

Roy Strong, CEO  
Ortho Montana  
Billings Montana

“Serving patients with orthopedic needs in central/Eastern Montana and Northern Wyoming since 1969.”

Basic Facts:

In 2016, Ortho Montana had:

1. 10,697 New Patients
2. 24,140 Established Patients
3. 90,118 Total Visits
4. 35,351 Office Visits
5. 19,137 Surgical Cases

Ortho Montana has:

1. 44 Total Providers (Physicians, Physician Assistants, Physical Therapists and Occupation Therapists.
2. Our 16 physicians provide specialized care with in orthopedics by requiring and recruiting providers with only fellowship training. (Extra year of training)
3. 4 locations in Billings. Also providing weekly service for Glendive Medical Center and Central Montana Medical Service. Outreach service to Big Timber, Red Lodge, Harlowton, Hardin, and Miles City.

Questions from Chairman Kathy Kelker

1. Ortho Montana is a for-profit organization developed as a Personal Service Corporation, PSC. Exact profit margin is hard to define with PSCs. Profits are received by the physician owners as their salary.
2. Costs for providing Healthcare- Ortho Montana utilize Relative Value Units (RVU) to develop fee structure. Utilizing internal (expenses) and external data (RVU and frequency), a conversion factor is developed. This conversion factor is then multiplied again the RVU to develop the fee schedule/Cost. Cost based methods are not used as a method for developing our fee structure.

Factors that are considered include practice expenses, payer mix, total compensation, and mal practice costs. Market dynamics,

3. Over the past 5 years, costs for providing services to patients, payers and employers has not increased except for some minor changes.

4. Ortho Montana has been significantly involved in reducing costs. Some examples include:
  - a. **In Office Procedures**- Moving some procedures (carpal tunnel, trigger finger, etc.) from a hospital setting or an ambulatory surgical center to an in office setting. This change has eliminated the hospital/ASC facility fee and eliminated the anesthesiology fee (procedure is done under local anesthetic). 200 procedures per year are now done in this manner significantly saving all.
  - b. **Bundling Services**- Bundling physician costs along with facility costs have resulted in significant saving to payers and patients. Bundling has been accomplished with procedures that are most easily replicated (Hip and Knee Replacements example). This has been implemented with CMS patients (BPCI) and commercial payers.
  - c. **Inpatient surgery to outpatient surgery facility**- Physician providers at Ortho Montana have worked diligently to safely shift some inpatient volume from a hospital setting to a lower cost ambulatory surgery center. This has been accomplished through improvement in technique, pain control medicine and staff training. Most patients and commercial payers have accepted these procedures. Government payers and Workers Compensation payers have not accepted these changes at this point.
  - d. **Utilization**- Ortho Montana has worked diligently to reduce the over utilization of high price imaging by educating primary care providers (and patients) of appropriate imaging (x-ray v. CT/MRI).
  - e. **Implant Costs**- Ortho Montana has worked diligently with our facility partners (St. Vincent Healthcare and the Yellowstone Surgery Center) to reduce the costs of implants for spine and total joint replacements.