

PATIENT PERCEPTION OF SURGEON REIMBURSEMENT:

It's Not What You May Think

Medicare Reimbursement for Orthopaedic Surgeons:

Patients Are Greatly Surprised

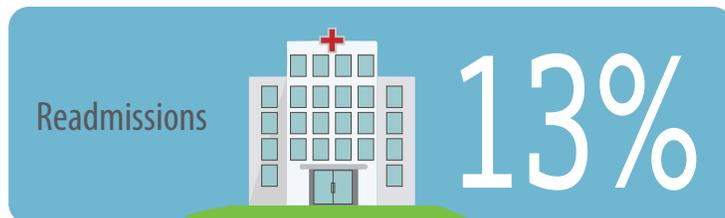
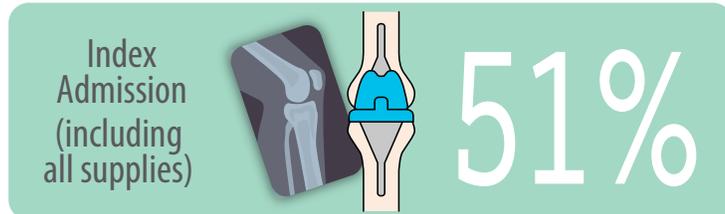
A total hip or knee replacement may be one of the most complicated medical services that a patient receives. Not surprisingly, patients believe that the orthopaedic surgeon who performs the complicated surgery should be reimbursed accordingly for his or her services.

However, patients may be shocked to learn that their perceived value of an orthopaedic surgeon's services for a total hip or knee replacement is dramatically lower than Medicare's actual reimbursement for the service.

A 2012 study in *The Journal of Arthroplasty* studied 1,120 patients' perspectives of orthopaedic surgeon reimbursement. On average, the patients thought that surgeons **should receive \$13,332** for a total knee replacement surgery. Patients **estimated that the actual Medicare reimbursement was \$7,196 for the surgeon**. The patient estimations were not even close to the **actual Medicare surgeon reimbursement of \$1,470 for a total knee replacement**.

After sharing these numbers with the study participants, 70 percent of the patients indicated that the Medicare reimbursement was "much lower" than what it should be.

Chart Source: The Advisory Board analysis of Medicare data for Major Joint Replacement of the Lower Extremity.



Surgeons Are Only a Small Piece of the Payment

Patients are often surprised to learn that a surgeon's payment is only a small percentage of the total payment for a service. In the example of a total hip or knee replacement, payments to surgeons and their related services were only 9 percent of the total cost for a hip or knee replacement.

Meanwhile, the index admission, which includes hospital and implant costs, made up 51 percent of the cost. The remaining costs of an average Medicare total hip or knee bundle were related to post-acute care and readmissions.