Preserve Medicare Beneficiary Access to Total Knee and Total Hip Replacement Procedures

Overview:

- Based on recent patterns, the Centers for Medicare & Medicaid Services (CMS) is considering potentially making significant cuts (up to 20%) in Medicare physician payment for total hip and knee replacement surgery for 2014. If these payment cuts are adopted, it will limit beneficiary access to these important procedures. CMS did not disclose the potential cuts in the proposed 2014 Medicare physician fee schedule rule. This nondisclosure prevents beneficiaries and physicians from commenting on this issue in time to influence 2014 payments. CMS therefore should not make significant changes to Medicare payment for total hip and knee replacement procedures for 2014, and the Agency should provide an open and transparent process to consider any future payment revisions.

- Last year CMS asked the AMA Relative Value Update Committee (RUC) to review the relative values of CPT 27447 Total Knee Arthroplasty, and 27130 Total Hip Arthroplasty. CMS may disregard RUC recommendations (but accepts about 85%-90%) and conduct its own analysis of the data and ultimately determines the values and Medicare payment levels.

- Numerous doctors, AAHKS and AAOS have asked CMS to announce any potential reimbursement cuts for 2014 affecting joint replacement procedures in the proposed Medicare physician fee schedule rule to give the public a reasonable opportunity to comment. When CMS released the proposed rule on July 8, 2013, however, CMS did not disclose whether it is considering cuts to hip and knee replacement procedures.

- CMS now will announce its action (potential cuts) for 2014 in an interim final rule in November 2013, since CMS used this approach last year. Bottom line, doctors will have only a few weeks’ notice before any cuts go into effect. While CMS will likely provide a brief comment period on the November interim final rule, CMS would not act on those comments/recommendations until the 2015 rulemaking. As a result, if cuts are made, doctors will have no recourse for 2014 -- other than not operate on Medicare patients, place Medicare patients on waiting lists, or drop out of Medicare. This could lead to a serious patient access issue.

Action Needed

- CMS should not adopt significant Medicare payment proposals without providing meaningful notice and comment opportunity to doctors and the Medicare beneficiaries they serve. This is especially important for total hip and knee replacement procedures given the number of seniors who need this surgery.

Please write to or call CMS Administrator Marilyn Tavenner and request that CMS delay implementation of new payment policies for hip and knee replacement procedures for 2014. Delay is necessary since the public was not provided an opportunity in the proposed rule to review CMS’s proposal or provide additional data and analysis through the public comment period in time to impact 2014 rates. The Agency should provide an open and transparent process to consider any future Medicare payment revisions for these procedures.

- Please contact Krista Stewart at krista@aahks.org if you have any questions or need more information.