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Bundled payments in spine: Key thoughts from Dr. Stephen Hochschuler

Written by Laura Dyrda | Monday, 10 April 2017 17:16



Stephen Hochschuler, MD, co-founder of Texas Back Institute in Plano, discusses bundled payments for global episodes of care and how the spine field is adapting to value-based payments.

Dr. Hochschuler is speaking on a panel titled "Bundled Payments & Global Episodes of Care" at the Becker's 15th Annual Spine, Orthopedic and Pain Management-Driven ASC Conference + The Future of Spine on June 22 to 24, 2017 in Chicago. Click here to learn more and register.

Q: Where do you see bundled payments for orthopedics headed in the future?

Dr. Stephen Hochschuler: It doesn't matter what changes occur to Obamacare, I think global fees and episodes of care are going to continue. Everybody now is looking at value and value has to be determined in regards to cost as well as performance and results. Unfortunately, most insurance companies only care about costs where we as physicians care about results and patient satisfaction.

The bundled payments usually cover 30 days preop, surgery, anesthesia, hospitalization and 90 days after surgery. All of those elements are part of your bundle. In Texas, we aren't pushed to do bundles because the system is still costplus and everyone is squeezed. The margins for the implant companies will go down and they'll have to change their distribution model. In bundled payments, it all comes together and in spine many procedures will be transferred to the outpatient facility.

My feelings are that we're headed toward more bundled payments and outpatient spine surgery. The migration has been slow so far, but I think it will become more rapid in the future.

Q: How can surgeons successfully navigate bundled payment participation?

SH: Follow the money. There are around 70 percent of the neurospine surgeons and 50 percent of the orthopedic spine surgeons who have sold to hospitals. In essence, hospitals are expanding and opening ASCs, but they don't know how to manage the surgery centers so they're partnering with physicians and companies like SCA and USPI. Either the hospital will provide the service at the same cost as the surgery center or they won't survive. Everyone is trying to figure out what will happen, from the insurance companies to the hospitals and physicians.

Everyone is nervous. My advice to physicians is to get started with bundled payments, even if most of your practice is private pay. Get your feet wet. Hospitals move more quickly than physicians, but we will all have to do it eventually.

Q: What are the biggest opportunities for physicians with global episodes of care?

SH: I am so convinced that bundled payments are the future that I helped start a new company called Spine Systems. What is going to happen is that data is going to run the medical field. If you look at big data in the rest of the world, data runs the world. Unfortunately, the medical world is way behind the data world in other arenas. For example, you can pull up your financial statements in 30 seconds on the internet.



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In the future, quality measurements will rely more on data. Right now we are measuring patient satisfaction by whether people like their physician, which is absurd. Healthcare providers need to collect their data and use it to their advantage. The last thing you want is insurance companies having data that you don't.

Our goal at Spine Systems is to really run your medical care based on outcomes data, considering pre-injury, conditioning of the patients, ergonomic analysis and other criteria. We will track the patient from the time of injury through rehab to develop terms for global payments and episodes of care.

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