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Orthopaedic Foot & Ankle Surgery

April 27, 2017

Dear Industrial Commission of Arizona:

Thank you for the opportunity to speak at the hearing on April 27, 2017. I have had the privilege of treating Arizona injured workers for the past 16 years as an orthopedic surgeon.

I understand the rationale behind the commission's decision to transition to a RBRVS system. That being said please understand that the RBRVS system is not designed with an injured worker in mind. Managing complex medical issues in a Medicare or private payer population is very different from treating industrial injuries. You cannot fairly compare reimbursement rates among injured workers, private insurance patients, and medicare patients as a mere percentage of each other.

Adopting the system and conversion factors as outlined by the commission creates a massive shift of dollars from surgical care to office care. What is the rationale behind this? The main determinant of reimbursement under RBRVS is the complexity of medical care. Consider the complexity of providing care in the office setting during a doctor's visit versus providing surgical care in the operating theater. Consider the risks and medical decision making regarding surgical treatment. Also consider that much of the office care of the injured worker is provided by midlevel providers in urgent cares.

The conversion factor formula outlined is designed to drastically reduce payments to surgery and radiology services. Even using a 15% reduction in the conversion factor formula outlined in the report translates to a 30-50% reduction in orthopedic surgery fees. This would not be sustainable or tolerated by surgeons and will surely jeopardize Arizona injured worker's access to surgeons. Drastically decreasing reimbursement rates will drive surgeons out of the market. No sector would tolerate such a drastic reduction in fees. Furthermore, if the commission adopts the recommendation to eliminate 90 day global periods for surgical care, then the surgical reimbursement rate will drop even further.

You have been compensating surgeons fairly, but now the message is loud and clear that you feel that surgeons are drastically overvalued for the service they provide. I do not think you will retain our services with your proposal that specifically targets surgeons caring for injured workers.

My recommendation is to reconsider the formula used to calculate the conversion factor for surgical services. I would support Mr. Older's recommendation to cap any increase or decrease in any particular surgical code to 5%.

Sincerely,

John A. Nassar, MD

Board Certified, American Board of Orthopaedic Surgery

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