

The Case for Orthopedic Hospitalists

Solving Coverage Challenges While Building Value for the Hospital

By Neil Vining, MD, MBA National Director for Surgical Services, TeamHealth

Orthopedic surgeons are vital assets to any hospital — delivering essential patient care and serving as significant drivers of revenue.

Unfortunately, many hospitals find it increasingly difficult to maintain adequate emergency department and inpatient services from orthopedic surgeons practicing in the community. As a result, those hospital leaders face challenges such as long wait times and lengths of stay, which lead to unhappy patients, physicians and nurses. In many instances hospitals simply lose orthopedic cases (and revenue) when patients must be transferred to other facilities to receive orthopedic care.

This white paper explores industry trends contributing to orthopedic coverage difficulties and explains how a well-designed, hospital-based orthopedic surgical service can solve those challenges and generate additional value throughout the hospital.

BACKGROUND

Orthopedic surgery is one of the highest volume specialties for hospital admissions, and many of those admissions originate in the emergency department. Of the 129.8 million emergency department visits that take place each year, nearly 38 million are injury related, including 6 million fracture visits and 3.7 million sports injury visits.



Traditionally, hospitals forged relationships with orthopedic surgeons practicing in the community to cover emergency cases on an on-call basis. Hospitals paid little or nothing for this “community service” and surgeons used it as a way to build their practices and generate revenue. In addition, those surgeons relied on hospital surgical facilities when patients from their office-based practices required non-emergent, scheduled procedures.



In total, one full-time orthopedic surgeon can generate an average of \$2.7 million in revenue for their affiliated hospital – approximately 5.5 times their annual salary, according to Merritt Hawkins. That’s more than any other specialty, including general surgery (\$2.2 million), internal medicine (\$1.8 million) and neurosurgery (\$2.4 million).

CHALLENGE

Changes in the healthcare industry are altering the relationships between hospitals and community orthopedic surgeons. In a one-two punch, there are both fewer orthopedic surgeons available to cover emergency department and inpatient services, and the available surgeons are less likely to enter an on-call relationship with their local hospital – making it tough for hospitals to provide essential patient care and depleting or removing a significant source of revenue.

Today, the average orthopedic surgeon is 57 years old, and retirements are outpacing the recruitment of new physicians into the specialty. Only 670 new orthopedic surgeons enter the workforce each year. Of new recruits, approximately 90 percent enter sub-specialty training that is likely to steer them away from general call and trauma responsibilities.

This is not surprising given the broader trend among young physicians for choosing specialties and employment arrangements that allow ample uninterrupted time away from work. As early as 2002, surveys showed lifestyle considerations outweighing income as top decision factors for residents selecting a specialty. A 2012 Merritt Hawkins survey showed only 1 percent of residents wanted to enter a solo practice, with most preferring the stability and set scheduling associated with hospital employment.

Unfortunately, young physicians are not alone in this trend. Even some private practice orthopedic surgeons who used to provide emergency department and inpatient coverage have stopped making themselves available to local hospitals. They no longer see an “upside” to taking call: Today it is poorly reimbursed compared to elective practice, burdensome on their practice and lifestyle, and administratively frustrating. Currently, about half of practicing orthopedic surgeons did not take any emergency department call.

As a result, some facilities simply cannot fulfill their orthopedic care needs, forcing them to transfer cases to other facilities for care – essentially sending revenue to their competitors. And not only emergency department revenue – additional consult services, radiographic workup, inpatient pharmacy charges, et cetera. All of that is lost when a case must be transferred.

For those who can still secure limited (or reluctant) community orthopedic coverage, patients may face extended wait times – clogging up the emergency department, negatively affecting satisfaction scores, aggravating the emergency department and hospital medicine teams and potentially putting patients at risk. One survey showed 42 percent of emergency department administrators believe lack of specialty coverage presents a significant risk to patients.

SOLUTION

To ensure timely orthopedic care is available to all patients, hospitals that are facing a decline in reliable community coverage must look to new models. The most effective strategy for hospitals to achieve guaranteed orthopedic services — and added value throughout the facility — is partnering with an experienced, third-party provider of orthopedic hospitalists to create an integrated, hospital-based orthopedic surgical service.

In this model, the hospital's partner recruits and employs a small team of orthopedic surgeons who share hospital coverage responsibility on a rotating basis. The benefits of this model include:

- Guaranteed surgeon availability – 24-hours a day, every day of the year
- No hospital responsibility for orthopedic surgeon recruitment, management or scheduling
- Increased clinician and patient satisfaction
- Improved revenue opportunities throughout the hospital

THE ECONOMICS

In a hospital-based orthopedic surgical service model, the hospital's third-party partner recruits several orthopedic surgeons to share the responsibility of providing orthopedic services to the hospital's patients. Most commonly, three surgeons share the duties, with each surgeon covering 10 days per month.

Although each surgeon works 10 24-hour shifts, which is full time, they can be recruited at competitive salaries because of the unique lifestyle benefit of having 20 days off per month with no call responsibilities. The model essentially “plugs the gap” between hospital needs and surgeon quality of life. Considering that an orthopedic surgeon brings in an estimated \$2.7 million in annual revenue, hospitals can expect approximately \$1.4 million to \$1.5 million in revenue after salary considerations.

In addition, because those surgeons are dedicated to the hospital, the hospital receives the revenue benefits associated with keeping all the surgical and surgery-related services within the hospital or its network – such as radiology, physical therapy, etc. – and not letting it trickle out into other community practices.



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METRIC BENEFITS

In addition to the revenue benefits, there are numerous ways this model can help hospitals enhance their operations, finances and even key metrics.

With dedicated orthopedic surgeons, hospitals are no longer at the mercy of a community physician's schedule when he or she must be called in for an emergency. The hospital's priorities are the surgeons' priorities, and they work as part of the team to provide prompt, quality care. And when response times improve, wait times fall – increasing throughput in the emergency department, improving satisfaction among emergency department and hospital medicine physicians, and enhancing patient satisfaction.

As a result, hospitals may see reduced turnover among clinicians, better emergency department metrics (reduced length of stay, fewer patients who leave prior to treatment, etc.) and improved patient satisfaction survey scores – all of which are associated with improved financial performance.



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PEACE OF MIND

When a trusted third party manages the orthopedic surgical service, it's one less thing for the hospital to worry about. Because dedicated surgeons are always available and ready to assist in an emergency, there are fewer patient safety concerns. And there's less of a burden on administrative resources.

Hospitals don't have to worry about shouldering the time and expense of recruiting and managing surgeons, making the call schedule and wrangling over competing priorities and personalities. And if the availability of orthopedic surgeons continues to lag hospital demand, and the trend of community

surgeons eschewing call coverage progresses, hospitals have peace of mind knowing they have a team in place every day.

CONCLUSION

Orthopedic surgeons are a vital hospital asset, but industry dynamics make it increasingly difficult for some hospitals to maintain adequate orthopedic coverage. For those hospitals, the best solution is partnering with an experienced, third-party provider of orthopedic hospitalists to create an integrated, hospital-based orthopedic surgical service – achieving guaranteed call coverage and added value throughout the facility.

ⁱ Merritt Hawkins. 2016 Physician Inpatient/Outpatient Revenue Survey.

https://www.merrithawkins.com/uploadedFiles/MerrittHawkins/Surveys/Merritt_Hawkins-2016_RevSurvey.pdf

ⁱⁱ Richtel, Matt. "Young Doctors and Wish Lists: No Weekend Calls, No Beepers," The New York Times. 7 January 2004. <http://www.nytimes.com/2004/01/07/us/young-doctors-and-wish-lists-no-weekend-calls-no-beepers.html>

ⁱⁱⁱ Merritt Hawkins. 2012 Review of Physician Recruiting Incentives.

<http://www.merrithawkins.com/uploadedFiles/MerrittHawkins/Pdf/mha2012survpreview.pdf>