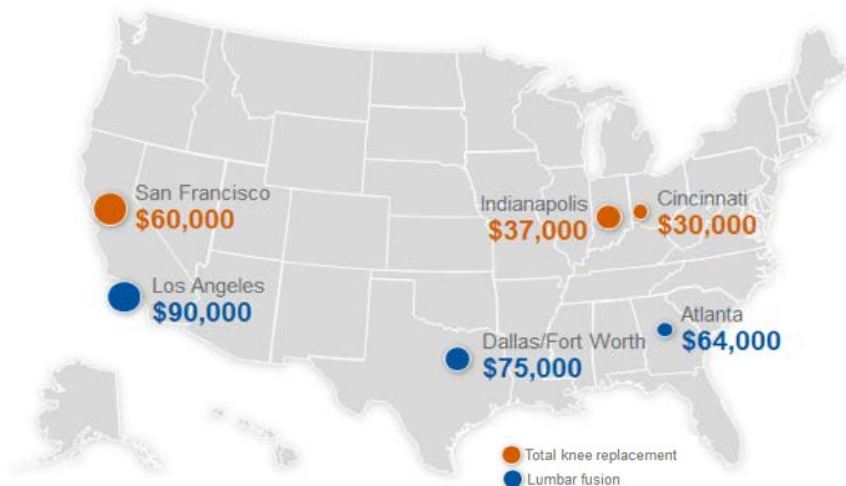


National trend: A huge wave of orthopedic costs will hit employers in coming years



Cost varies dramatically from region to region

In Cincinnati, knee replacement for an employee will cost \$30,000 on average.¹ The same procedure will typically run double for an employee in San Francisco. Costs can even diverge within the same ambulatory surgical facility or hospital. It's not uncommon to find:

- Variation in billing for facility usage, timing or imaging
- Separate bills for multiple professionals, e.g., surgeon, anesthesiologist
- Variation in place of service for physical therapy and follow-up care

In short, if unmanaged, orthopedic surgical care and expenses are likely to be consistently inconsistent.

Harness the advantages of Centers of Excellence

The Optum™ [Spine and Joint Solution](#), using our Centers of Excellence* (COE), helps deliver better quality at a lower cost. Our approach features a bundled, predictable fee covering most surgical, facility and professional expenses. And your members receive high-quality care from top providers at leading regional orthopedic care centers.

Undisputed care quality and predictable costs

The COEs are evidence that superior health care is not the most expensive. In fact, facilities that perform higher numbers of orthopedic surgeries consistently deliver better outcomes at lower costs.⁸ The qualification process is overseen by the Optum Clinical Sciences Institute and leading independent medical specialty physicians.

Benefit plan tailored for you

We work with every client to design a program to meet their needs, and to guide members to high-quality medical care at our COEs.



What's behind the explosive growth in orthopedic surgeries?

- Aging population²
- Growing rates of obesity³
- Poor medical decisions

17% of all health care spending is on musculoskeletal conditions

33% of musculoskeletal costs are for orthopedic surgeries⁴

93% increase in knee replacements nationally from 2001 to 2011

70% increase in spinal fusion surgeries nationally from 2001 to 2011

38% increase in musculoskeletal surgeries⁵

The number of knee and hip replacements among 45- to 64-year-olds is expected to double by 2020.⁶

RESOURCE CENTER FOR HEALTH & WELL-BEING



Benefits of the Optum orthopedic Centers of Excellence

Quality, affordability and a personalized member experience are the foremost features of the Optum Spine and Joint Solution.

FOR EMPLOYERS	FOR EMPLOYEES
<ul style="list-style-type: none"> • Lower costs — up to 25%⁷ • Cost transparency • Predictable claims expense • Assurance that employees and covered family members are getting excellent care • High satisfaction rates from employees who have undergone surgery at a COE 	<ul style="list-style-type: none"> • Reliable, expert advice from qualified orthopedic nurses on options for their care • Dedicated care navigators at the COEs • Higher likelihood of achieving a better quality of life in a shorter recovery period • 30% lower readmission rates at COEs compared to other facilities in their regions⁸

Sources

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*The Centers of Excellence (COE) program providers and medical centers are independent contractors who render care and treatment to health plan members. The COE program does not provide direct healthcare services or practice medicine, and the COE providers and medical centers are solely responsible for medical judgments and related treatments. The COE program is not liable for any act or omission, including negligence, committed by any independent contracted healthcare professional or medical center.



With more surgeries, come more costs

- *Lumbar spine fusion:*
\$58K average cost per case
- *Knee and hip replacements:*
\$29K average cost per case

Rising orthopedic surgical costs

- 10% for spine surgery
- 6% for joint replacement surgery⁹

Costs beyond medical care

- More missed workdays
- More disability claims

We can provide you with an analysis of your expected future costs for elective spine, hip and knee operations — and what you might be able to save with the spine and joint solution.

For more information, contact your Optum representative, call 1-866-386-3404 or email us at info@optum.com.