When Will We Have a Value Model in Surgery?

Rory Carroll MD[1], Bruce J. Ramshaw MD[2], John W. Cromwell MD, FACS[1], Mallory Kallish[1], Elle McCormick[1], Haley Steffen, MD[1], Madison Brewster[1], Peter N. Nau MD, MS, FACS[1]
[1] University of Iowa, [2]Caresyntax Corporation

INTRODUCTION

Beginning in 2023, a tiered approach to reimbursement for ventral hernia repairs (VHR) based strictly on defect size was adopted by the American Medical Association.

To assess the impact of this change on reimbursement, value-based outcomes were collected one year before and one year after this modification.

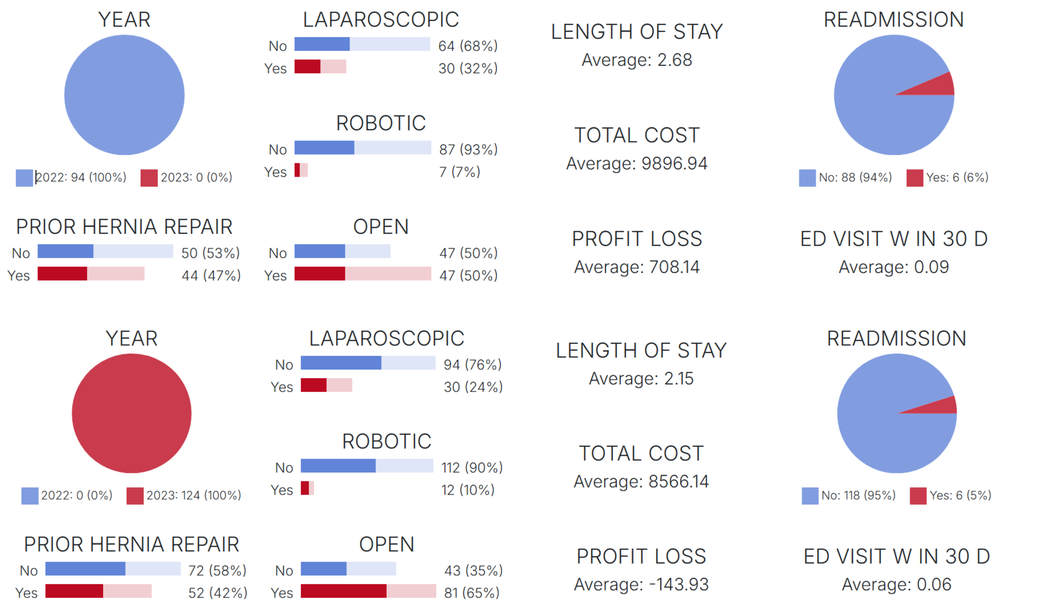
METHODS

An iterative clinical quality improvement process was employed to measure and improve value-based outcomes.

- Ventral hernia repair patients were identified through a physician practice clinical administrative database.
- Procedural information, clinical outcomes and financial data were collected.
- Datasets were merged to allow for analysis of the impact of the new codes on hospital profit margin.
- A data cleaning process was implemented to address data gaps, conflicts, errors and anomalies.

YEAR	Total Patients	Gender (F/M)	Age (Range)	BMI (Range)	Open (%)	Laparoscopic (%)	Robotic (%)
2022	94	53 / 41	56.0 (24 - 84)	31.69 (29.00 – 49.17)	47 (50.0%)	30 (31.9%)	7 (7.4%)
2023	124	61 / 53	55.8 (27 – 78)	31.00 (17.97 – 48.49)	81 (64.8%)	30 (24.0%)	12 (9.6%)

Table 1: Comparison of patient demographics and surgical approach.



Dashboard Comparing 2022 and 2023: Outcomes that measure VALUE of care including cost, length of stay, readmission and ED visit within 30 days were all improved in 2023. Despite this, the hospital profit declined demonstrating a lack of reimbursement support for VALUE-based outcomes

RESULTS

- 218 patients (114 female and 94 male) underwent VHR from 1/2022 to 12/2023.
- Patient demographics and surgical approach are presented in Table 1.
- Comparisons between financial outcomes, length of stay (LOS), readmission and other outcomes were collected for patients with VHR performed in 2022 versus 2023.
- When comparing the two years of different reimbursement strategies, the LOS was less in 2023 (2.15 vs 2.68 days).
- Although total costs were also less in 2023, the cost decrease was insufficient to maintain a positive net margin.
- A comparison of financial and clinical outcomes is presented in Figure 1.

CONCLUSION

The changes in VHR reimbursement in 2023 resulted in a significant revenue decline despite improvement in LOS, decreased cost of care and similar or decreased rates of complications.

After being profitable for the ventral hernia repair in 2022, the hospital experienced a negative net margin in 2023 resulting in a total decline in profit of $81,427.

The change in reimbursement for VHR did not reward improvement of value-based outcomes.

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