

Orthonomics = Value-Based Orthopaedics

There is no denying that the healthcare industry is facing unprecedented challenges and dynamic uncertainties. While the future of healthcare reform initiatives remains uncertain, it is clear that our healthcare system will continue to evolve as we move toward more sustainable healthcare delivery models that can meet the ever-growing patient demand and provide high-quality care, while simultaneously addressing the stark economic realities facing surgeons, hospitals, patients and payers.

Orthopaedic technology companies must lead the way. We must find new ways to deliver unprecedented levels of value to all customers, leveraging new innovations and providing fully-integrated solutions that dramatically improve efficiencies and optimize both clinical and economic outcomes. This can only happen when we view innovation through a more comprehensive lens that focuses on the entire orthopaedic episode of care.

This philosophy – we call it “Orthonomics” – drives the development of technologies, services and programs at Stryker Orthopaedics. We believe that future delivery models need to transcend the operating room and deliver the technological, operational, business, educational and clinical value required to meet the needs of all stakeholders, especially patients.

Sure, significant emphasis has been placed in the current health reform debate on “bending the curve” in health care spending, but the reality of supply and demand curves has yet to be adequately addressed in our industry. For example, consider the inverse relationship between projected demand for total joint procedures and the supply of surgeons forecasted to be available to meet that demand. Patient demographics will drive significant procedural increases between now and 2030. Growth in primary hip procedures is expected to be 174% over this period, reaching 572,000, and demand for knee procedures is expected to rise 673% to 3.48 million, according to a recent study in the *Journal of Bone and Joint Surgery*¹. Conversely, declining reimbursement, lower enrollment in joint fellowship programs and the shift to more lucrative specialties are forecasted to lead to waiting lists for joint procedures over the next five years².

Going forward, business models will need to shift to simultaneously focus on both these new economic realities and the increased emphasis on improving clinical outcomes. Terms like “pay for performance,” “comparative effectiveness” and “accountable care” will be the language and metrics for success. What is not yet clear is how reimbursement will be transformed in both the private and public systems to align stakeholder incentives towards enhanced performance goals while maintaining and delivering high quality care to patients.

Orthonomics, the practice of responsible, value-based orthopaedics, is the kind of foundation that will benefit everyone involved in the health care community, from patients, to providers and ultimately to tax payers.

¹ “Orthopaedic Surgeon Workforce and Volume Assessment for Total Hip and Knee Replacement in the United States: Preparing for an Epidemic” Iorio, R. et al, *Journal of Bone & Joint Surgery* July 2008

² “Joint Replacement Access in 2016: A Supply Side Crisis” Fehring, T, AAOS PPN P043