

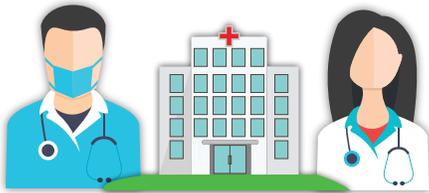


A landmark report by the Institute of Medicine in 1999 cited the fragmented health care system, which focuses on silos of care, as a leading cause of medical mistakes. The report served as an impetus for patients, payers, physicians, and policymakers to call for coordinated care models that feature all members of the health care team working together in a team-based model.

Musculoskeletal health problems are among the most prevalent and debilitating health challenges that Americans face. In fiscal year 2017 alone, 31.5 percent of the insureds in Employees Retirement System of Texas (ERS) and 23.8 percent of the insureds in the Teacher Retirement System of Texas (TRS)

had a diagnosis for a musculoskeletal injury or condition. Orthopaedic surgeons are leading efforts to create team-based models to address musculoskeletal care.

## Physicians Lead Innovation: Corporations Should Not Stand in the Way of Successful Physician-Owned Hospitals



Physicians have always led innovation in America's hospitals. Physicians, such as the Mayo Brothers in Minnesota, created some of the nation's first hospitals. Today,

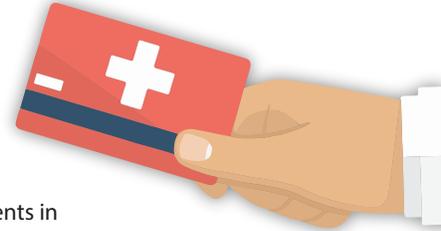
physician-owned hospitals allow the professional with the greatest health care expertise – the physician – to play a governing role in how health care is delivered at hospitals.

In its 2005 analysis of physician-owned hospitals, the Medicare Payment Advisory Commission (MedPAC) commented to Congress on why physicians own hospitals: "Physicians wanted to control decisions made about the patient-care areas of hospitals so they could improve the quality of care provided, improve their productivity, and make the hospital more convenient to them and their patients."

TOA supports efforts by Congress through the Hospital Competition Act (H.R. 506), which would lift the Affordable Care Act's ban on physician-owned hospitals. Congress placed a provision in the Affordable Care Act that prohibits physicians from owning new hospitals after 2010. The provision was created by corporate interests as a tool to limit the competition that is created by physicians who own hospitals, despite the fact that many of these corporate interests actually partner with thousands of physicians in physician-owned ambulatory surgery centers.

## Bundled Payments & Orthopaedic Surgeons: Shifting from Volume to Value

Hip and knee replacements are highly successful surgeries that get people back to work and doing the things that they love to do. From a policy standpoint, these surgeries create a number of measurable data points, which resulted in a logical place to start Medicare's bundled payments in the Bundled Payment for Care Improvement (BPCI) program in 2013.



Bundled payments create incentives for greater quality and efficiency in ways that cannot be achieved in the fragmented care model, which features different providers working in silos. Bundled payments require all types of providers – from physicians to nurses to physical therapists – to work together in a coordinated-care model that requires the team to measure themselves on a single platform with a set of goals. These models allow the team to share in the savings that are achieved through the coordinated care approach.

Hundreds of Texas orthopaedic surgeons are currently leading bundles for a number of orthopaedic-related Medicare and commercial insurance payment models for hips, knees, shoulders, and more. The members of the bundled payment team go beyond the surgeon. Many teams feature a case manager who is responsible for working with the patient throughout the entire episode of care: from the initial visit to at least a month following the surgery.

The multidisciplinary solution found in some of the orthopaedic bundles even goes beyond a patient's physical health. For example, the Dell Medical School at the University of Texas screens orthopaedic patients for behavioral health conditions such as anxiety and depression that could be contributing to a patient's pain. If any of these conditions are detected, they advise the patient to see the in-house therapists before committing to a surgery.

## Physical Therapy: The Importance of Coordinated Care



A groundbreaking study released by the U.S. General Accountability Office (GAO) in June 2014 found that orthopaedic surgeons who offered physical therapy services in their offices produced lower costs for the Medicare program when compared to physical therapy services that were performed independent of an orthopaedic surgeon. The study demonstrated that the coordination of care between a physical therapist and an orthopaedic surgeon creates outstanding value for the patient through lower costs and high-quality therapy.