

Transforming Payment and Care Models for Total Joint Replacement

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Simple Goals for Joint Replacement

- **Reduce Cost**
- **Maintain/Improve Quality and Outcomes**

Opportunities to BOTH Reduce Cost and Improve Outcome

- **Reduce/Eliminate Complications**
 - **THIS IS WHERE ALL THE CATASTROPHIC COST IS**
- **Improve Early Post-Operative Function**
 - **Site of Service; Length of Stay; Rehab Type/Duration**

HOW to BOTH Reduce Cost and Improve Outcome?

- **Reduce/Eliminate Complications**
 - **Optimize Patient Modifiable Risk Factors**
 - **BMI; Diabetes; Debilitation; Smoking; Anemia**
- **Improve Early Post-Operative Function**
 - **Optimize Preoperative Patient Function**
 - **Rapid Recovery Surgical Techniques and Protocols**

Opportunities to Reduce Cost without Negative Impact on Quality

- **Implant Selection/Cost Reduction**
- **Elimination of Unnecessary Services**
- **Site of Service Costs**

HOW to Reduce Cost without Negative Impact on Quality

- **Implant Selection/Cost Reduction**
 - Vendor Contracts
 - Demand Matching
- **Elimination of Unnecessary Services**
 - Uniform Evidence Based Best Practices Pathway for ALL Patients
- **Migration of Cases to Lower Cost/Equal Quality Sites of Service**

Barriers in Present Payment/Care System to Reduce Cost/Improve Quality

- **Preoperative Patient Optimization Programs NOT Reimbursed / Approved**
- **Lack of Protocols for Patient Optimization**
- **Poor Preoperative Care Coordination**
- **Lack of Reimbursement for Care Coordination**
- **Failure of Orthopedic Surgeons to Adopt Rapid Recovery Surgical Techniques and Protocols**
- **Lack of Alignment Between Hospitals/Surgeons**
- **Lack of Comparative Data re: Surgeon Cost vs Outcome**
- **Lack of Uniform Best Practice Pathways**
- **Lack of DATA about Cost Differential between Sites of Service**

How the Horizon Episode Of Care Empowered Our Surgeons to Overcome these Barriers

- **Cost Reduction and Quality Improvement**

- **Preoperative Patient Optimization Programs BOTH Defined and Approved for Payment**
 - Vigorous Preop Physical Therapy Instituted
 - BMI, Hemoglobin, Smoking, Diabetic Optimization Programs Created
- **Surgeon Practice Receives Value Based Reimbursement for Care Coordination**
 - Total Joint Coordinator Created
 - Total Joint Education and Companion programs Created
- **Provides Orthopedic Surgeon Education and Criteria for Adoption of Rapid Recovery Surgical Techniques and Protocols**
 - Surgical Techniques Modified to Quad Sparing TKR and Direct Anterior THR
 - Modified and Improved Periop Pain Control and Medical Management

How the Horizon Episode Of Care Empowered Our Surgeons to Overcome these Barriers

- **Cost Reduction**

- **Fostered Creation of Hospital/Physician Co-Management Agreements for TJR Care**
 - **Surgeon NOW Directly Understand and Negotiate Hospital Vendor Contracts (REDUCED IMPLANT COST)**
 - **All Total Joint Patients can be Managed in Uniform Evidence Based Best Practice Care Path Plan (STANDARD PATHWAYS)**
- **Provided Surgeons with INVALUABLE DATA**
 - **Cost of Regional Sites of Service.. We MOVED the Cases to Sites of Lower Cost/Equal Quality**
 - **Comparative Cost of Surgeons.. We Improved Implant Selection and Eliminated Unnecessary Services**

RESULTS

Primary Hospital Results

	2011	1/2013 - 12/2015
Average Length of Stay		
TKR	3.3 days	1.8 days
THR	2.9 days	1.6 days
Discharge to Home	33.7 %	77.8 %
Transfusion Rate	23.2 %	4.5 %
30 Day Readmission Rate	3.2 %	2.7 %
Average Device Cost	\$6,301 pt	\$4,242 pt

Financial Results Orthopedic Group

(Horizon Health Care Patients Only)

4/2012 – 3/2015 Surgeries	TKR (144)	THR (72)
Average Episode Budget	\$25,365	\$26,580
Average Actual Spending	\$19,597	\$20,636
Average Bonus to Practice	\$ 1,858 per pt	\$ 2,107 per pt

Conclusions

- **Successfully Decreased Cost of TJA EOC**
 - Site of Service Migration (to Lower Cost Centers)
 - Decreased Pt Length of Stay
 - Increased Discharge Disposition to home
 - Reduction in Implant Cost (contractual and demand matching)
- **Significant decrease in transfusion rates and LOS without increased readmissions** but overall complications increased (minor .. coding related ?)
- **Migration of appropriate patients to ASC**
- **Patient satisfaction** and likelihood to recommend are **HIGH**
- Both Hospital and Group TJA **volume have increased**
- **Orthopedic Group Revenue has INCREASED**

THANK YOU