

Comparing Medicare Reimbursement to Physicians and to Hospitals for Hip Fracture From 2012 to 2017

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Purpose: Medicare reimbursement for hip fracture remains a continual target of reform. The purpose of this study was to evaluate trends in reimbursement to both hospitals and physicians as well as assess charges for hip fracture episodes of care billed to Medicare.

Methods: The Inpatient Utilization and Payment Public Use File from the Centers for Medicare & Medicaid Services was queried for all hip fracture procedures (Diagnosis-Related Group 480-482) from 2012 to 2017. This database contains all hip fracture admissions billed to Medicare during these years. Extracted hospital data included hospital charges and amount paid by Medicare for each procedure. For physician payment, the Physician and Supplier Public Use File was utilized to collect physician charge and Medicare physician payment for all fee-for-service physician payments for hip fracture procedures (CPT codes 27235, 27236, 27244, 27245). All monetary data were adjusted for inflation to year 2017 dollars.

Results: From 2012 to 2017, Medicare paid physicians for 763,864 hip fracture repairs, totaling over \$580 million in direct fee-for service payments to surgeons. Meanwhile, from 2012 to 2017 Medicare paid hospitals under the Inpatient Prospective Payment System over \$10.2 billion in payments for these admissions. The mean amount charged by physicians increased from \$3817.16 to \$4,136.94 (+\$319.78, +8.4%), while the mean payment to physicians decreased from \$871.49 to \$815.31 (-\$56.18, -6.4%) per procedure. The mean amount charged by hospitals increased from \$50,879.50 to \$69,509.26 (\$18,629.76, +36.6%), while the mean payment to hospitals per episode of care increased from \$12,238.29 to \$13,321.58 (+\$1,083.29, +8.9%). The difference in percent change in mean reimbursement between hospitals and physicians was statistically significant ($P < 0.01$).

Conclusion: Although mean charges for hip fractures billed to Medicare has increased for both physicians and hospitals from 2012 to 2017, mean adjusted Medicare reimbursement for hip fractures to physicians has decreased, while mean adjusted reimbursement to hospitals for hip fracture episodes of care increased during this time. These data suggest the government may be targeting the providers over the hospitals in efforts to reduce cost in hip fracture care.