Medicare Reimbursement for Revision Total Knee Arthroplasty May Be Inadequate

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INTRODUCTION:
Revision total knee arthroplasty (TKA) is a resource-intensive procedure performed to address failed primary TKAs. Despite predictions of increased demand now and in the future, Medicare physician reimbursement has not kept pace with increasing costs and may be insufficient compared to commercial payers. We sought to compare compensation for revision TKA stratified by surgical indication.
METHODS:
This study utilizes a retrospective analysis of financial data between 2019 and 2021 from a single large private practice in several states and multiple healthcare facilities, evaluating reimbursement patterns for revision TKA. Patients were subdivided by surgical indication.
RESULTS:
We identified 3,238 patients who underwent revision TKA. The most common indications were infection (46.8%), mechanical complications (30.1%), and pain or stiffness (11.2%). Indications were similar between insurance types, with the exception of fracture, which was higher in the Medicare cohort (1.0% vs. 1.7%, P=0.028). The average reimbursement for a revision TKA reimbursed with private commercial insurance was $5,124, while reimbursement for patients with Medicare was $1,890 (P=<0.001). Operative time was not significantly different between groups (128 vs. 128 minutes; P=0.852). Revision TKA for an indication of fracture was the most expensive procedure in the Medicare cohort at $2,136, with an average operative time of 88 minutes. For the private commercial cohort, instability or dislocation was the most expensive procedure at $5,644, with an average operative time of 117 minutes. Medicare reimbursement was lower than private commercial reimbursement for all revision indications.
DISCUSSION AND CONCLUSION:
Differences in reimbursement among payers, in spite of similar surgical duration, suggest inequality in the system regardless of surgical indication. Other authors have suggested that Medicare physician reimbursement is inadequate for the time and effort expended. This may limit patient access to timely and appropriate care, potentially leading to suboptimal outcomes and increased healthcare utilization in the long term.