

Geographic Variability of Medicare Reimbursement in Orthopaedic Trauma: 2000-2019

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Purpose: Medicare reimbursement is influenced by the geographic practice cost index, which varies by region and acts as a location-corrective multiplier for reimbursement. The purpose of this study was to demonstrate geographic reimbursement differences in orthopaedic trauma from 2000 to 2019.

Methods: The 20 most common procedures in orthopaedic trauma were determined using the 2016 National Surgical Quality Improvement Program (NSQIP) file. Using the Physician Fee Schedule Look-Up Tool, reimbursement values for these procedures were collected. Reimbursement values were sorted by locality and analyzed on a state-by-state basis. Reimbursement data from year 2000 were adjusted for inflation to 2019 USD utilizing the consumer pricing index. The average adjusted reimbursement in 2000 and 2019 were compared, as well as changes across states.

Results: From 2000 to 2019, the total average adjusted physician reimbursement for included procedures decreased by 30.0% across all states (\$1390.48 in 2000, \$973.19 in 2019; data in 2019 USD). From 2000 to 2019, the 4 states with the largest decrease in reimbursement after adjusting for inflation were Hawaii (-35.0%), California (-34.6%), Michigan (-34.5%) and New York (-34.0). The 4 states with the smallest decrease in average reimbursement were Montana (-21.9%), Alaska (-23.4%), Wyoming (-25.9%), and South Dakota (-26.3%) (Fig. 1). In 2019, the 3 states with the highest average physician reimbursement for included procedures were Alaska (\$1242.44), New York (\$1098.93), and Connecticut (\$1061.18). The 3 states with the lowest reimbursement averages were Mississippi (\$869.40), Nebraska (\$880.68), and Alabama (\$889.03).

Conclusion: This study demonstrates decreasing Medicare reimbursement in orthopaedic trauma throughout the last 20 years, as well as geographical disparities in reimbursement for orthopaedic trauma procedures. Further, reimbursement is declining at various rates across localities. A comprehensive understanding of these trends is important for physicians, hospitals, and policy makers in the United States.