BACKBONE

Volume 14

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Spring 2010

President's Corner Brian Smith, M.D. - President

"It is tough to make predictions, especially about the future." Yogi Berra.



The above quote from the Yankee sage, Yogi Berra, was used by Kevin Bozic, M.D., M.B.A. at a recent Grand Rounds at Yale. Dr. Bozic is the Vice Chairman and Associate Professor in the Department of Orthopaedic Surgery at the University of California, San Francisco. He has his MBA from Harvard and recently gave a very enlightening lecture on healthcare finance and reform from his unique perspective, as a recognized

expert who has testified before Congress on this issue.

While our President and one segment of Congress continue to have a somewhat contentious relationship regarding implementation of changes in our healthcare system, Dr. Bozic very persuasively highlighted five areas that need to be addressed as we try to reform our system. Ultimately, we need a system that is lower cost but still preserves high quality care; thus a system that preserves value for our patients. Dr. Bozic defined value in healthcare as quality care divided by cost. One of the hard things in our healthcare system is identifying and measuring quality. It is one of those things that we note when we see it or in healthcare receive it, but it is somewhat difficult to measure.

As he pointed out among the five areas that exist as burdens or drags on our system are the huge inefficiency that we have, vis a vis especially the healthcare insurance industry. There is a duplication of effort with a voluminous number of forms or paperwork that has to be filled out, often different forms for all the different insurance companies. This inefficiency is one thing that he indicates needs to be stripped out of the system.

Likewise, another issue is the fact that as Americans we are in love with technology, both physicians and patients. Everyone wants the latest and the best way to do things. Unfortunately, the technology is expensive and sometimes we are using technology that has not been validated in terms of outcome. There is no easy and ready answer for this, although one of the concepts that he

highlighted was the issue of "disruptive innovation" where a less expensive but equally effective product or technology or technique arises to fill a void in the market that then allows the entire market to make a significant adjustment downward.

Another significant factor is the so-called moral hazard that currently exists in our healthcare finance system. This reflects the fact that patients that have insurance really have no incentive to economize or not seek the Cadillac type care because they really are not paying for their care; a third party, that is the insurance company is. This explains the tendency of patients to seek the highest level of care and the most technologically advanced and perhaps even sometimes unnecessary care. Likewise, our system that rewards physicians for procedures rather than perhaps providing comprehensive care that is less procedure based also drives increased costs.

Certainly, measuring quality is another factor that is difficult in medicine. More care isn't necessarily better care, as the level of services as pointed out by the Dartmouth Group among others is vastly different in different parts of our country without evidence of better health. While the volume of services is variable, the overall quality may not be, which again raises that issue of value versus quality.

Finally, as was part of the discussion process of the lecture, our legal system adds a whole other layer of inefficiency to our healthcare system with regard to our current tort system. He indicated that in California they have had tort reform for about 30 years and his malpractice

(cont. on p. 2)

President's Corner (cont. from front page)

for doing about 400 total joint cases a year including about 25% revisions is \$9000. Certainly, that fee compares very favorably to what many of us are paying in the State of Connecticut. He, however, indicates that the cost of a total joint is not that much different in California than it is in Connecticut, so again although he does feel and agree that our system of torts needs reform, he does not hold great hope that it would markedly decrease the costs in healthcare. Again, some of the questioners after his lecture took issue with that, especially with regard to the practice of defensive medicine, but even the congressional budget office has had a hard time determining that impact on our healthcare system.

Ultimately, he points out that as orthopaedic surgeons we have been asking for first, that the Medicare SGR formula be maintained and sustained. The other thing we have been asking for is reform of our tort system and that can be construed by our patients and by the American public that we are asking for more money #1 and more money #2.

He feels strongly that we should start to focus on value and quality. He thinks that we need to be more transparent in our outcomes and be better at reporting them. He encourages us to improve our efficiency and economy, even our purchasing of equipment, devices, implants, and our technology. He advocates a value-based approach where we measure and report on quality and disseminate and publicize our costs. He feels this would be one way to put more competition in the system that may then drive itself toward quality care and thus drive down the cost. He made the analogy to the current state of the art in purchasing a laptop computer where one can go online and compare two machines side by side. Although, that is much more difficult to do in medicine, he feels that this is the approach that we need to take to try to get some type of handle on the out-of-control costs of our system. By enhancing consumer choice even at the same time adjusting the risks of surgeons that do cases that are more complicated, perhaps for example, in medical centers, he feels that that would generate a much more market-based system and empower the patients to become more savvy consumers of healthcare.

Certainly, it is creative thinkers like Dr. Kevin Bozic, who has had the benefit of an MBA from Harvard, whom we should consider and listen to as we evaluate the changes in healthcare. I think he is right in that we cannot be perceived as just asking for more money or protection of our incomes when we have the opportunity and even the obligation to deliver what our patients really want, which is high quality healthcare at a reasonable cost.

Orthopaedic Foundation

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Please join your colleagues in supporting the future training of the next generations of orthopaedic surgeons by making a contribution to the Connecticut Orthopaedic Foundation. Your tax-deductible gift will help make a difference.

Enclosed is my contribution, made payable to the "Connecticut Orthopaedic Foundation, Inc."

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All our orthopaedic surgeons should be encouraged to critically examine their own practices to start evaluating ways in which they might report outcome and measure quality of care so that we can do a better job in communicating our value to our patients, rather than simply demanding that tort reform occur and that Medicare payments be maintained and restored. If we do not as orthopaedic surgeons take the lead on this then others outside of our profession will and that in the end can only potentially damage what is arguably the best specialty in medicine, orthopaedic surgery.

Again, leaders like Dr. Kevin Bozic will help us maintain orthopaedic surgery as a province of the best and the brightest from our medical schools and also help us preserve the reputation that we have with our patients. Similarly, our Connecticut State of Orthopaedic Society has its goal to advocate for all the orthopaedic surgeons in Connecticut. This would be an ideal time to sign up and join our organization if you are not a member so that again we can approach our legislature with one voice as we advocate for issues like fairness in contracting and support for emergency care of orthopaedic patients in our state. Health care reform will affect all of us, so please support the COS as your voice on the State level as our professional lives are being transformed by our Congress and our society.

Tort Reform

On October 9, 2009, Douglas Elmendorf, Director of the Congressional Budget Office (CBO), wrote a letter to Senator Orin Hatch having to do with the effect of tort reform on health care. In a subsequent letter dated 12/ 29/09 to Representative Bruce L. Braley (Dem, Iowa), he outlined the CBO's findings that were reported to Senator Hatch: the CBO concluded that tort reform would lower costs for health care not only by lowering mal practice costs (premiums, settlements, awards, administrative costs), but also by altering the practicing patterns of physicians (defensive medicine). The estimated savings over the next decade would be 54 billion dollars.

In the first case the evidence based literature indicates that the only effective way to legislate savings is through caps on noneconomic damages and changes in the "joint and several liabilities" laws. Joint and several liability refers to the legal concept that a wronged party may get compensation from any or all of the wrongdoers, but may not be paid double (e.g. full compensation from two different wrongful parties). Significantly, tort reform not only lowered the awards paid by insurance companies, it also allowed the insurance companies greater predictability regarding future payments- an important factor in determining the premiums health care providers have to

With respect to the effect of tort reform on health outcomes, the evidence is somewhat murky. Nevertheless, the relationship between medical errors and mal practice is still weaker than commonly held. The Harvard Medical Practice Study showed that the majority of patients who suffered injury in the hospital never filed claims and that a substantial number of the claims that were filed were judged by a panel of medical professionals as not having been caused by negligence. Also, in states that implemented tort reform there was no increase in mortality.

The most important finding of the CBO was that the cost reduction seen with tort reform far exceeds the amount anticipated on the basis of the costs of medical mal practice alone. Only caps on noneconomic damages lowered overall spending because only that reform induced changes in practice patterns that decreased the unnecessary diagnostic load the system currently bears (defensive medicine). They also noted that the reduction in the utilization of health services will have a greater impact on federal health care spending (Medicare and Medicaid) because managed care insurers are already limiting physicians (rightly or wrongly) on resource utilization.

The Democratic plan for health care reform includes language to the effect that the federal government may subsidize states who implement tort reform, but only if there are no caps on noneconomic damages and no limits on the attorneys' pay. It reflects the longstanding monetary relationship between the American Trial Lawyers Association and the Democratic Party. The Republican plan is modeled after the successful reforms enacted in Texas and California and is supported by the research of the Congressional Budget Office. It is at times like these when we see who our elected lawmakers truly represent.

Coding Course Updates

Nearly 100 orthopaedic surgeons and their office staff took part in the popular coding workshop on Thursday, March 18, 2010, at the Farmington Marriott in Farmington, CT. Attendees learned power coding techniques to navigate the changes and updates in the coding system from the dynamic and knowledgeable speaker, Mary LeGrand, Karen Zupko and Associates.



Mary LeGrand, speaker, presents coding updates to attendees at the March 18, 2010, CT Orthopaedic Society Coding Course at the Farmington Marriott, Farmington, CT.

Thanks to the Society's underwriting of the program, Society members and their staff were able to learn important updates for orthopaedic practices at a fraction of the normal program cost.

For those who attended and had questions for the speaker, Ms. Mary LeGrand, please email the question to Susan Schaffman, email sasshops@aol.com. Ms. LeGrand will answer the questions and the Society will email you the reply. The Society would like to extend special thanks to Genzyme for their support and participation of this program.

The Backbone is a publication of the Connecticut Orthopaedic Society. Comments and suggestions should be directed to:

> Susan Schaffman, Executive Director 26 Riggs Avenue, West Hartford, CT 06107 (860) 561-5205 phone email: sasshops@aol.com

2010 Legislative News

The 2010 Legislative Session in Connecticut is well underway and while much discussion is focused on the budget deficit there is still plenty of health care debate.

The CT Orthopaedic Society continues to work with the State Medical Society and other specialty societies to support important health care legislation concerning:

Standards & Fairness in Contracting Certificate of Need Reforms Collective Bargaining

Transparency in Health Insurance Claims Data Definition of Medical Necessity

Regional Policy (Prohibition of Gifts from Pharmaceutical & Device Companies)

Rental Networks

Most Favored Nation Clauses in Contracts Licensing and Regulation of Third Party Administrators

The Society gratefully appreciates the commitment on the part of board members, Dr. F. Scott Gray, Dr. William Cimino (Vice-President) and Dr. Frank Gerratana for the time they have taken from their busy practices to represent all orthopaedic surgeons to key legislators on important bills.

Our lobbyist, Bill Malitsky of Halloran & Sage, works on your behalf to bring our messages to legislators however, it is imperative that orthopaedic surgeons stay active and visible and to this end encourage you to respond to future "Call to Action" alerts. Your voice in these matters strengthens all of medicine's stances on critical issues facing physicians and their practice. For more information please contact Susan Schaffman at sasshops@aol.com.

2010 Membership Dues Invoice

Physician Email Address_____

COS Membership Due

The 2010 Dues for the Connecticut Orthopaedic Society are now past due. Membership dues for 2010 remain at \$250.00 which includes admission to the Annual Meeting with CME credits, reduced rates for workshops and seminars, legislative representation and members' directory listing for patient referrals on www.ctortho.org. This year, with your support, your Society will:

Lobbying – Continue working with the Society's lobbyist, Halloran & Sage, to guarantee that the Society has a seat at the legislative table with debates and decisions in Legislative 2010. In addition, we continue to safeguard the practice of medicine and assist the Society's members with presentations at public hearing, bill tracking and meetings with key legislators.

<u>Worker's Compensation</u> - We continue to communicate with the Chairman of the Commission and open dialogue with key legislators to discuss health care coverage Connecticut's workers.

Coding & Other Programs for Your Practice - Offer educational seminars at reduced rates with CME accreditation. This year we will also continue to offer the Communications Workshop for members to help you enhance effective communications with your patients staff and colleagues. This program offers 4 CME credits and 2.5% premium reduction to CMIC policy holders.

Annual Meeting & CMEs - Provide educational opportunities and CME credits at the Society's Annual Meeting. This year's event will be held on May 14, 2010, at the Farmington Marriott Hotel and will offer informative clinical sessions from renowned speakers and more. YOU WON'T WANT TO MISS IT!

<u>Communicate and update members</u> using the Society's website (<u>www.ctortho.org</u>), and online newsletter "BackBone".

2010 CT Orthopedic Society Membership \$250.00 Political Activities Contribution (optional) \$50.00* Total Due \$300.00 Please complete the information below and mail with payment payable to the Connecticut Orthopaedic Society. (not tax deductible) (Please print/type) Name______ Address______ City______Zip_____

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Account Number: Expiration Date:(month)(year)					
Signature					
Remit payment to: Connecticut Orthopaedic Society					

c/o Susan Schaffman
26 Riggs Avenue, West Hartford, CT 06107
Payment by credit card - fax completed form to (860)561-5514.

For questions or comments, please contact Susan Schaffman, Executive Director at (860)561-5205, email sasshops@aol.com.

Save Connecticut Orthopaedic Society Annual Meeting The Friday, May 14, 2010

Date

Registration 8:00 a.m. Program 8:15 a.m. - 3:30 p.m. Farmington Marriott Hotel, 15 Farm Springs Road, Farmington, Connecticut

Michael Kaplan, M.D., Program Director, has assembled an impressive educational program for the Society's 2010 Annual Meeting. You won't want to miss this event which will provide you with important clinical information, updates and an opportunity to earn CME Credits.

All Society physician members and physician assistant affiliate members (2010 dues paid), medical interns and residents are invited to attend this event free of charge. Emeritus Members can attend for \$40.00. Physician assistants(non-members), physical and occupational therapists will be charged \$150.00 for the meeting and luncheon.

REGISTER NOW. Please contact the Connecticut Orthopaedic Society's Executive Director, Susan Schaffman at (860)561-5205. The Society looks forward to your participation.

New Bearing Surfaces in THA -Latest World Data Daniel Berry, MD, Mayo Clinic American Academy of Orthopaedic Surgeons

American Academy of Orthopaedic Surgeons Update

Daniel Berry, MD, Vice President, AAOS

External Fixation

Stuart Green, MD, Long Beach, CA

Surgery in the Rheumatoid Patient - Overview and Staging

The Rheumatoid Elbow and Total Elbow Replacement

Mark Figgie, MD, Hospital for Special Surgery

Resident Paper Presentations & Awards Yale & UConn

Orthopaedist of the Year Award

Robert Green, MD

Metabolic Bone Disease Current Treatment Options for Osteoporosis Joseph Lane, MD, Hospital for Special Surgery

Basal Joint Arthritis
Distal Radius and Ulnar Fractures
Melvin Rosenwasser, MD, Columbia University



2010 Annual Meeting Registration Form

Yes, please register me (us) for the Annual Meeting
on May 14, 2010, at the Farmington Marriott Hotel from
8:00 a.m 3:30 p.m.
Name
Name
Practice
Address
CityZip
Telephone Fax
E-mail
Registration Status (check one)
Connecticut Orthopaedic Society Member (2010 Dues Paid - NO FEE)
Connecticut Orthopaedic Society Physician Assistant Affiliate Member (2010 Dues Paid - NO FEE)
Connecticut Orthopaedic Society Emeritus Member (\$40.00 FEE)
Medical Student, Resident or Intern (NO FEE)
Physician Assistant, Physical or Occupational Therapist (\$150.00 per registrant)

Return form and payment (if applicable) to:

Connecticut Orthopaedic Society

Administrative Office

26 Riggs Avenue, West Hartford, CT 06107

(860)561-5205 phone - (860)561-5514 fax

email - sasshops@aol.com

Save The Date

Connecticut
Orthopaedic Society
Annual Meeting
Friday
May 14, 2010

Registration 8:00 a.m.
Program 8:15 a.m. - 3:00 p.m.
Farmington Marriott Hotel, 15 Farm
Springs Road, Farmington,
Connecticut
Details in this issue of Backbone. Don't Delay,
Register Today!



Administrative Office 26 Riggs Avenue West Hartford, CT 06107 6

2 0 1 0	President Brian Smith, M.D. Phone: (203) 737-5660, E-mail brian.g.smith@yale.edu Vice President (President-Elect) William Cimino, M.D. Phone: (203) 255-7000, E-mail wgciminomd@aol.com Secretary/Treasurer Ross Benthien, M.D. Phone: (860) 549-0920, E-mail rbenthien@hotmail.com Immediate Past President Robert Biondino M.D. Phone: (203) 265-3280, E-mail sharon.biondino@snet.net AAOS Councilors Michael Connair, MD Phone: (203)777-2044, E-mail uniondoctor@yahoo.com Michael Marks, MD, MBA Phone: (203)845-2200, E-mail mmarks1988@aol.com BOARD MEMBERS				
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