

URGENT ACTION NEEDED:

STOP CMS'S UNPRECEDENTED PLAN TO CUT TOTAL HIP & KNEE REPLACEMENT SURGICAL FEES BY 20%

SURGEONS ARE THE VALUE-CENTER, NOT THE COST CENTER, OF JOINT REPLACEMENT

Total Lower Joint Arthroplasty ("TJA") is Medicare's #1 procedure, critical to the health and wellbeing of 1.5 million Medicare beneficiaries every year. The most common indication for TJA is osteoarthritis, which is caused by the wearing out of the cartilage covering the bone ends in a joint. Osteoarthritis is a painful condition that can rob people of mobility and an active, healthy life. Left untreated osteoarthritis can lead to costly chronic disability and dependence on pain medication.

Improvements to patient outcomes and reduced costs have been won by surgeons doing more work for less; managing patients' chronic conditions through pre-operative care coordination, accelerating patient recovery time and pioneering surgical advancements that have made it possible to move the surgery to lower-cost outpatient settings of care. Hip and knee surgeons have been the #1 participating specialists in CMS's alternative payment models (APMs), and the physician-led bundles under those models were the most successful.

CUTTING PHYSICIANS IS WRONG SITE OF SURGERY

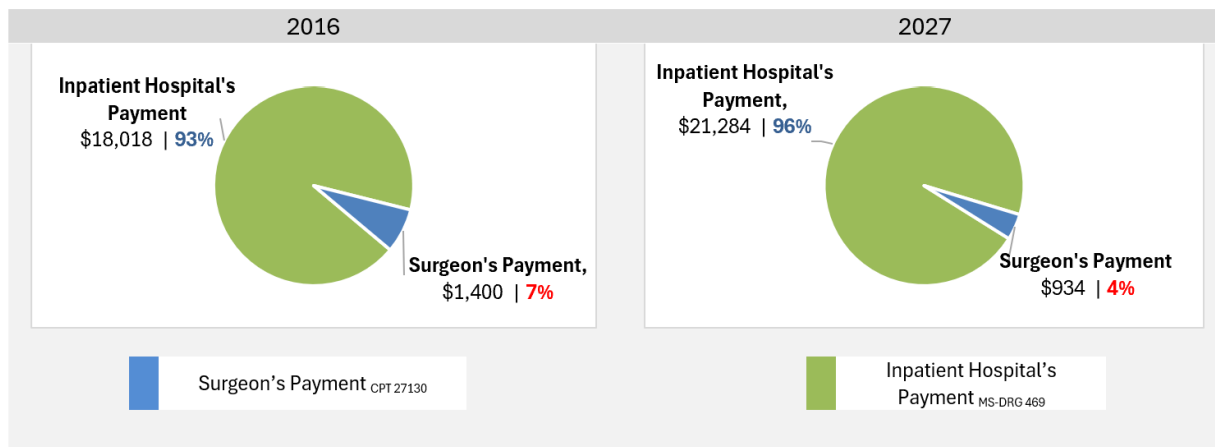
Despite driving value to patients and the Medicare Trust Funds, hip and knee surgeons have been the primary target for cuts to TJA. After 30 years of steadily declining reimbursement, the physician who is responsible for the diagnosis, optimizing the patient for surgery, performing the surgery and taking care of the patient during the 90-day global surgical period will only account for 4% of the total cost of a TJA in 2027.

There is nothing left to cut, but there is still plenty to lose. The costs to patients and the Medicare program of untreated osteoarthritis are far greater than the savings generated from these cuts. Amid increasing administrative burdens and costs, a historic 20% cut on top of the 7.5% reduction in 2026 will only serve to drive market consolidation, physician burnout and increased patient wait times, similar to Canada or the United Kingdom.

What Percentage of Medicare Reimbursement for Hip Arthroplasty Goes to the Surgeon?

CPT 27130 | MS-DRG 469

	2016	2027 (Proposed)
Surgeon's Payment	7.21%	4.20%
Inpatient Hospital's Payment	92.79%	95.80%



Contact: Joshua Kerr, Deputy Executive Director
jkerr@aaahks.org | (847) 430-5068

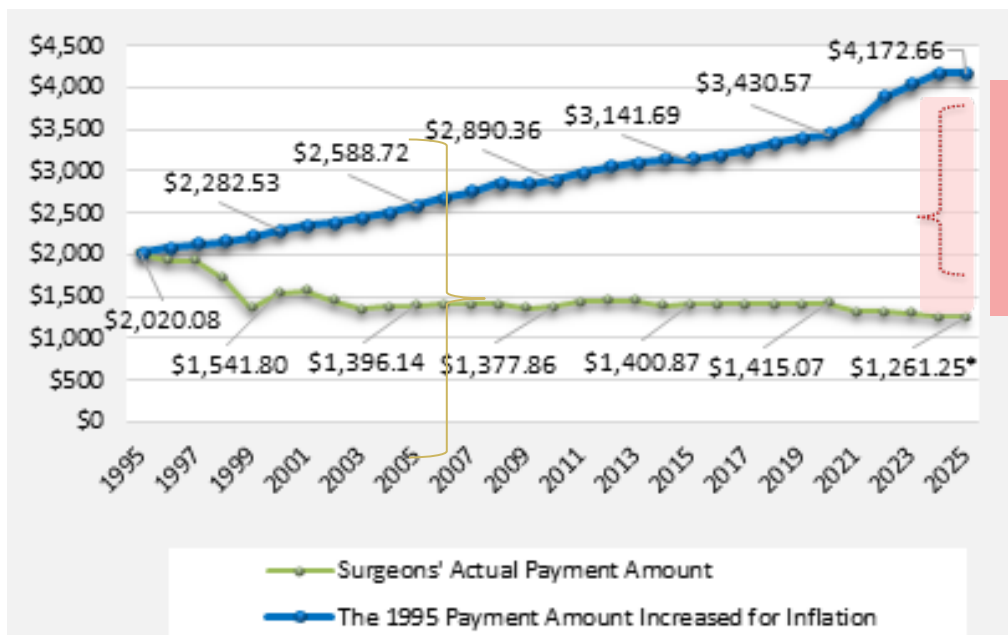
AAHKS NEEDS CONGRESSIONAL SUPPORT TO MAINTAIN PATIENT ACCESS TO MEDICARE'S #1 PROCEDURE

The proposed 20% cut to TJA includes concerning patient care impacts including eliminating payment for the surgeon to conduct a post-surgical visit in the hospital. This decision from CMS is not based on the realities of patient care, but faulty comparisons to unrelated procedures. This, despite CMS recently citing a JAMA study, which concluded that TJA was undervalued by CMS.

This is a pattern of critical physician work being ignored by CMS. In 2021, CMS ignored pre-operative work that surgeons were doing to optimize the patient for surgery; handing surgeons another cut for doing more work that benefited both the patient and the Medicare Trust Funds by reducing hospital stays and post-op complications.

Physician reimbursement for total hip and knee arthroplasty is disconnected from both the work of surgeons and its value to Medicare beneficiaries. AAHKS asks that CMS protect this critical care by freezing reimbursement until existing objective procedure-specific data can be used to validate physician work.

Charting a near 80% Cut Over 30 Years



The 2027 MPFS Final Rule cut arthroplasty once more to \$934; a nearly 80% cut since 1995

AAHKS Request: Call on CMS to reject their proposed 20% cut to total hip and knee arthroplasty (CPT 27130 and CPT 27447) fees.

ABOUT AAHKS

Established in 1991, the American Association of Hip and Knee Surgeons (AAHKS) is the foremost national specialty organization of 5,600 physicians with expertise in total knee arthroplasty (TKA) and total hip arthroplasty procedures (THA). The mission of AAHKS is to be the definitive global authority on excellence in hip and knee care. Members conduct research in this area and are experts on evidence-based care and the risks and benefits of lower extremity joint conditions.