VALUE BASED ARTHROPLASTY

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Private sector embracing universal healthcare

Benefits of Alternative Reimbursement Mechanisms (ARMS)

- Develops more cost consciousness doctors
- Co-payment free for patients
- Brings previously uninsured into the market and so contributes to Universal Health Coverage
- Takes a load off the state
- Quality assurance BECOMES NECESSARY

Powerful quality assurance
- made possible by the information era

- Patient Reported Outcomes Measures (PROMS) @ 6 months post op
- 7 day, 30 day, and 90 day post operative re-admission rates
- Return to theatre rates

ALL BENCHMARKED AGAINST THE REST OF the MARKET

CLINICAL OUTCOMES

- **Improved recovery**: length of stay:

6.9 days to 3.2 days

- **Reduced Complications:** 90 day readmission rates:

12% to. 4.5%

Costs?

UP to 30% cheaper!

So WHY are medical professionals worried about contracting with ARMs?

- Ethical Rule 7: Fee Sharing
- Ethical Rule 8: Corporate structures
- Ethical Rule 10: Supersession
- Ethical Rule 18: Employment of doctors

Ethical Rule 7: Fee sharing?

- Perverse incentives, such as kickbacks, are prohibited
- Penalties are prohibited
- Farming out of clinical work to non-professionals is prohibited

BUT

What if the ARM pays professionals exactly what they invoice?

Ethical Rule 8: Impermissible corporate structures?

Incorporated Practices = preserves clinicians' personal liability towards patients for clinical negligence

BUT

is clinical measurement and feedback to clinicians, <u>without contact with patients,</u> clinical practice?

Ethical Rule 10: Supersession?

Requires proper communication between the doctors to ensure continuity of care

BUT

- Does not prohibit a doctor from treating another doctor's patient
- Rule 11 forbids doctors preventing their patients from seeking treatment from another doctor
- Rule 27A(d) obliges doctors to inform patients of treatment options and costs to help them select what is best for them

Ethical Rule 18: Employment of doctors?

BUT

(Apart from the fact that provincial and other Hospitals are permitted to employ doctors)

NETWORKS DO NOT INVOLVE AN EMPLOYMENT RELATIONSHIP

Registration with the CMS?

BUT

What if ARMs/Bundled Fees don't meet the definition of a MCO?

Underserved groups depending on ARM arrangements currently:

- Transmed, Medihelp – 400 cases per year = 20% of governments output
- Government waiting list patients – up to 8 years
- Foreign patients requiring fixed quotes that are competitive with India.

NOT FORGETTING THE IMPERATIVES OF UNIVERSAL HEALTH COVERAGE/NHI?

An urgent decision is required to allow:

ethical

cost effective

evidence based

high quality

clinically autonomous

CARE

QUO VADIS?

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