

Declining Inflation-Adjusted Medicare Physician Fees: An Unsustainable Trend in Hip Arthroscopy

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INTRODUCTION: Although hip arthroscopy continues to be one of the most utilized arthroscopic procedures, no formal evaluation of reimbursement trends has been conducted. The purpose of this present study is to analyze the temporal Medicare reimbursement trends for hip arthroscopy procedures.

METHODS: From 2011 to 2021, the Medicare Physician Fee Schedule Look-Up Tool was queried for Current Procedural Terminology (CPT) codes related to hip arthroscopy. All monetary data was adjusted to 2021 United States dollars. The compound annual growth rate (CAGR) and total percentage change were calculated. Mann-Kendall trend tests were used to evaluate the reimbursement trends.

RESULTS:

Based on the unadjusted values, a significant increase in physician fee was observed from 2011 to 2021 for CPT codes 29861 (removal of loose or foreign bodies; % change: 3.49, p = 0.03) and 29862 (chondroplasty, abrasion arthroplasty, labral resection; % change: 3.19, p = 0.03). The remaining procedural codes experienced no significant changes in reimbursement based on the unadjusted values (**Figure 1**). After adjusting for inflation, all seven of the hip arthroscopy CPT codes were observed to experience a significant decline in Medicare reimbursement (**Figure 2**). Hip arthroscopy with acetabuloplasty (CPT: 29915) and labral repair (CPT: 29916) exhibited the greatest reduction in reimbursement with a decrease in physician fee of 24.69% (p < 0.001) and 24.64% (p < 0.001), respectively over the study period.

DISCUSSION AND CONCLUSION: Medicare reimbursement for all seven of the commonly used hip arthroscopy services did not keep up with inflation, demonstrating marked reductions from 2011 to 2021. Consequently, there are decreasing financial incentives for hip arthroscopy services, potentially limiting access to high-quality hip arthroscopic care. Out-of-network or uninsured patients may also experience a “marked up” bill that is substantially higher than what is typically seen for hip arthroscopy as facilities drive up the submitted hip arthroscopy charges to attempt to offset the difference between chargemaster prices and negotiated insurance payments. Continued efforts to evaluate the current algorithms determining Medicare payment and make modifications to ensure fair hospital reimbursements are necessary.

Figure 1. Trends in Average Physician Fee (\$) Prior to Inflation-adjustment by Current Procedural Terminology code

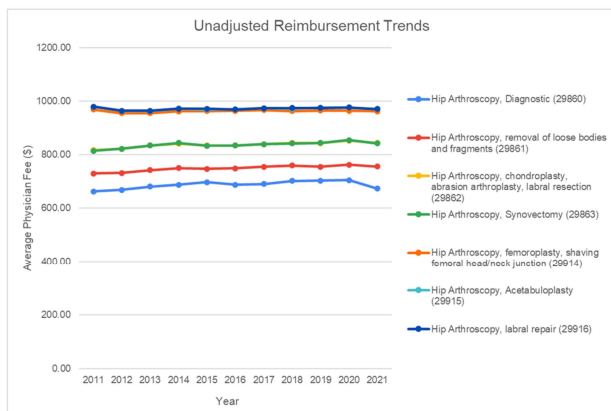


Figure 2. Inflation-Adjusted Trends in Average Physician Fee (\$) by Current Procedural Terminology code

