Value-Based Healthcare and Orthopaedic Surgery

Editorial Comment

Kevin J. Bozic MD, MBA, James G. Wright MD, MPH, FRCSC

Published online: 3 February 2012

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Most stakeholders agree that uncontrollable healthcare inflation poses a major threat to the health and economic welfare of many Western societies. The long-term viability of healthcare delivery systems is dependent on the ability to bend the cost curve by decreasing the rate of healthcare inflation. However, cost containment measures alone will not solve our problems. As in other sectors of the economy, a focus on value is the key to an effective and sustainable healthcare system.

How value should be measured in health care is controversial. Most experts agree that value can be broadly defined as the ratio of the benefits derived from healthcare services over the costs associated with the delivery of those services. Benefits should include the quality of care (eg, patient outcomes), as well as the service (eg, patient experience). Costs include the direct medical costs associated with the delivery of healthcare services, including personnel, drugs, devices, and facility fees, and the indirect costs such as lost productivity for patients and their families while undergoing treatment for an acute or chronic illness or condition.

What would the ideal healthcare system look like? Patients and their health care providers would discuss care options and make shared decisions, incorporating the patient's preferences and values and the care provider's expertise and knowledge of the risks and benefits of each

Fig. 1 Kevin J. Bozic MD, MBA, is shown.

treatment option. Appropriate care would be delivered efficiently in a timely fashion and suitable setting. Care would be safe and effective. Finally, all aspects of care would be culturally correct. Such features will provide high-value care.

Per capita healthcare spending in non-US Organization for Economic Cooperation and Development (OECD) countries is between \$3000 and \$4000 compared with \$8000 in the United States. Higher per capita healthcare spending in the United States is driven by many factors, including an inefficient payment system that is bloated with administrative waste, a fragmented, poorly integrated delivery system, defensive medicine, resource intensive end-of-life care, and constantly evolving healthcare technology of uncertain benefit. An additional driver of healthcare costs in the

K. J. Bozic (✉)
Department of Orthopaedic Surgery, University
of California San Francisco, 500 Parnassus Avenue,
MU320 W, San Francisco, CA 94143, USA
e-mail: bozick@orthosurg.ucsf.edu

J. G. Wright
Division of Orthopaedic Surgery, The Hospital
for Sick Children, Toronto, ON, Canada

Fig. 2 James G. Wright MD, MPH, FRCSC, is shown.

United States is moral hazard: the disconnect between the people who make healthcare decisions, namely doctors and their patients, and the entities that bear the costs of those decisions, namely the government and employers who pay for healthcare services. In short, patients and their caregivers are poorly equipped to make value-based decisions regarding their health care.

Patients deserve to know the quality and cost of their health care. However, finding information regarding the costs and potential benefits of healthcare services can be challenging for anyone, most notably for patients and their caregivers. Increased transparency of the costs, quality, and

patient experience associated with healthcare services could enable patients and their healthcare providers to make value-based decisions. Patient choice creates incentives at all levels, and motivates healthcare providers to deliver higher quality care for less money. The value of healthcare services may also be improved as providers compare their practice to others and adopt best practices. However, measuring and reporting information on the value of healthcare services is fraught with challenges. The information must be easily obtainable and accessible in real time to those who need it, clinically relevant, easy to understand, actionable, and appropriately risk-adjusted.

Rising procedure volumes and wide geographic variation in the utilization of costly orthopaedic surgical interventions make orthopaedic surgery ideally suited for value-based healthcare. Most services are elective in nature, and patients often have the opportunity to make value-based choices regarding whether and where to seek elective orthopaedic care. As a result, many value-based delivery and payment models, including the development of evidence-based practice guidelines and appropriate use criteria, the use of shared medical decision-making tools, and episode of care or bundled payments, have been piloted in orthopaedics.

In this Symposium, we present a wide spectrum of views and expertise on value-based healthcare. The pages herein provide both novice and expert insights into how value-based healthcare may enhance the value of orthopaedic surgical interventions. There are more questions posed than solutions offered, but the synthesis of this information provides a useful framework for how the principles of value-based healthcare could transform the practice of orthopaedic surgery.