

# Medicaid Reimbursement for Total Hip and Knee Arthroplasty: A State-by-State Analysis Compared with Medicare

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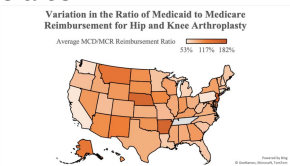
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**INTRODUCTION:** Medicare reimbursement for arthroplasty procedures has been declining, but little has been reported on Medicaid reimbursement. We sought to determine Medicaid reimbursement rates using state Medicaid data for nine arthroplasty procedure codes and compare them to Medicare reimbursement rates.

**METHODS:** The Centers for Medicare & Medicaid Services physician fee schedule was used to collect Medicare reimbursement rates, and state Medicaid fee schedules were accessed to collect Medicaid rates for nine procedures encompassing all primary and revision hip and knee arthroplasty surgery. State Medicare and Medicaid rates were compared to determine the mean dollar difference and dollar difference per relative value unit. Cost-of-living adjustment was performed using the Medicare Wage Index for each state. Coefficients of variation were calculated for each state to determine overall variability between the two systems.

**RESULTS:** The mean reimbursement rates for Medicaid were lower for seven of the nine codes used in the study. Medicaid reimbursed physicians an average of 8.9% less overall, and 19.9% less when adjusted for cost-of-living. The amount of variability in the Medicare rates was low with a consistent coefficient of variation of 0.06 but was higher in the Medicaid rates with a range of 0.29-0.36 in the unadjusted rates and 0.39-0.47 in the adjusted rates. There was a mean \$5.31 decreased reimbursement per RVU for Medicaid procedures.

**DISCUSSION AND CONCLUSION:** For the most common arthroplasty procedures, Medicaid reimburses physicians less than Medicare on average. Medicaid also demonstrates increased variability when compared to Medicare rates between states.



CPT Code	Procedure Name	Work RVUs
27130	ARTHROPLASTY, ACETABULAR AND PROXIMAL FEMORAL PROSTHETIC REPLACEMENT (TOTAL HIP ARTHROPLASTY), WITH OR WITHOUT AUTOGRAFT OR ALLOGRAFT	19.6
27132	ARTHROPLASTY, ACETABULAR AND PROXIMAL FEMORAL PROSTHETIC REPLACEMENT (TOTAL HIP ARTHROPLASTY), WITH OR WITHOUT AUTOGRAFT OR ALLOGRAFT	25.7
27133	ARTHROPLASTY, ACETABULAR AND PROXIMAL FEMORAL PROSTHETIC REPLACEMENT (TOTAL HIP ARTHROPLASTY), WITH OR WITHOUT AUTOGRAFT OR ALLOGRAFT	30.3
27134	ARTHROPLASTY, ACETABULAR AND PROXIMAL FEMORAL PROSTHETIC REPLACEMENT (TOTAL HIP ARTHROPLASTY), WITH OR WITHOUT AUTOGRAFT OR ALLOGRAFT	22.7
27135	ARTHROPLASTY, ACETABULAR AND PROXIMAL FEMORAL PROSTHETIC REPLACEMENT (TOTAL HIP ARTHROPLASTY), WITH OR WITHOUT AUTOGRAFT OR ALLOGRAFT	23.7
27145	ARTHROPLASTY, KNEE, CONDYLE AND PLATEAU (MEDIAL AND LATERAL COMPARTMENTS WITH OR WITHOUT PATELLA)	18.7
27445	ARTHROPLASTY, KNEE, CONDYLE AND PLATEAU (MEDIAL AND LATERAL COMPARTMENTS WITH OR WITHOUT PATELLA)	19.6
27446	ARTHROPLASTY, KNEE, CONDYLE AND PLATEAU (MEDIAL AND LATERAL COMPARTMENTS WITH OR WITHOUT PATELLA)	21.1
27447	ARTHROPLASTY, KNEE, CONDYLE AND PLATEAU (MEDIAL AND LATERAL COMPARTMENTS WITH OR WITHOUT PATELLA)	27.1

State	Medicare Rate	Medicaid Rate	Dollar Difference	% Difference
Alabama	\$1,000	\$900	-\$100	-10%
Alaska	\$1,000	\$900	-\$100	-10%
Arizona	\$1,000	\$900	-\$100	-10%
Arkansas	\$1,000	\$900	-\$100	-10%
California	\$1,000	\$900	-\$100	-10%
Colorado	\$1,000	\$900	-\$100	-10%
Connecticut	\$1,000	\$900	-\$100	-10%
Delaware	\$1,000	\$900	-\$100	-10%
District of Columbia	\$1,000	\$900	-\$100	-10%
Florida	\$1,000	\$900	-\$100	-10%
Georgia	\$1,000	\$900	-\$100	-10%
Hawaii	\$1,000	\$900	-\$100	-10%
Idaho	\$1,000	\$900	-\$100	-10%
Illinois	\$1,000	\$900	-\$100	-10%
Indiana	\$1,000	\$900	-\$100	-10%
Iowa	\$1,000	\$900	-\$100	-10%
Kansas	\$1,000	\$900	-\$100	-10%
Kentucky	\$1,000	\$900	-\$100	-10%
Louisiana	\$1,000	\$900	-\$100	-10%
Maine	\$1,000	\$900	-\$100	-10%
Maryland	\$1,000	\$900	-\$100	-10%
Massachusetts	\$1,000	\$900	-\$100	-10%
Michigan	\$1,000	\$900	-\$100	-10%
Minnesota	\$1,000	\$900	-\$100	-10%
Mississippi	\$1,000	\$900	-\$100	-10%
Missouri	\$1,000	\$900	-\$100	-10%
Montana	\$1,000	\$900	-\$100	-10%
Nebraska	\$1,000	\$900	-\$100	-10%
Nevada	\$1,000	\$900	-\$100	-10%
New Hampshire	\$1,000	\$900	-\$100	-10%
New Jersey	\$1,000	\$900	-\$100	-10%
New Mexico	\$1,000	\$900	-\$100	-10%
New York	\$1,000	\$900	-\$100	-10%
North Carolina	\$1,000	\$900	-\$100	-10%
North Dakota	\$1,000	\$900	-\$100	-10%
Ohio	\$1,000	\$900	-\$100	-10%
Oklahoma	\$1,000	\$900	-\$100	-10%
Oregon	\$1,000	\$900	-\$100	-10%
Pennsylvania	\$1,000	\$900	-\$100	-10%
Rhode Island	\$1,000	\$900	-\$100	-10%
South Carolina	\$1,000	\$900	-\$100	-10%
South Dakota	\$1,000	\$900	-\$100	-10%
Tennessee	\$1,000	\$900	-\$100	-10%
Texas	\$1,000	\$900	-\$100	-10%
Utah	\$1,000	\$900	-\$100	-10%
Vermont	\$1,000	\$900	-\$100	-10%
Virginia	\$1,000	\$900	-\$100	-10%
Washington	\$1,000	\$900	-\$100	-10%
West Virginia	\$1,000	\$900	-\$100	-10%
Wisconsin	\$1,000	\$900	-\$100	-10%
Wyoming	\$1,000	\$900	-\$100	-10%

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New Mexico	\$1,000	\$900	-\$100	-10%
New York	\$1,000	\$900	-\$100	-10%
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