

**Introduction**

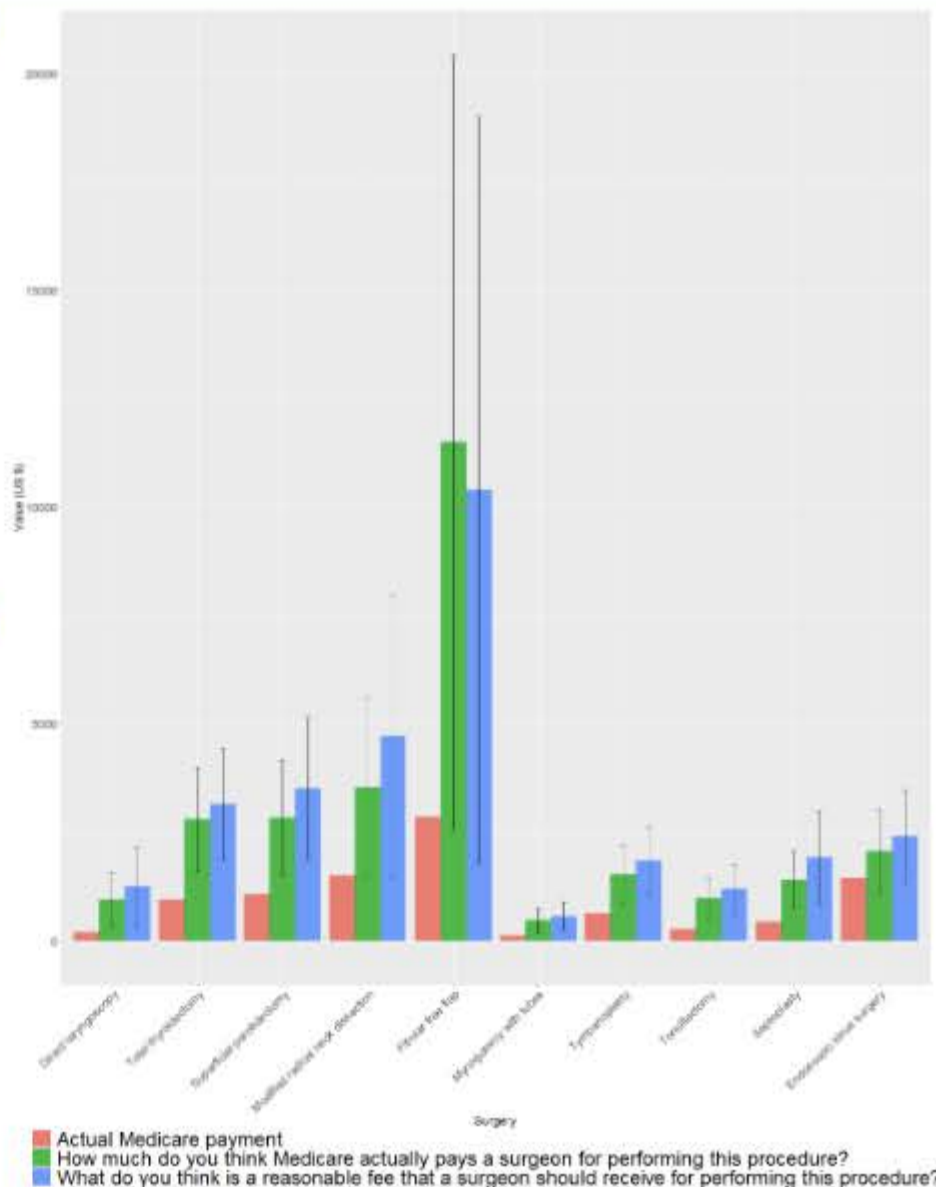
The general public perceives that surgical procedures contribute heavily to medical costs and the rising cost of health care.<sup>1</sup> Yet, previous studies have also suggested that patients believe that physicians should be reimbursed more than Medicare rates.<sup>1</sup> Health care administrators influence health policy and their perceptions of the value of head and neck surgery may impact future reimbursement. Little is known about the reimbursement perceptions of health care administrators with regards to otolaryngologic surgeries. The purpose of this study was to assess the perceived value of otolaryngologic surgeries among future health care administrators.

**Methods and Materials**

In May 2018, 2<sup>nd</sup> year Masters in Health Systems Administration (MHSA) students were invited to complete an anonymous survey regarding perceived value of head and neck surgeries. Five index surgeries were included in the survey: direct laryngoscopy with biopsy, parotidectomy, thyroidectomy, neck dissection and fibula free flap. Additionally, 5 general otolaryngology surgeries were included: myringotomy, tympanoplasty, tonsillectomy, septoplasty and endoscopic sinus surgery. Each surgery was described in plain language and indications, risks, duration and anticipated hospital stay were outlined. Half of subjects were randomized to receive anchoring values of Medicare surgeon reimbursement for analogous-complexity non-otolaryngologic surgeries. For each surgery, subjects were asked: 1) What do you think is a reasonable fee that a surgeon should receive to perform this procedure? and 2) How much do you think Medicare actually pays a surgeon for performing this procedure? The ratio of each estimate to the actual Medicare payment was calculated. Student t-tests were used to compare continuous variables and Mann-Whitney U tests were used to account for extreme outlying values.

**Results**

Among 20 subjects, estimates of what is a reasonable fee were significantly greater than actual Medicare payment for both head and neck (mean ratio 7.9, 95% CI 5.3-10.4) and general otolaryngologic surgeries (mean ratio 2.6, 95% CI 1.9-3.3). Similarly, estimated Medicare payments were significantly greater than actual Medicare payments for both head and neck (mean ratio 7.1, 95% CI 4.5-9.8) and general otolaryngologic surgeries (mean ratio 2.7, 95% CI 1.5-4.0). The median ratio of estimated fee to actual Medicare payment was significantly greater for head and neck than general otolaryngologic surgeries (3.2 vs. 1.5, p<0.001). The median ratio of estimated payment to actual Medicare payment was also significantly greater for head and neck than for general otolaryngologic surgeries (2.4 vs. 1.0, p<0.001). There was a non-significant trend toward lower estimates among subjects who were provided anchoring values.



**Discussion**

This survey of future health care administrators highlights the discrepancy between the perceived value of head and neck surgeries and current Medicare reimbursement. Such discrepancies can affect the way administrators view the services that head and neck surgeons provide, potentially making our specialty a target for cuts in reimbursement. The widespread belief that physicians are overpaid results in public support for reductions in physician reimbursement. In April 2016, Highmark Blue Cross Blue Shield announced it would cut provider rates by 4.5% to recoup financial losses incurred by the Affordable Care Act (ACA).<sup>1-2</sup> We found that health care administrators in training consistently value head and neck surgery above current Medicare reimbursement and overestimate the payment that head and neck surgeons receive from Medicare.

**Conclusions**

Future health care administrators overestimate Medicare reimbursement for head and neck surgeries to a greater degree than they do for general otolaryngologic surgeries. However, they believe these costs to be reasonable based on the types of surgeries performed by head and neck surgeons. These findings should be leveraged as the Centers for Medicare & Medicaid Services explores models of value-based care that will impact our specialty.

**Contact and Disclosures**

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The authors have no conflicts of interest to disclose.

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