

Orthopedics • This Week

One Price Knee Replacement Surgery Debuts

By Biloine W. Young



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Where's the catch? In an industry built on the religion of individualized treatment, a treatment program based on single-priced surgery is either apostasy or game changing or both.

A Minnesota orthopedic practice has a vision that may have more in common with Minnesota-based Target Stores than it does with the Mayo Clinic. The Twin Cities Orthopedics (TCO) Excel Program wants to make the process of ordering a new knee as uncomplicated as “buying a carton of milk off the shelf.” That is how Troy Simonson, practice administrator, describes this unconventional new program in which total knee replacement patients pay

one bill that covers everything—the surgery, the anesthetist, nursing care in a luxury spa setting, medications, physical therapy, even check-ups after discharge. The all-inclusive set price? \$21,000.

One of the surgeons behind the concept, Owen R. O'Neill, M.D., says, “This is one of the most innovative advancements we've seen in raising quality while reducing costs. There's nothing like it. We've seen surgical centers across the country outsourcing recovery to hotels. But a hotel room can feel almost as impersonal as a hospital and certainly doesn't meet the sanitary qualifications nor the onsite medical rehabilitation the Excel program offers.”

Here is how the Excel program works. The patient meets first with his surgeon and Justine Lehman, the nurse practitioner, who will follow the patient through the entire experience. She will work with the patient's primary care doctor to make certain that there are no unforeseen risk factors. About two weeks before the surgery is scheduled the patient is called in to attend the Excel education camp. Here patients are introduced to the exercises they are to perform both pre- and post-surgery and to hear the entire process carefully explained.

“Our goal with Excel is for the patient to anticipate every single step,” Lehm-

an said. “We want our patients to know what is coming next.” Surgery takes place at one of Twin Cities Orthopedics Surgery Centers. Four hours following surgery the patient is moved in a special van about three blocks to York Gardens, a premium recovery retreat with suites equipped with wireless, flat screen TVs and kitchenettes. Patients have 24-hour medical and nursing care. Surgeons do rounds daily and an internal medicine group is on call.

Simonson explains that the more they have under their control the more able they are to manage the patient experience. “We control what the nursing staff is doing at York Gardens, how the pre-operation teaching is done, how prepared the patients are coming in to it, how the physical therapy is going to be done. All of the nurses and therapists have been trained by us and we designed the clinical pathways they follow. They spend time in the surgery center so they understand where the patient is. Everyone is on the same team.”

He credits the role of the nurse practitioner as being a key to the success of the program. Hers is the face patients see from the day they decide to have surgery all the way through to their post-operative care. She is the one who calls them at home, 24 hours and 48 hours after their return, to run through a check-list of screening to make sure there are no complications. Nurses at York have 24 hour access to her.



York Gardens Premium Recovery Suite; Courtesy of Twin Cities Orthopedics Surgery Centers

America's Response to Medical Tourism?

Simonson estimates Twin Cities Orthopedics has reduced the cost of the knee replacement procedure by as much as 30% to 50%. “We eliminate the hospital stay cost,” he says and “we have gone to two vendors for implants.” The program has caught the attention of providers of medical tourism, Simonson notes, “There is an insurance plan here in the Twin Cities that covers an employer in Arizona. They have sent employees to Costa Rica for knee surgery for \$18,000. We are close to matching the Costa Rica cost.”

According to a 2009 Deloitte study of medical tourism, 1.3 million patients travel to destinations outside the U.S. for medical care annually. Increasingly U.S. employers have begun exploring medical travel programs as a way to cut employee health care costs. For example, in January 2008, Hannaford Bros., a supermarket chain based in Maine, began paying the entire medical bill for employees to travel to Singapore for

hip and knee replacements, including travel for the patient and companion.

In 2000 Blue Shield of California began the United States' first cross border health plan. Patients in California could travel to one of the three certified hospitals in Mexico for treatment under California Blue Shield. In 2007, a subsidiary of BlueCross BlueShield of South Carolina, Companion Global Healthcare, teamed up with hospitals in Thailand, Singapore, Turkey, Ireland, Costa Rica and India.

But what happens when the cost of care in the United States begins to rival that in Costa Rica?

No Medicare Coverage

And what about Medicare? Medicare pays for a majority of orthopedic reconstruction surgery in the United States. Excel, however, is not covered by Medicare, in part because the surgery is carried out at a day surgery center. “We are trying to figure out where to have that discussion with Medicare,” Simon-

son said. At present costs are covered by one insurance provider, Medica. Simonson says talks are going on and are close to resolution with other insurance providers. “It will save money but, operationally, they are trying to figure out how we process this one bill. It's crazy.”

While “innovation” and “Medicare” may appear to be conflicting concepts, the Patient Protection and Affordable Care Act is trying to arrange a shot gun marriage for this odd couple. The union has a name—it is “The Center for Medicare and Medicaid Innovation” and it is a branch of the United States government.

Let's call it “CMMI”

CMMI was created by the 2010 U.S. health care reform legislation and its stated purpose is “to test innovative payment and delivery system models that show important promise for maintaining or improving the quality of care in Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), while slowing the rate of growth in program costs”. — said authors Guterman, Davis, Stremikis and Drake in a 2010 article titled “Innovation in Medicare and Medicaid will be central to health reform's success” which appeared in journal *Health Affairs*.

Finding the front door into the Center may prove to be difficult, however. Also from the *Health Affairs* article, the Center “is to give priority to twenty models specified in the law, including medical homes, all-payer payment reform, and arrangements that transition from fee-for-service reimbursement to global fees and salary-based payment”.

While pursuing payer support, Simonson is nonetheless planning to simultaneously expand services and says

that Twin Cities Orthopedics will soon begin doing hip, shoulder and other orthopedic surgeries in the Excel program.

Their first knee patient, Sharelle Peterson, is an enthusiastic supporter. “Being part of the Excel program, I was able to stay in a place where I didn’t feel sick. I was there because I was recovering. The environment was much more comfortable than the hospital and I received assistance when I needed it much quicker than in my hospital experience in the past. I also saw my surgeon every day.”

Who are These Guys?

For over 60 years Twin Cities Orthopedics has offered a full spectrum of medical care, devoted to the diagnosis, treatment, rehabilitation and prevention of injuries and conditions that affect the body’s muscles, joints and bones. TCO runs 28 clinics located throughout the Minneapolis/St. Paul metropolitan area.

Indeed, Twin Cities Orthopedics is either the second or third (depending on how one counts) largest orthopedic practice in the U.S. with over 83 physicians.

Like Target in Minnesota or Wal-Mart in Arkansas, sometimes the key to delivering consistently high quality services and products is logistics. Twin Cities Orthopedics, like other innovative health care providers in this country are exploring innovative, even disruptive, approaches to changing healthcare delivery in the United States—despite what happens in Washington. ♦



PreOp Room; Courtesy of Twin Cities Orthopedics Surgery Centers



Recovery Room; Courtesy of Twin Cities Orthopedics Surgery Centers

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