

Medicare Savings Estimate for O&P Services to Date

The following savings calculator estimates the total Medicare savings attributed to the receipt of O&P services from a known starting date.

This model is based on the findings of the Dobson | DaVanzo retrospective cohort study¹, in which Medicare realized savings over an 18 month period for patients who received O&P services compared to clinically and demographically comparable patients who did not receive the services. The findings from our original study are only generalizable to the matched pairs analyzed, as unmatched patients may have different clinical and demographic characteristics, producing different Medicare savings estimates. As a result, we caveat our results with the assumption that, for each year, Medicare patients who received O&P services but were not included in the retrospective cohort analysis had the same clinical and demographic characteristics as those included. Therefore, the estimated savings from the study can be generalized to the larger Medicare O&P population using this calculator. The number of O&P patients each year are inflated by the increase in the Medicare population overall.

Results suggest that Medicare saved **\$3.44 per patient per day** who received O&P services, compared to their estimated Medicare payments if they were to not have received these services. Across all O&P patients in 2013, Medicare saved \$634,192.23 per day. In factoring in the expected growth in O&P services due to changes in the number of Medicare beneficiaries, Medicare is expected to save **\$634,242.33 each day in 2014.**

	Per Patient Average Cost (Savings) for 18 Months Following O&P Service	Number of Unique Patients Receiving O&P Services (2008)		Weighted 18 Month Savings per O&P Patient	Total Medicare Savings (2013 Inflated Volume) ^a
Lower Orthoses	-\$2,920.00	158,294	63.90%	-\$1,865.88	-\$340,463,851.88
Spinal Orthoses	-\$93.00	76,719	30.97%	-\$28.80	-\$2,547,112.13
Lower Prostheses	\$728.00	12,709	5.13%	\$37.35	\$547,158.80
Total	-\$2,285.00	247,722	100.00%	-\$1,857.33	-\$342,463,805.21
Estimated Monthly Cost (savings) (2013)				-\$103.18	-\$19,025,766.96
Estimated Daily Cost (savings) (2013)				-\$3.44	-\$634,192.23
Estimated Per-Second Cost (savings) (2014) ^b					-\$7.34
Days between January 1, 2014 and July 31, 2014				211	
Total Savings in Days through July 31, 2014^b				-\$725.73	-\$133,825,131.44

^a Volume of patients receiving O&P services inflated by the compound annual growth rate in the Medicare enrollment from 2008 through 2013 (2.88%). Savings were not inflated over the same period as this analysis assumes that the Medicare payment for patients who received O&P services increased at the same rate as those who did not, maintaining the savings estimates.

^b Total Medicare savings for 2014 includes a per-day inflation in the number of Medicare beneficiaries receiving O&P services equal to the CAGR of growth in Medicare beneficiaries from 2008-2013 (2.88%) divided by 365.

¹ Dobson A, El-Gamil A, Shimer M, DaVanzo J. (2013). Retrospective Cohort Study of the Economic Value of Orthotic and Prosthetic Services Among Medicare Beneficiaries. Submitted to the Amputee Coalition and American Orthotic and Prosthetic Association.

Instructions: To update the calculator, adjust the formula in cell E14 (in pink) with the current end date.