

News Release

For immediate release

March 17, 2016

HCA chooses Virginia Mason as Center of Excellence for total joint replacement

OLYMPIA – The Health Care Authority (HCA) today announced that Virginia Mason Hospital & Medical Center will serve as the Center of Excellence for total joint replacements, part of HCA's continued efforts to pay for value instead of volume. Total joint replacement is historically one of the most costly and variably priced medical procedures.

Beginning in January 2017, members enrolled in the Public Employees Benefits Board (PEBB) Program Uniform Medical Plan will be able to choose the Center of Excellence for knee and hip replacements. HCA is reviewing options to create an incentive for members to choose Virginia Mason for this procedure, such as no deductible or coinsurance.

In the Center of Excellence model:

- Virginia Mason uses evidence-based best practices as recommended by the Bree Collaborative.
- Virginia Mason assumes financial risk for preventable surgical complications and infections.
- Virginia Mason's clinical team—including physicians, hospitals, and others involved in knee and hip replacements—coordinates patient care and encourages shared decision-making with the patient.
- HCA reimburses in what is called a "bundled payment," one sum for the entire range of care, including diagnosis, surgery and rehabilitation.

"This is another big step in our state's move toward value-based purchasing," said HCA Chief Medical Officer Dan Lessler, MD. "Total joint replacements can improve quality of life for our PEBB Program members, but this procedure also has potential for serious complications and poor outcomes. We are focused on expecting high-quality, evidence-based care for our members, not just paying for services."

"We are delighted to have been chosen by the Health Care Authority as the Center of Excellence for this important program," said Virginia Mason Chairman and CEO Gary S. Kaplan, MD. "At Virginia Mason, we are committed to providing high-quality, appropriate care at a predictable cost."

"Our teams are renowned for their expertise and success at helping to improve our patients' quality of life," said Lyle Sorensen, MD, chief of orthopedic surgery at Virginia Mason, whose total joint replacement program has been ranked among the best in the nation.

Bundled payments for hip and knee replacements are required by the federal government for Medicare patients in 67 metropolitan service areas. The PEBB Program contract with Virginia Mason goes a step further by contracting with them for all services related to total joint replacements, up to 30 days prior and 90 days post-procedure.

The Washington Health Alliance has identified total joint replacement as a procedure with great variation in complications and cost. Recent data shows that total hip replacements for PEBB Program UMP members cost between \$23,659 and \$66,647 across 23 hospitals around the state.

HCA chose Virginia Mason after a competitive bidding process, which included a requirement for demonstrating high-quality outcomes. The effort is part of HCA's Healthier Washington initiative. [House Bill 2572](#), passed in 2014, requires HCA "to increase the use of value-based contracting, alternative quality contracting, and other payment incentives that promote quality, efficiency, cost savings, and health improvement for Medicaid and public employee purchasing." Creating this Center of Excellence for Total Joint Replacement is one way HCA is working to meet this goal.

For more information

- [The Bree Collaborative recommendations on bundling payments](#)

###

Media contacts

[Amy Blondin](#), Chief Communications Officer

360-725-1915 (office)

360-688-0131 (cell)

About Washington State Health Care Authority

HCA is the state's top health care purchaser, covering more than 2 million Washington residents through Apple Health (Medicaid) and the Public Employees Benefits Board (PEBB) Program. We work with partners to help ensure Washingtonians have access to better health and better care at a lower cost. For more information, visit www.hca.wa.gov.

Please do not reply directly to this message. If you have feedback or questions, please visit the [HCA website](#) for contact information.