**+1.60**	**[+7.2%]**
ASC – CPT 27447	$9,054.68	$9,183.77	**+1.43**	**[+6.7%]**
IPPS - DRG-469	$21,636.27	$22,010.80	**+1.73%**	**[+20.9%]**
IPPS - DRG-470	$12,226.85	$12,699.59	**+3.87%**	**[+11%]**
PFS - CPT 27447	$1,262.68	$1,258.98	**-0.29%**	**[-11%]**

This disparity highlights the need for Congress to add an inflationary adjustment factor for Medicare physician payments. H.R. 2474, the *Strengthening Medicare Patients and Providers Act*, which would adjust physician payments to the Medicare Economic Index, is one such way to ensure that Medicare payment rates keep up with the actual costs physicians encounter in real medical practice today.

Further, considering President Biden's *Executive Order on Promoting Competition in the American Economy*[1], CMS should evaluate whether its proposed reductions in Medicare physician rates, paired with increases in facility rates, promote competition in health care or facilitate consolidation. AAHKS is optimistic for the future passage of H.R. 3284, the *Providers and Payers COMPETE Act of 2023*, which recently was reported out of the House Committee on Energy & Commerce by a vote of 49-0. HR 3284 would require the Secretary of the Department of Health and Human Services (HHS) to assess and report to Congress on the impact of any Medicare reimbursement or regulatory changes on consolidation of healthcare providers and payers. Such reporting is an important step to better inform Congress and CMS on how not to exacerbate health industry consolidation through Medicare payment rates reductions.

[1] EO 14036 (July 9, 2021).

We also wish to reiterate the remaining necessity for CMS to create additional levels of musculoskeletal APCs under the OPPS and ASC payment systems. By increasing the number of musculoskeletal APCs to more than six, each APC will be more accurately valued to the services and procedures assigned to it. Fewer services will be assigned to each APC and the result will be less frequent need to transfer services between APCs and smaller increases or decreases in rates stemming from those transfers. All providers and stakeholders would be well served to face fewer and less severe year-to-year shifts in payment rates.

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AAHKS appreciates your consideration of our comments. If you have any questions, you can reach Mike Zarski at or Joshua Kerr at jkerr@aahks.org.

Sincerely,

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