SHORTCUT YOUR PURCHASING PROCESS
Click here to see THE SHORT LIST.
PEER REVIEW by HFM

Rethinking spine care

Some health systems are moving beyond surgery in serving back pain patients

By Jaimy Lee
Posted: March 22, 2014 - 12:01 am ET
Tags: Cover Story, Top Stories

The rapid growth in spinal surgery volumes over the past 20 years has prompted **payers**, policy experts and some spine surgeon groups to call for a reappraisal of spine care in the U.S. That's partly why Legacy Health, a self-insured hospital system based in Portland, Ore., in 2012 began requiring its employees and their family members who were seeking elective spine surgery to go through a pre-surgical assessment including meetings with a physical therapist and a psychologist. Legacy acted after finding that a significant number of patients in its pain program were there following unsuccessful back surgeries.

Patients often have unrealistic expectations about spine surgery, said Katie O'Neill, Legacy's director of clinical and support services. She said they may think, “I'm going to get my spine surgery and in three weeks I'm going to walk normally.” But, she added, “that's not what's going to happen.”

Legacy's employee program initially was resisted by surgeons and patients, but many now praise it, she said. While the number of spinal procedures has not dropped, the program has been successful enough that later this year, the system plans to open a spine care center that offers the same array of services for non-employee patients. “It's not to eliminate surgery, but to (help patients) get to the right surgery,” O'Neill explained. “And if they're not surgical candidates, they (need to) get to the right modality.”

Legacy Health is one of a number of **hospitals** and **health systems** around the country that are rethinking how they provide spine care, given the mounting research evidence that too many Americans are undergoing unnecessary spinal procedures and experiencing mixed outcomes. The steep jump in spine surgeries in the late 1990s and 2000s has prompted many **health insurers** to tighten coverage policies for particular indications and procedures, particularly spinal fusion for degenerative disc disease in the lower back. Studies have found that non-surgical treatments are more likely to help these patients.

Advertisement | **View Media Kit**

Related Articles

More in: Cover Story Go

Rethinking spine care

Obamacare's frantic final enrollment drive

More Cover Story Articles

MH Takeaways

Payers and providers are changing their policies and services given the mounting research evidence that too many Americans are undergoing unnecessary spinal procedures and experiencing mixed outcomes.

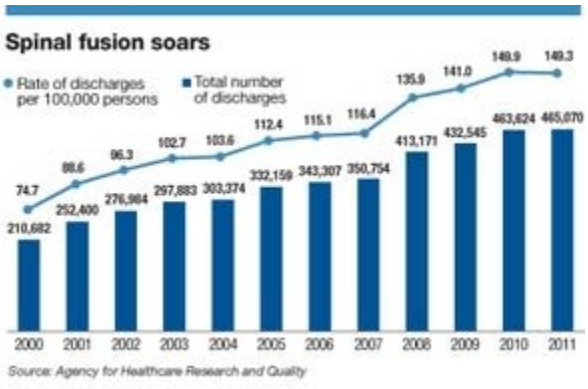
Still, providers recognize there are no easy answers in this area. Patients who seek spinal care often are suffering severe pain and disability, doctors face pressure to provide quick relief, and clinical answers may be murky. Hovering over all that are powerful financial incentives for doctors and hospitals to perform surgery. The challenge is figuring out the appropriate indications for surgery where the science is inexact. “By the time people get to a surgeon, they're frustrated and want to be fixed,” said Dr. Christopher Kauffman, an orthopedic surgeon in Nashville who serves on the American Academy of Orthopaedic Surgeons' coding and reimbursement committee. Spinal fusion, which fuses vertebrae together to treat back pain and is commonly done in the lumbar region of the lower back, is by far the most common spine procedure in the U.S. About 87% of spinal procedures in 2013 were fusion-based, according to the research firm GlobalData. There were more than 465,000 fusion operations in the U.S. in 2011, compared with 252,400 in 2001, according to the Agency for Healthcare Research and Quality. The estimated cost of spinal fusion procedures was more than $12.8 billion in 2011, according to AHRQ. Hospital costs alone for a procedure average $27,568. Total costs can hit six figures for major spinal fusion procedures, experts say.

The volume of spine surgery in the U.S. is about double the rate in Canada, Western Europe, and Australia, and about five times the rate in the United Kingdom, according to Dr. Richard Deyo, a professor of evidence-based medicine at Oregon Health & Science University who has published studies of spine surgery appropriateness and outcomes. Experts expect the volume in the U.S. to continue to grow over the next five years. That will be driven by aging but still-active baby boomers, the shift to less-invasive procedures performed in outpatient settings, aggressive marketing by surgery centers and device manufacturers, and financial incentive arrangements between manufacturers and surgeons. Medicare beneficiaries are expected to be the fastest growing market. Spine surgeons have profited from the fusion boom. Median compensation for U.S. orthopedic spine surgeons in 2012, not including ancillary income, was $730,246, making them the second highest-paid surgeons after orthopedic hip and joint surgeons, according to the 2013 MGMA Physician Compensation and Production Survey. That compared with median compensation of $538,533 for all orthopedic surgeons.

“Spinal fusion is one of the top 10 (procedures) that most payers are looking at the rate of increased utilization, aggregate spending and the likelihood of continued increases based on demographics,” said Dr. Sean Tunis, CEO of the Center for Medical Technology Policy in Baltimore. In 2011, Blue Cross and Blue Shield of North Carolina, facing a nearly 50% jump in costs for spinal fusion surgery from 2004 to 2009, became one of the first insurers to tighten its coverage policy for the procedure, excluding coverage for degenerative disc disease. The insurer—which found that more than half the patients who had undergone spinal fusions had never seen a physical therapist before surgery—now recommends three months of non-surgical treatment before surgery can be approved. Within one year of the new policy, it saw a 30% decrease in procedures. While there was a 10% uptick in spinal decompression operations, overall costs for patients with lower back pain dropped significantly. “Spine surgery is numero uno… in the top echelon of top cost drivers,” said Dr. Andy Bonin, medical director of

appeals for the insurer.

Cigna also changed how it covers lumbar fusion, said Dr. Julie Kessel, Cigna's senior medical director for coverage policy. The insurer in late 2010 required that patients participate in a physician-supervised program including exercise, physical therapy and behavioral therapy for six months before they can be authorized for surgery. These changes follow growing alarms from medical experts about the inappropriate use of spinal fusion. In a 2011 policy statement on lumbar fusion, the International Society for the Advancement of Spine Surgery said “increasing success and optimism may be leading some surgeons to overuse procedures beyond what the current state of medical evidence really supports.” The varying rates of spine surgery, it added, suggest “a lack of collective adherence to the current state of medical evidence.”



Many experts say fusion should not be routinely used for stenosis, herniated discs, or disc degeneration where accompanying problems of spinal instability or deformity are not present. A 2006 Medicare evaluation by a panel of physicians found that it was less than reasonably likely that spinal fusion would provide a long-term benefit for patients suffering from degenerative disc disease. That finding was never translated into Medicare coverage policy.

Adding to the scrutiny is that the cost of devices used in spinal procedures has risen, driven in part by new and innovative products. Those higher device costs have led in turn to the rise of physician-owned distributorships (PODs), which are medical supply companies owned by doctors that promise to offer hospitals lower prices for commodity-type products such as surgical screws and plates. Federal officials, traditional device makers and hospital systems have become increasingly concerned that PODs give surgeons who invest in them an inappropriate financial incentive to perform more spine procedures. Last year, the HHS' Office of the Inspector General reported that hospitals purchasing spinal implants from PODS have higher rates of spinal procedures than hospitals that don't deal with PODs. That scrutiny has prompted some major hospital systems to announce plans to stop buying supplies from PODs.

Some surgeons and spinal device manufacturers have criticized the new, more restrictive insurance policies, arguing that the documentation process for obtaining payer approval is overly time-consuming and the criteria can inappropriately limit access to needed surgery. Spine surgeons and their industry allies have been politically successful in the past in blocking tougher scrutiny of back operations.

“It's gotten to the point where you're recommending an operation, and the insurance company is saying no. The patients feel as though they are stuck in the middle,” Kauffman said.

Hospitals have relied on spine surgery as a top-performing service line, and it's still a major source of revenue. But they are rethinking their approach. “Until now, spine surgery was a big winner for generating revenue for hospitals and surgeons. That hasn't completely changed,” Deyo said. But “with healthcare reform and more health plans going to some form of a capitated model, the financial incentives are changing.”

With the growing consensus about overutilization of surgery, some hospitals are turning surgical programs into comprehensive spine-care programs that offer an array of treatments, including physical therapy, pain management, psychological care and different types of surgical procedures. It's estimated that only one in 10 patients with lower back pain will need surgery, surgeons and experts say. These comprehensive spine programs “are not as lucrative as surgery, but the volume is there,” said Shruti Tiwari, a consultant for the Advisory Board Company's research and insights division. “Spine surgeries are still going to increase. (But) the rapid growth we saw in the last decade is not going to happen anymore.” Beth Israel Deaconess Medical Center in Boston established its Spine Center in 2008 and now serves as a one-stop-shop for back pain patients. The creation of the center was driven by a need to better coordinate care, said Dr. Kevin McGuire, a spine surgeon and the Spine Center's co-director. “It takes off some of the pressure on the primary-care doctor about who to

send the patient to," he said.

The center is staffed by four surgeons and 11 non-surgical providers including podiatrists and pain-management specialists and sees between 500 and 600 patients per month. Some may be appropriate candidates for spinal fusion or other surgical procedures. But most will end up receiving non-surgical treatment, McGuire said.

Putting back pain patients under one roof reduces inappropriate variations in care. "We provide better care for the patient now than we did before," he said.

Follow Jaimy Lee on Twitter: ***@MHjlee***

0 Share Like 6 Tweet 1

Today's Headlines

Audit shows N.C. overpaid some Medicaid providers
Tenn. hospitals seeing far fewer elective deliveries
Nine public health departments in eight states receive accreditation
Google Glass offers vision of wearable tech in healthcare

More Headlines

What do you think?

Share your opinion. Send a letter to the Editor or Post a comment below.

Post a comment

You must be logged in to post a comment. FAQ | Log in | Register

Please login to post a comment.

SPONSORED CONTENT FROM OUR PARTNERS

The "next generation" of partnership arrangements between ho...

Learn how healthcare organizations can ensure data security ...

GE Healthcare

Optimizing Financial Performance: How an interoperable IT st...

Search ModernHealthcare.com:

Want 90% of IT issues resolved in one call?

Created By:
CareTechSolu

News by Section
35th Anniversary
Healthcare Breaking News
Today's Newsmakers
This Week's Issue
Daily Dose Archives
Exclusive Series
Special Reports
Special Features
Regular Features
Live@ Event News
International News
Outliers Online
Most Requested Articles
Regional News
Modern Physician

Multimedia
Videos
Webinars
Podcasts
Photo Galleries

News by Topic
Affordable Care Act
ACOs
Finance
Government Affairs
Healthcare IT
Payers
Physician News
Safety and Quality
Supply Chain
More Topics

Regular Features
Construction
Information Edge
International Healthcare
Legal Affairs
Long Term Care
Medical Technology
Outpatient Care
Patient Safety
Payers and Purchasers
Rural Health
Staffing & Labor
Strictly Finance

Data Center
Surveys, Lists and Data
Mergers & Acquisitions
Market Facts
Technology Price Index
Open Surveys
Survey Respondents
By the Numbers

Opinion
From the C-Suite
Guest Commentary
Editorials
Reporter's Notebook

Blog
Vital Signs

Community
Letters to the Editor
Daily Reader Forum
HITS Reader Forum
LinkedIn Group
Twitter Feed
Facebook Page

Recognition Programs
All Recognition Programs
100 Most Influential People in Healthcare
100 Top Hospitals
50 Most Influential Physician Executives
ACHE Awards
Architectural Design
Best Places to Work in Healthcare
CEO IT Awards
Community Leadership
Design Awards
Healthcare's Hottest
Health Care Hall of Fame
National Quality Forum
Physician Entrepreneur
Spirit of Excellence
Top 25 Clinical Informaticists
Top 25 Minority Executives
Top 25 Women in Healthcare
Trustee of the Year
Up & Comers

Health
Building
Virtual C
Best Pla
Confere
Top 25
Women
Confere
Industry
Live@ E
Webina

Spons
Perspec
What's I
Waller C
Nashvill
Healthc
Case St
Classifie
Marketp

Partne
Crain Pu

Daily Dose | Modern Healthcare Alert | Modern Healthcare AM | HITS

LinkedIn | twitter | facebook | flickr | RSS

Copyright 1996-2014 Crain Communications, Inc. | Privacy Statement | Terms of U