

## Dr. Brian Cole: 5 Big Challenges for Orthopedic Surgeons Today <sup>Featured</sup>

Written by [Laura Miller](#) | June 19, 2012

<http://www.beckersorthopedicandspine.com/orthopedic-spine-industry-leaders/item/12329-dr-brian-cole-5-big-challenges-for-orthopedic-surgeons-today>



Brian Cole, MD, section head of the Cartilage Research Program and Cartilage Restoration Center at Rush University Medical Center, discusses five big challenges facing orthopedic surgeons in today's volatile healthcare environment.

**1. Consolidation in the healthcare space.** Over the past few years, more consolidation in healthcare has meant small orthopedic groups are merging together or with hospitals, and hospitals are joining larger health systems. Orthopedic surgeons are also becoming employed by hospitals at a higher rate than in the past. "There is clearly a move toward consolidation and that's something physicians need to be prepared for," says Dr. Cole. "There is an economy of scale for physicians joining hospitals, but physicians are at risk of losing control over the environment."

Around two-thirds of all physicians are now employed by hospitals, which has changed the care delivery model considerably. Providers are focused on improving efficiency, quality and lowering the cost of care through models such as accountable care organizations, bundled payments or another form of physician alignment.

"It's certainly possible that the concept of bundling physician and hospital payments will become more of a reality as fewer systems with a larger number of participants occur," says Dr. Cole. "There will be a large number of providers under a few umbrellas and we'll need to figure out how payments are tagged for either the provider or the hospital. People will be in a position to start creating change in this area."

**2. Loss of physician control.** New government regulations have made it difficult to sustain a single-physician or small group practice, which is one reason why more orthopedic surgeons are choosing hospital employment. While this arrangement provides for more defined working hours and set salary, employment also means following the hospital's processes and rules.

"It makes sense economically to consolidate because everything from the administrative functions of the practice to the IT required to run your business are huge expenses, but there is also a perception of loss of control that some physicians have otherwise enjoyed," says Dr. Cole. "Hospital employment could be evolutionary or revolutionary; I think there's a possibility that it could be revolutionary."

In other specialties, such as cardiology, almost 100 percent of the physicians are employed by hospitals because it wasn't economically feasible to remain independent. "I think orthopedic surgeons have been more protected, but the protection we've enjoyed is artificial," says Dr. Cole. "If it's happened with other healthcare providers, it's a matter of time before it happens to us."

**3. How much of healthcare reform will be enacted.** While it remains to be seen whether the Patient Protection and Affordable Care Act will be enacted or repealed, it will impact physicians significantly over the next several years. "If components of healthcare reform fall into place, ranging from mandatory coverage to mandates of where and what services physicians perform, we are going to have challenges," says Dr. Cole. "Providers will also have increased difficulties managing the financial exposure associated with federal programs such as Medicare."

Another big issue will arise if PPACA extends coverage to the currently uninsured population. If more people are insured and begin seeking orthopedic care, patients will have a difficult time obtaining access to care, especially if they have government payors. Government payors have traditionally reimbursed less than other payors, and if the reimbursement doesn't meet cost of care, another set of problems will ensue.

"There is a supply and demand issue, and it will become a requirement to look at the cost of providing care and potential reimbursement," says Dr. Cole. "Once cost of delivering care exceeds reimbursement, we'll have a different healthcare delivery model. This will depend on how much of healthcare reform is actuated."

**4. Growth within an active aging population.** As people age, they become more likely to need orthopedic care. The baby boomer population is increasing and many wish to maintain a high level of activity well into their later years. "Orthopedic surgeons must have an understanding of wellness and increased longevity and higher levels of activity in individuals of that age," says Dr. Cole. "That's a population I see day in and day out as they demand higher levels of resources, and appropriately so."

With technology and procedures constantly advancing, orthopedic surgeons are able to provide care for these patients and return them to a level of activity that wouldn't have been possible in the past. People are learning that they can enjoy an active lifestyle in their 60s and 70s, and with that requires extra care to help them increase functionality," says Dr. Cole. "The good news is we can treat these people; the bad news is that the economic burden will have an impact on what we can do."

The baby boomer population is one of the largest generations in America, and as they move toward Medicare coverage the sheer volume of people and demand for a higher level of care will affect the healthcare system. "There is no question that baby boomers will have an impact," says Dr. Cole. "Their demands on the healthcare system will outstrip what they did even 10 years earlier. They need care and that places a demand on healthcare resources."

**5. Developing evidence-based guidelines for orthopedic care.** Traditionally physicians were threatened by emerging pay-for-performance models, which compensated them for outcomes as a value proposition; increasingly, payors, hospitals and government regulators have been pushing physicians toward value-based decision making. Physicians must look at evidence in the literature and consider the cost of care to determine whether their treatment pathway is appropriate and value-driven.

"I think it's likely there will be an increased number of guidelines that are determined by evidence based medicine which I think will start to cause fragmentation within the provider side," says Dr. Cole. "There will be a need for general orthopedic surgeons in rural areas, but in areas with large population density, it makes sense to have care predicated on centers of excellence with well-defined critical paths."

Orthopedic surgeons are beginning to subspecialize down even further from "orthopedics" to consider themselves "knee surgeons," "shoulder surgeons" and "sports medicine" physicians.

"If you do more of one procedure and you function in a system that has developed critical pathways — driven by predictably good outcomes — then you have a model that is favorable for a wide distribution of services within a center of excellence," says Dr. Cole. "However, delivering high quality outcomes isn't always associated with economic advantages. Considering cost as only related to the resources used, underestimates the true cost of care. Failure of intervention, delays in return to work, and the cost of revision surgery should all be considered when looking for the most 'cost-effective' care."

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