More than $150 billion is spent annually on medical devices in the United States, with orthopedic and cardiac procedures accounting for almost all of Medicare’s device-related expenditures.

Most of the recent increases in such expenditures have been related to the wider use of orthopedic devices, which is expected to grow even more as the population ages. The implanted device is often the single largest contributor to the cost of an orthopedic procedure—accounting for up to 87% of the cost in some cases. Yet surgeons know little about the cost of the devices they are implanting, a recent survey finds.

Survey
In the survey of 503 orthopedic surgeons and residents at 7 academic medical centers, most respondents said cost should play an important role in the selection of orthopedic devices they implant. However, their knowledge of device costs was low.

This was true even though the survey:
- asked about 13 commonly used orthopedic devices
- used institution-specific vendors and pricing
- excluded disposable components and other nonimplanted items.

Findings
Among the respondents, surgeons correctly estimated the cost of a device only 21% of the time—42% were underestimates, and 38% were overestimates.

Residents correctly estimated the device cost 17% of the time—50% were underestimates, and 33% were overestimates. Estimates within 20% of the actual cost were considered correct.

More than a third of surgeons and three-fourths of residents rated their knowledge of device costs “below average” or “poor.”

When asked about the importance of cost in the selection of orthopedic devices, respondents ranked this as follows:
- 8% said “extremely important”
- 30% said “very important”
- 48% said “moderately important”
- 13% said “slightly important.”

Fewer than 1% of those surveyed said they believed cost should be “not at all important” in the selection of devices.

Barriers
Though orthopedic surgeons have been encouraged to consider costs in their selection of devices, the authors note that several barriers make it difficult for them to acquire information about device costs:
- Many device companies regard pricing information as confidential, and most hospital contracts include clauses restricting cost disclosure.
- The price of a device may vary widely from 1 hospital to another.
- Device costs fluctuate greatly over time, despite the fact that purchasing agreements often span multiple years.
• Most orthopedic surgeons have no incentive to learn device costs because those costs don’t directly affect patient care or their own reimbursement. The authors concluded that surgeons must be educated about the prices of orthopedic devices they implant and should be given incentives to learn the prices and to participate in cost containment efforts.

Reference