



CASE STUDY

Pinnacle Orthopaedics, Aetna & Kearny Street Consulting

Working together with IPG to Enable Performance of Total Joint & Spine Procedures in an Optimal Cost and Quality Setting.

MARKET OPPORTUNITY

There was a time when procedures such as total joint replacements were thought to be too complex and risky to be performed in ambulatory surgery centers (ASCs). Today, those facilities have proven that with a highly trained surgical staff, a well-thought-out perioperative plan, and a motivated patient, these procedures can be done successfully in an ASC – and for about half of what they would cost in a hospital.

The primary obstacle that most ASCs like Pinnacle Orthopaedics face is getting the right reimbursement for the procedures to make them viable revenue sources. Pinnacle was initially out-of-network, and the majority of their contracts did not have a provision for implants. This limited the number of cases they could take to the ASC.

In this case study, we will tell you how Pinnacle Orthopaedics worked successfully with IPG, in conjunction with Aetna and Kearny Street Consulting, to enable their physicians to perform total joint replacement and other more complex surgical procedures at their facility.

“The number one thing is patient satisfaction, communication and consistency is key. At Pinnacle, from the time the procedure is scheduled, our patients have continuity with the team they will be working with. We have a designated coordinator who conducts a one-on-one total joint class to go over what our patients can expect before, during and after surgery. That person will be the face that they will see and the resource they can call if they have any issues. On the day of surgery our patients actually meet and speak with the pre-op nurse that called them to talk to them before they came in for their surgery. Then when they are discharged from the surgery center, they go upstairs to Physical Therapy. So it is all a very convenient, consistent and personal process.”

Donna Fisher
Chief Administrative Officer
Pinnacle Orthopaedics

CLIENT CHALLENGE

Opening their doors in 2011, Pinnacle Orthopaedics is a single specialty orthopedic and pain management center. This independent Ambulatory Surgery Center, located in Woodstock, Georgia, has two operating rooms and one procedure room. The facility supports fifteen orthopedic surgeons who utilize the center.

When the center first opened, they were mainly performing shoulder and hand surgeries, arthroscopic knee surgery, foot and ankle operations, and pain procedures. As the center matured, Pinnacle Orthopaedics looked to expand their scope of services to include more complex procedures like spine surgery and total joint replacements.

CLIENT STRATEGY

Equipment & Clinical Needs: Getting the facility appropriately set up to perform the joint replacement procedures requires planning. Pinnacle Orthopaedics formed a multi-disciplinary task force to include finance, clinical, utilization management, anesthesiology, physical therapy, home health and implanting physicians who met for about a year to establish the care delivery processes. Unfortunately, six to eight months into the process, Pinnacle Orthopaedics realized that although they were ready from a process, staffing, and equipment perspective, they didn't have the right reimbursements with health plans in place. That's where the expertise of IPG and Kearny Street Consulting came in.

Reimbursement Needs: Kearny Street Consulting worked with Pinnacle Orthopaedics to evaluate their existing costs and reimbursement for the services they were providing to the health plan. Additionally, they performed an analysis, with IPG's help, to determine the costs associated with performing new implant procedures they had not performed before, such as total joint replacements (hips, knees and shoulders).

Given that IPG had an established reimbursement schedule for implants with Aetna, this allowed Kearny Street Consulting to remove a large variable expense from their costs. With this information, Kearny Street Consulting was able to work with Pinnacle Orthopaedics and Aetna to negotiate a fair reimbursement for their services.

Capital Outlay: One of the key barriers which IPG was able to resolve for Pinnacle Orthopaedics was the considerable cash outlay for implants. IPG handles the financial responsibility for replenishment of the implants, and the facility does not have to outlay the cash for their implant-related procedures. This has enabled Pinnacle Orthopaedics to bring in more higher dollar procedures, resulting in financial profitability for the centers and lower costs to their patients and Aetna.

“With the help of IPG and their relationship with Aetna, we were able to bring the two of them together (Pinnacle and Aetna) and put together a mutually beneficial program. We knew that we could offer a big savings to the payers from what they were paying, and yet, still have a reasonable rate for Pinnacle to cover their costs within their surgery center. We also believe the quality is better within the surgery center because of the more focused approach versus the mass approach at the hospital outpatient surgery center.”

Dave Smith

President

Kearny Street Consulting

“The IPG-Pinnacle model is a great success story that we are replicating across Georgia and other Aetna markets to promote the appropriate coverage and reimbursement structure that supports eligible procedures, like total joints and spine cases to be delivered in the optimal cost and quality setting. Working with IPG allows us to identify those eligible facilities, surgeons and procedures that can be done in a more affordable setting thereby helping us manage our surgical costs to the benefit of our members.”

Alfred Ross

Director Network Management

Aetna

“Not having to outlay the cash for these procedures with the IPG program was a huge consideration for us in being able to perform these higher acuity, higher dollar cases.”

Donna Fisher

Chief Administrative Officer

Pinnacle Orthopaedics

CLIENT RESULTS

Pinnacle Orthopaedics is successfully performing unicompartmental knee procedures and will start to do total joint replacement procedures under the IPG program within the next month. Additionally, they have begun negotiations through IPG and Kearny Street Consulting with Aetna and others to begin doing spine procedures in early 2016. The spine surgeon who will be leading the program, Dr. Craig Chebuhar, is evaluating the facility's equipment needs and has three spine cases already scheduled. Under the IPG program, Pinnacle projects a positive impact to their mix of business and profitability. With the aim of being designated a Center of Excellence by their payer partners, Pinnacle Orthopaedic's goal is to gain experience and demonstrate better quality outcomes and patient satisfaction at lower costs to the payers and patients.



Conservative estimate of 20+ new high acuity cases annually (1-2 per month)



Significant increase in revenue and profit margins (\$2,500-\$3,500 per case)



Increased profitability without the need for upfront cash outlay

IPG PROGRAM BENEFITS:

- Help assuring financial, clinical and operational readiness to perform total joint replacement and other high acuity procedures
- Access to Payer Partnerships to allow for shift to higher acuity, more profitable cases
- Increased revenue and profit margins
- Seamless IPG Program Operations reported to Pinnacle Governing Body
- Improved cash flow for the center by avoiding upfront cash outlay for implants

PHYSICIAN BENEFITS:

- Increase in volume & acuity of cases
- Promotion of outpatient total hip, knee and shoulder procedures to prospective patients
- Personalized and integrated care coordination and delivery
- Manufacturer choice & broad coverage
- Quick patient turnover
- More predictability in scheduling

PATIENT BENEFITS:

- High patient satisfaction and continuity of care
- High patient safety focus
- Lower out-of-pocket expenses
- Lower infection rates
- Optimal patient care & patient outcomes
- Individual patient focus
- Efficient & continuous process



To learn more about the Pinnacle Orthopaedics experience, please contact Donna Fisher at donna.fisher@pinnacle-ortho.com or visit the Pinnacle website at www.pinnacle-ortho.com.



To find out how IPG can help your facility perform total joint, spine and other implantable device related procedures, please visit www.ipg.com or email kperry@ipg.com.



To learn more about how Kearny Street Consulting provide you with the reimbursement and re-contracting assistance you need please visit <http://www.kearnystreetconsulting.com> or email healthdave@icloud.com.

