AAHKS
AMERICAN ASSOCIATION OF HIP AND KNEE SURGEONS

MEDICARE'S PROPOSED CUTS TO HIP AND KNEE REPLACEMENT SURGERY AND THE AAHKS RESPONSE

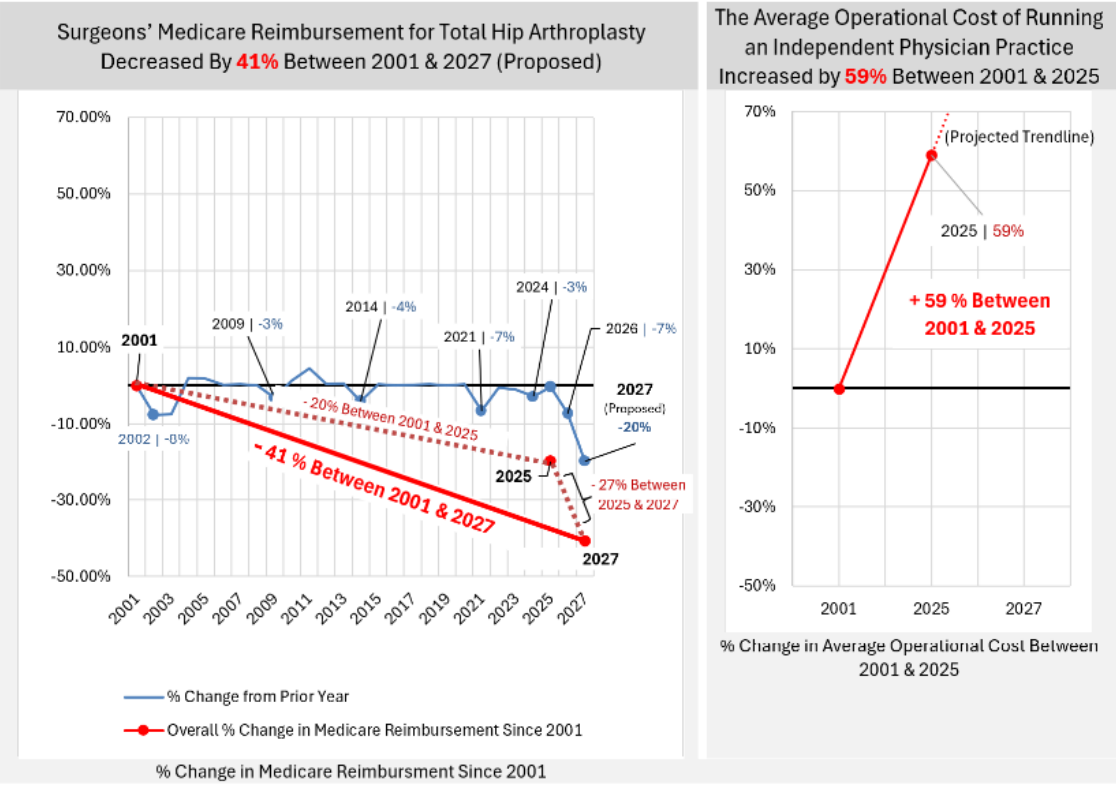
AAHKS POSITION: ***CMS should maintain current 2026 level RVUs for CPT 27130 and CPT 27447 in 2027. Future RVUs for these hip and knee replacement procedures should be based on actual independently observed work time of surgeons performing these procedures in a contemporary timeframe, as opposed to inferences or assumptions based on data for other procedures. Any future proposed reduction in RVUs should be accompanied by a projection of the adverse impact of the reduction on (1) Medicare beneficiaries' chronic conditions, (2) patient wait times, (3) arthroplasty outcomes and (4) the impact on independent physician practices and consolidation.***

TWO SUCCESSIVE YEARS OF UNPRECEDENTED CUTS: $934/$931 for Hip and Knee Replacement, Respectively

- CMS proposes to cut Medicare payments to doctors for hip and knee replacement surgery by **20%** in 2027. This includes no longer paying for the doctor to visit the patient in the hospital after surgery
  - CMS already cut payments to these surgeons by 7.5% in 2026
  - A 27.5% cut to joint replacement rates in 2 years will not preserve or protect seniors' health outcomes or improve patient experience

A 20% CUT ACCELERTATES HEALTH CARE CONSOLIDATION

- Consolidation undermines free market competition and increases health costs for all
- The greatest negative impact will be on independent physician practices, which are community-based small businesses that have seen a 59% increase in costs over 25 years

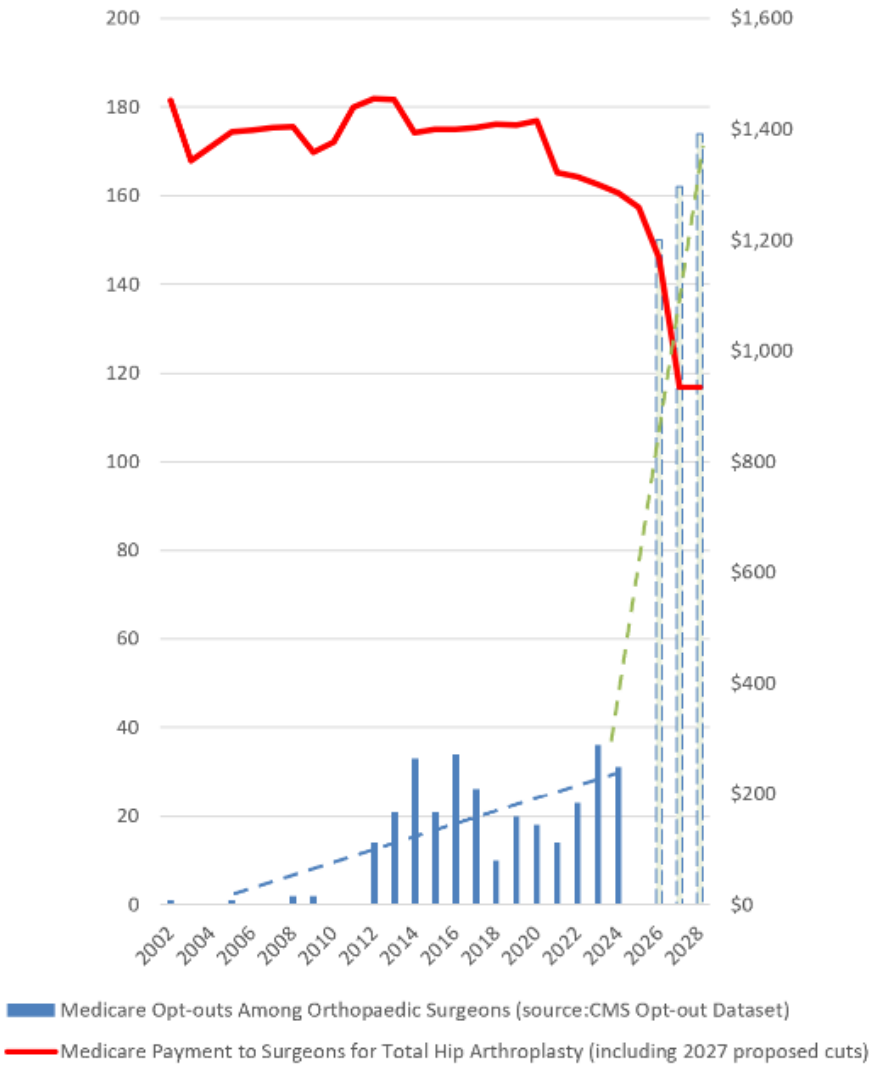


SOURCE: Numbers have been rounded. Average Operational Costs were calculated using data published by the American Medical Association.

ADVERSE IMPACT ON SENIORS' HEALTH, WAIT TIMES AND OVERALL PATIENT EXPERIENCE:

- Medically necessary hip and knee replacement is necessary prevention and reduces health care costs
- Timely and appropriate hip and knee replacement increases mobility, independence and exercise. It prevents the costly and isolating chronic conditions that stem from osteoarthritis
- An unwarranted cut to hip and knee replacement payments will exponentially accelerate the rate or surgeons opting-out of Medicare, or limiting Medicare patients, as reimbursement falls short of costs.
- Cutting surgeon supply burdens seniors with surgical wait times comparable to Canada and the UK's National Health Service. Current: US (4-10 weeks); Canada (48 weeks); UK (57 weeks)
- Surgeons who remain in Medicare cannot pick up the extra patients without facing burnout or reduced patient interaction
- Untreated osteoarthritis dramatically increases health care costs long term

PROJECTED ORTHOPAEDIC SURGEON MEDICARE OPT-OUT RESPONSE TO 27.5% CUT IN REIMBURSEMENT



- 2026-2028: Conservative projection of surgeon opt-outs following a 27.5 cut, if surgeons opt-out at the same rate as following the 5% reimbursement cut in 2021.

KEY DATA OVERLOOKED BY CMS:

- CMS' eliminated payment for any post-operative hospital visits, saying these visits are not occurring. CMS' position is not based on procedure-specific data, but on assumptions and inferences from other procedures (retinal detachment; lap-band removal)
- A study from the HHS Office of the Inspector General found that many more Medicare post-operative visits occur than are reported to CMS
- Independent studies in JAMA, previously cited by CMS, show that arthroplasty work RVUs are undervalued, not overvalued

ACTION:

- AAHKS and its allies are coordinating and meeting with CMS and HHS political leadership to ask them to not implement the 20% cut in 2027 due to assumptions regarding postoperative work, the limitations of claims-based reporting, and the impact on Medicare beneficiaries' health and outcomes
- AAHKS supports the objective of using contemporary, objective procedure-specific data to establish RVUs for surgical procedures. We are asking that any RVU changes be validated by robust, independent, contemporary procedure-specific evidence
    - This should be a cooperative project of stakeholders, including CMS, the American Association of Hip and Knee Surgeons, the American Association of Orthopaedic Surgeons, the AMA RUC, and others
- We are working with our allies in Congress to help drive home this message with CMS

WHAT YOU CAN DO:

Contact your Congressional delegation and ask them to weigh in with CMS opposing a 20% cut to joint replacement rates in 2027 because of the adverse impacts on seniors' health outcomes and patient experience, access, and consolidation.

Tell colleagues and leaders in your community about the expected adverse impact of these cuts. Write a letter to the editor. Share this summary.

Assistance from any allies is welcome and necessary. Hospitals and health systems, patients, disease-specific advocacy organizations, manufacturers, colleagues should also weigh in with Congressional contacts.