

How Implant Outsourcing Solutions can Improve Outcomes and Lower Healthcare Costs

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Benefits to Surgery Centers

- Centers who have payors who will not pay for implants or only are reimbursed for cost +
- Center does not have to buy expensive implant and wait for payment to cover costs
- Center can alleviate “minimum order amounts” dictated by some suppliers
- Center can alleviate problems with suppliers who will not consign implants
- Center can provide more procedures that were historically financially detrimental due to implant costs of the case

Case Study: BAHA Implant

- Implantation of a bone anchored hearing aid
- Effective for patients who do not benefit from external hearing devices
- 30 minute outpatient procedure requiring MAC anesthesia
- Cost of implant: \$6,540.00(Single device)
- Supply, Pharmacy, OR Time Cost: \$260.68
- Managed Care Contracted Rate for CPT 69714: \$2678.00- no implant payment.

Result: Case is not candidate in ASC due to financial constraints-Case goes to hospital.

Cost of healthcare goes up.

Case Study – BAHA (In an ASC)

Without Third Party	With Third Party
Implant Cost to Center: \$6540	Implant Cost to Center: \$0.00
OR Direct Cost: \$260.68	Direct Cost: \$260.68
Reimbursement: \$2678	Reimbursement: \$2678
Direct Margin/ (Loss): (\$4122.68)	Direct Margin/ (Loss): \$2417.32

Future Trends: How Implant Outsourcing Could be a Champion

“Medicare needs mechanisms for controlling cost growth and improving quality.”

Medpac, 2009

“Meaningful Reform”

“Improving care-Controlling Costs”

The Rising Costs of Health Care: Today's World

- Reimbursements for implants continue to lag behind price increases/new technologies
- Facilities nationwide have limited leverage to negotiate competitive pricing for implants
- Providers are pressured to use less advanced implants to control costs
- Access to new technologies and procedures that result in improved outcomes is compromised
- Implant companies continue to increase prices year after year
- Cases cannot be performed in lower cost environments due to downward pressure on reimbursements

Future Opportunities to Achieve Meaningful Reform through Implant Outsourcing Solutions

- Third party Implant outsourcing parties will have more price negotiation leverage to control implant costs
- Providers will focus more on quality/patient outcomes
- Outpatient cases with high implants costs will shift to lower cost environments
- Quality will improve as free standing outpatient centers inherently have lower infection rates and higher patient satisfaction rates
- There will be increased access to new technologies with better outcomes for certain patient populations

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